Latrobe Magnesium

Smart | Efficient | Green

A Critical Western Magnesium Producer

ASX: LMG

April 2026

Investment Highlights

Latrobe Magnesium's (LMG) world-first, low-cost and environmentally sustainable hydromet / thermal reduction process converts brown coal ash into magnesium metal and other valuable commodities.

Achieved continuous production of sustainable high-grade Magnesium Oxide (MgO). LMG has achieved continuous production of the world's first sustainable MgO from brown coal ash at its A$76m demonstration plant in the Latrobe Valley, Victoria. LMG's MgO contained 90% magnesium compounds with the ability to simply increase to 95%+, meeting the purity requirements for LMG to transition into magnesium (Mg) metal production in the 2H CY26.

US$2m Magnesium metal prepayment from Tier 1 US distribution partner. Metal Exchange LLC (MX), LMG's 100% offtake partner, has paid US$2m as a prepayment on future deliveries of Magnesium metal from the demonstration plant.

Critical mineral underpinned by structural tailwinds. Magnesium is emerging as a strategically critical mineral, with heavy supply concentration in China driving urgent diversification efforts. Defence needs and energy transition trends underpin strong long-term demand amid heavily constrained Western supply. Magnesium is recognised as a Critical Mineral by the governments of Australia, Canada, USA, Japan, UK and the EU.

Compelling value with funding partner in place. To date, LMG has spent over A$76 million on its demonstration plant and more than A$20 million on its intellectual property. With a market capitalisation of approximately A$59m, LMG presents a compelling value proposition. LMG has received a letter of support from Export Finance Australia (EFA) and a letter of interest from EXIM for A$200m to assist with the construction of the 10,000tpa commercial plant in the Latrobe Valley.

LMG will produce magnesium and other valuable saleable products from its feedstock. These include supplementary cementitious materials (SCM), iron oxide, agricultural lime and char which are expected to generate ~25% of revenue. The additional products diversify and derisk LMG's revenue base, making it a multi-commodity producer with a broad customer base, at no incremental cost of production.

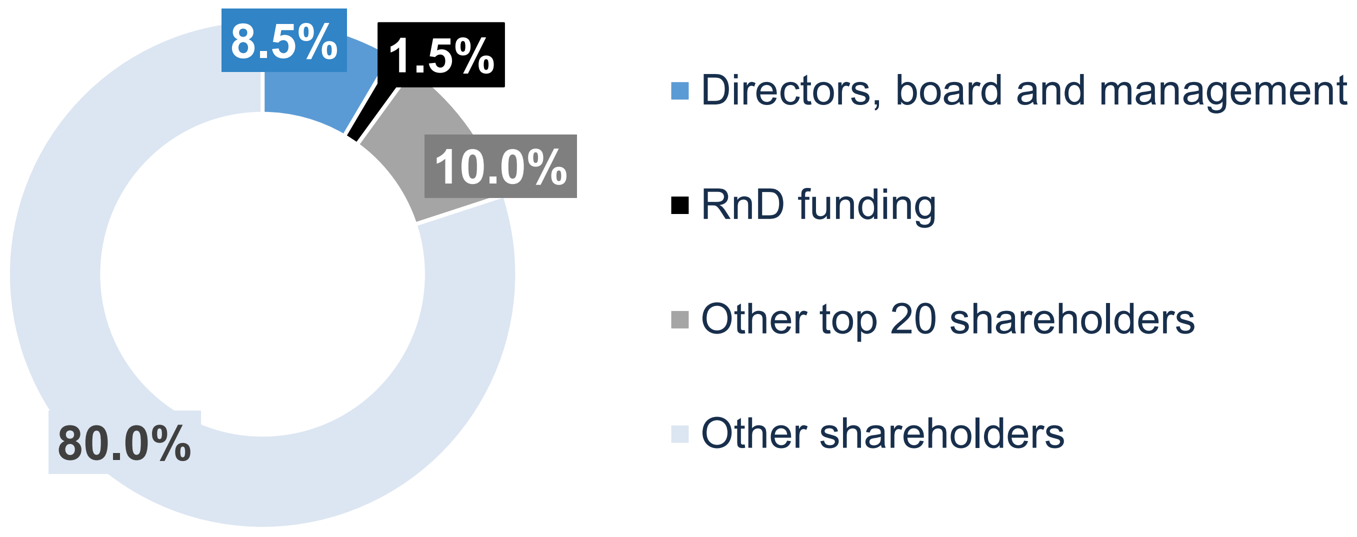
LMG's patented, CO_2-sequestering hydromet technology allows it to become a low-cost, environmentally responsible global producer of clean minerals. LMG's feedstocks contain MgO and calcium oxide, rather than carbonates. The result is more than a 60% reduction in CO_2 emissions relative to Chinese magnesium producers.

Corporate Overview

Summary[1]

ASX Ticker	LMG
Share price	$0.019
Shares outstanding	3,127,816,808
Unquoted securities	227.7
Market capitalisation	**59.4**
Net cash[2]	4.1
Enterprise value	**55.3**

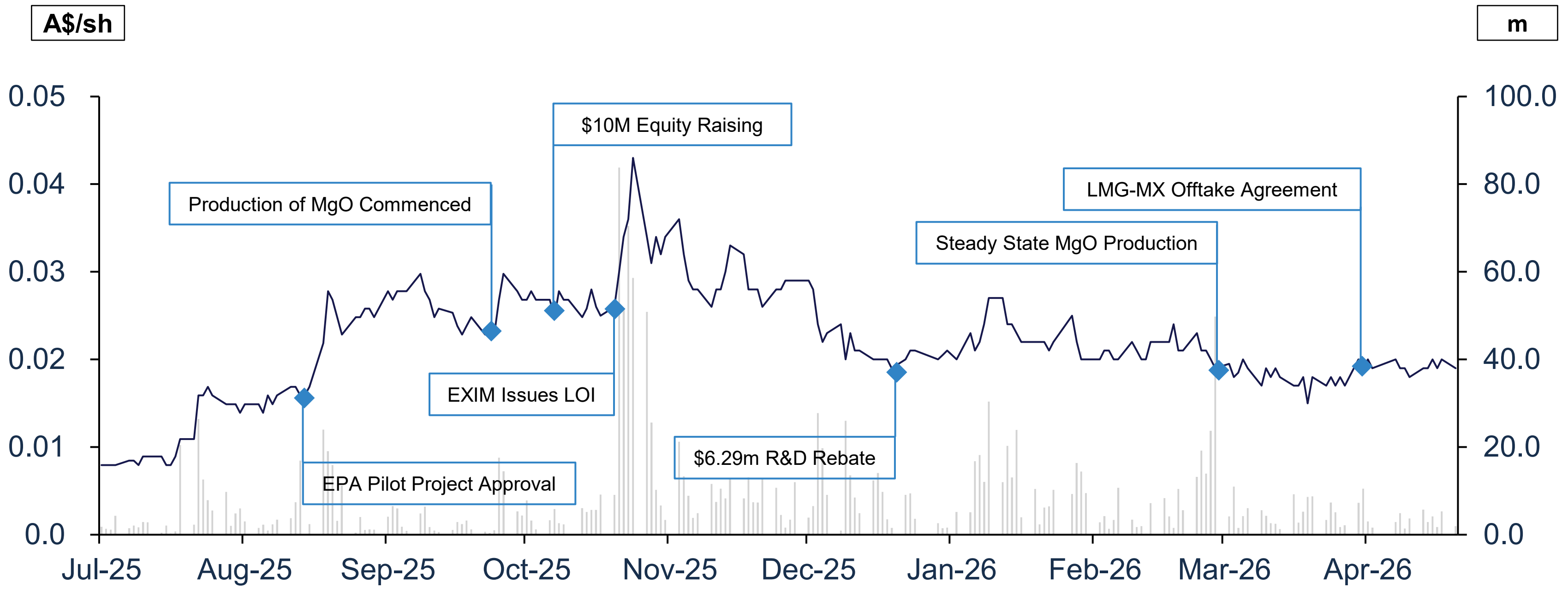
Shareholder Summary[4]



Unquoted Securities[3]

On Issue	Ex. Price	Ex. Date
Code: LMGAC (Warrants)		
80,000,001	Various Prices	Various Dates
Code: LMGAG (Options)		
85,112,937	$0.079	12 August 2027
Code: LMGAH (Options)		
20,000,000	$0.019	10 April 2028
Code: LMGAJ (Options)		
42,626,655	$0.046	12 November 2027

FY26 Share Price and Volume



(1) As at 20 April 2026. (2) As at 31 December 2025. (3) Refer ASX Announcement 5 January 2025 for details of unquoted securities. (4) Based on IRESS as at 31 March 2026.

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Board and Management

Jock Murray AO, Chairman

- ✓ Extensive financial background, including with NSW Department of Transport, The Hills Motorway (M2) and Terminals Australia.
- ✓ Prior to business, he had a distinguished military career.

John Lee, Non-Executive Director

- ✓ Senior management experience in the Federal Department of Employment and Industrial Relations. He was also senior private secretary and principal adviser to Tony Street, a senior Federal cabinet minister.

John Collier, CFO

- ✓ Extensive CFO and Commercial Director experience in infrastructure and construction (including with Sydney Metro and Western Sydney Airport), and professional services.
- ✓ Associate of CAANZ and member of the Australian Institute of Company Directors.

David Paterson, CEO and Director

- ✓ Qualified non-practicing Chartered Accountant, including with Tricontinental Corporation and Coopers & Lybrand.
- ✓ Founding partner of the Latrobe Magnesium project and became CEO in 2005.

Philip Bruce, Non-Executive Director

- ✓ Experienced mining engineer with extensive resource industry experience in Australia, South Africa, West Africa, South America and Indonesia in operations, project development and corporate management.

Ronan Gillen, COO

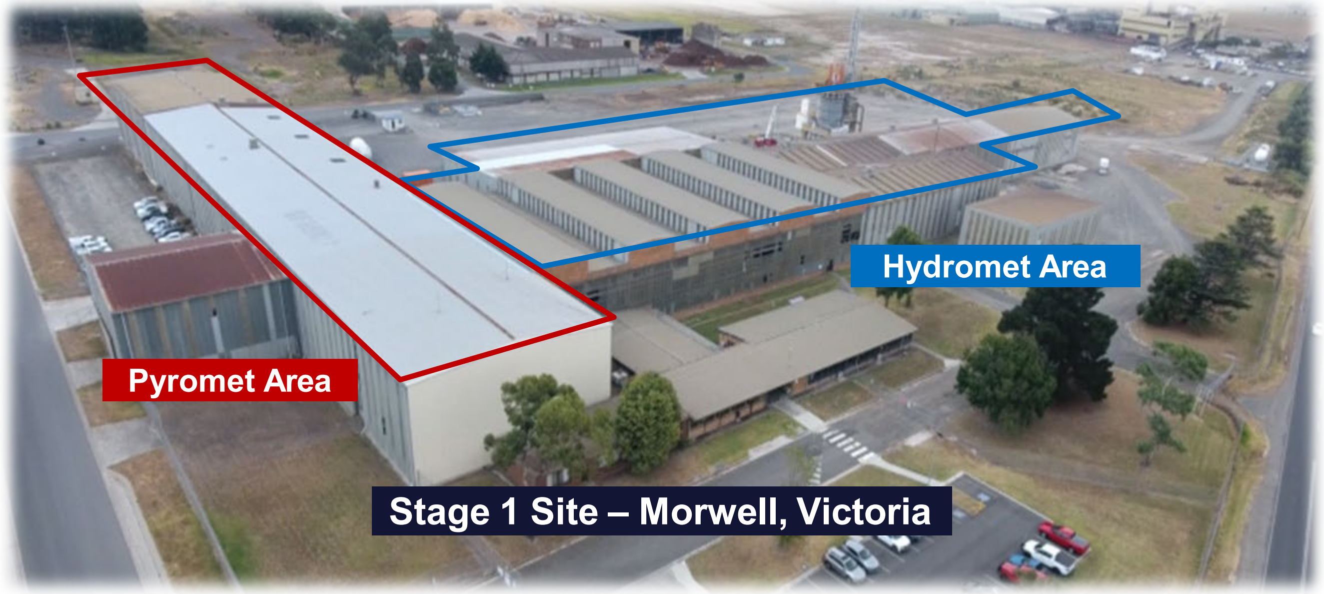
- ✓ Process engineer and project manager, with over 25 years' experience in the resources sector across Australia, China, Saudi Arabia and Korea.
- ✓ Operational experience with Alcan, Rio Tinto, along with project management roles at Bechtel and Fluor.
- ✓ Multi commodity experience.
- ✓ Holds an Executive MBA from Melbourne Business School.

Demonstration Plant

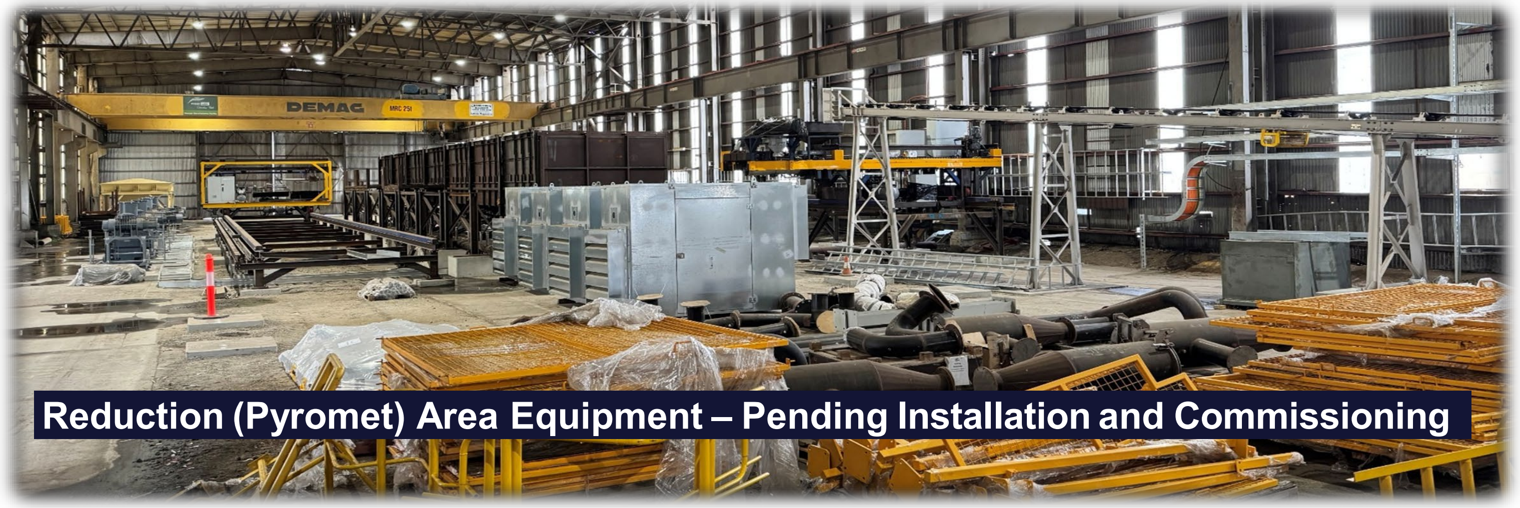
LMG has built a $76m Demonstration Plant with **a production capacity of 500tpa of Mg metal per annum**. This plant has already achieved continuous production of the **world's first high-grade Magnesium Oxide from coal ash**. LMG's is the most advanced new magnesium project globally (outside China) and is **ready to produce first Mg metal in the second half of 2026 for delivery to LMG's US offtake partner – Metal Exchange LLC.**


Hydromet Area


Spray Roaster



Stage 1 Site – Morwell, Victoria


Reduction (Pyromet) Area Equipment – Pending Installation and Commissioning


MgO Delivery

Recent and Future Catalysts

Recent Catalysts

Continuous production of high-grade MgO: LMG's world-leading magnesium demonstration plant in the Latrobe Valley has successfully produced approximately 20t of high-grade (90%+) MgO from a two-week period of continuous production.

US$2m non-dilutive funding from Tier 1 US distribution partner: LMG's contracted US Distribution Partner, Metal Exchange LLC (MX) has paid US$2 million as a prepayment on future deliveries of Mg metal from the demonstration plant. First Mg metal deliveries are expected to occur during 2H CY26.

MgO Bags

MgO Product

Future Catalysts

BFS for 10,000tpa commercial plant: LMG is looking to use operating data and performance from the current demonstration plant to underpin the BFS for the 10,000tpa commercial plant. LMG has a loan application with EXIM for this funding.

First magnesium metal production: First Mg metal production and deliveries in accordance with the LMG-MX offtake agreement are anticipated during 2H CY26.

First magnesium sales and revenue: MX has provided a US$2 million prepayment for future shipments of Mg metal from LMG's Stage 1 demonstration plant. MX will purchase all Mg metal produced from the demonstration plant and the future commercial plant.

Strategic investment / partnership: LMG has received a letter of support from EFA, a letter of interest from EXIM for A$200m of commercial plant funding and is in advanced talks with additional strategic partners.

Latrobe Magnesium

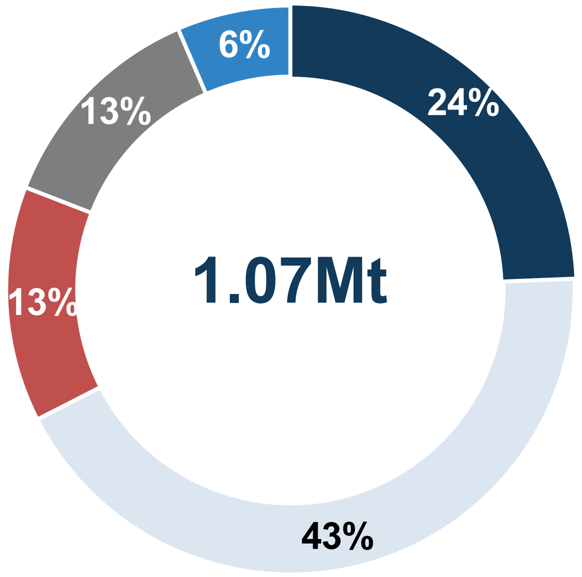
METAL EXCHANGE CORPORATION

Critical Mineral Underpinned by Structural Tailwinds

Magnesium is emerging as a strategically critical material, driven by defence demand, supply chain security and lightweighting trends.

Structural Tailwinds	Comments
Supply Chain Concentration	**Drives urgent need for ex-China supply diversification** – ~85-90% of global supply produced in China and 6% produced in Russia – Western markets exposed to single-source risk – Classified as a critical mineral (US/EU)
Defence & Strategic Importance	**Magnesium increasingly viewed as a strategic defence input** – Critical for aerospace and lightweight missile components and drones – US Department of Defence are prioritising securing domestic supply chains, reducing reliance on China
Structural Demand Growth & Limited Supply	**Long-term demand supported by energy transition and limited western supply** – Recent closure of America's largest magnesium supplier in September 2025 – Lightest structural metal, which remains critical for EV range optimisation and aerospace fuel efficiency – OEMs are under pressure to meet emissions targets

Global Magnesium Demand & Consumption by Market Sector (2025)[1]



End-Use
Die Casting
Alloying (inc. Aluminium)
Steel De-Sulphuring
Metal Reduction
Other

Global Demand (2025)	Forecast Global Demand (2032)
1.07Mt	**1.67Mt**

China's Share of Global Supply (2025)	Industry Standard Emissions Intensity	Latrobe Magnesium
>90%	**20-40+ t CO_2** (per t Mg)	**5-9 t CO_2** (per t Mg)

(1) SMM March 2026, CM Group, IMA Conference Presentation, May 2024

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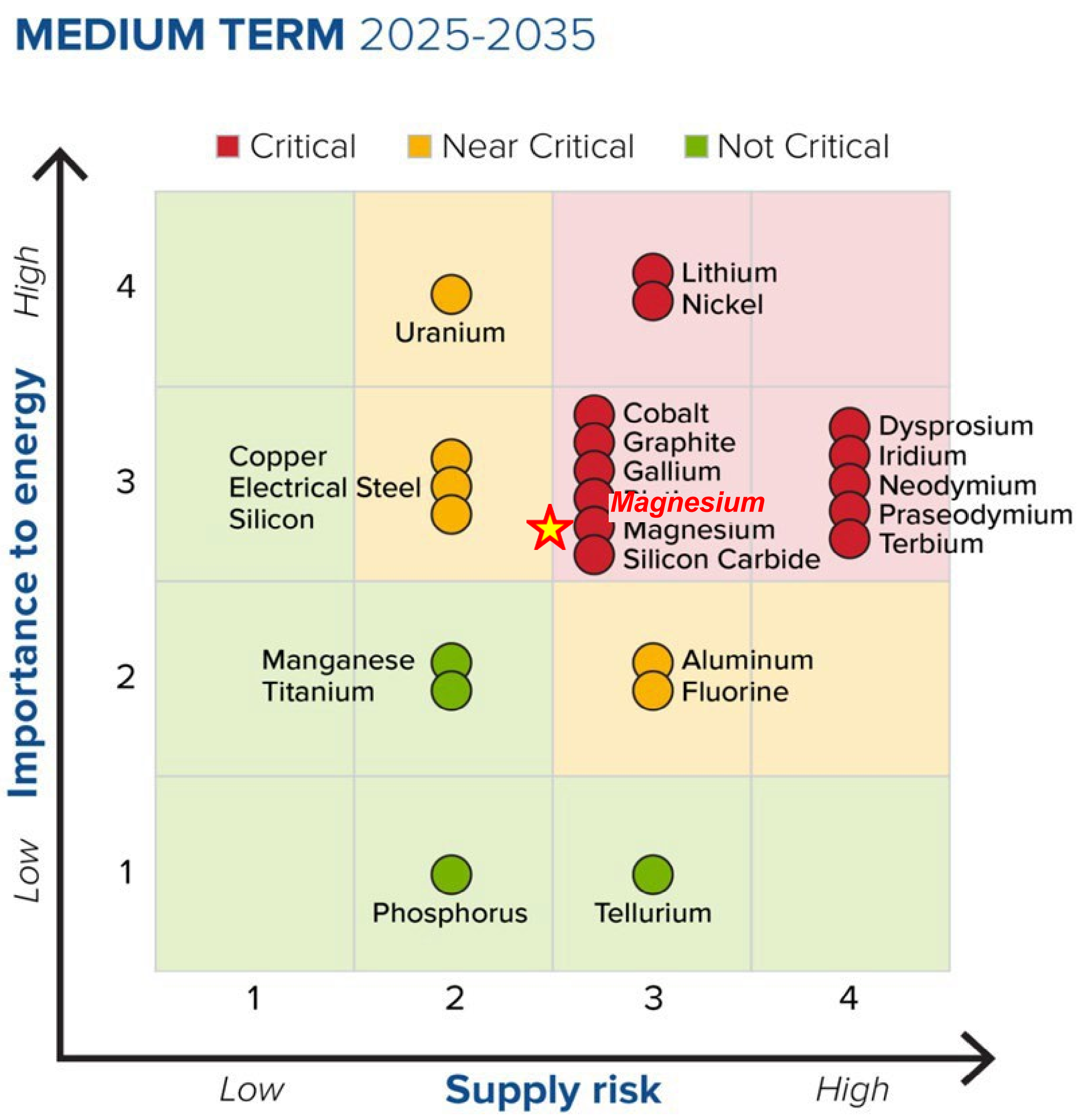
Critical Mineral Underpinned by Structural Tailwinds (Cont'd)

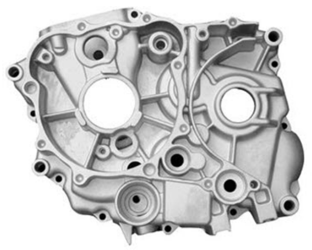
A Critical Mineral in the coming decade[1]



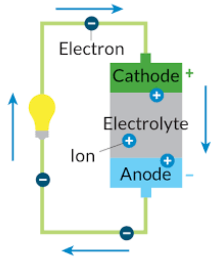
A Wartime Commodity

Aluminium Sheet

Die Cast Components

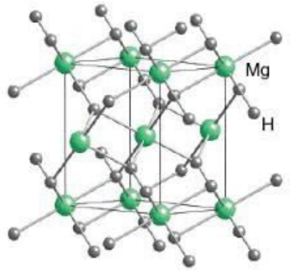


Magnesium Batteries



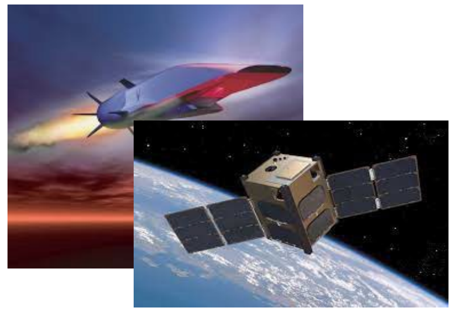
Electronics Enclosures

Magnesium Hydride (Hydrogen Storage)



Countermeasures

Aerospace



Bioabsorbable Implants

Rotorcraft

(1) US Department of Energy

Operations Pathway

LMG's hydromet process, developed over decades, holds unique international patents for the recovery of magnesium from brown coal ash and ferro nickel slag.

Plant	Feedstock	Emissions	Financials[1]	Assumptions	Project Status
1 **Demonstration Plant** **500tpa** *Victoria, Australia*	Ash	Tonnes of CO_2 per ton of Mg: 8.2	**Capex:** A$76m **Revenue:** A$11m p.a. **EBITDA:** Break even	**Revenue Mg Price:** US$7,165/t **Cost of Production:** Break even	• Demonstration Plant achieved steady production of MgO. • Commencing install and commissioning of Mg plant • LMG intends to produce Mg metal at the Demonstration Plant in H2 CY26.
2 **Commercial Plant** **10,000tpa** *Victoria, Australia*	Ash	Tonnes of CO_2 per ton of Mg: 6.6	**Capex:** A$250m **Revenue:** A$135m p.a. **EBITDA:** A$63m p.a.	**Revenue Mg Price:** US$7,165/t **Cost of Production:** US$[2,800 – 3,200]/t	• BFS targeted for commencement in CY26, with completion and FID targeted for CY27. Production targeted from CY28. • Offtake agreements in place for 100% of saleable Mg metal products. • Fully funded, formal financing discussions have commenced.
3 **International Plant** **100,000tpa** *Sarawak, Malaysia*	Ferro Nickel Slag	Tonnes of CO_2 per ton of Mg: 4.0	**Capex:** A$1.1bn **Revenue:** A$1.16bn p.a. **EBITDA:** A$495m p.a. **NPV:** A$3.0bn	**Revenue Mg Price:** US$4,233/t[2] **Cost of Production:** US$[2,000 – 2,400]/t	• Further studies underway on ferro-nickel slag as feed stock. • Land agreement in place. • Hydropower access granted by the Malaysian Authorities in March 2025.

(1) The Demonstration Plant estimates have been determined internally by the Company pursuant to the feasibility study announced to the market on 2 September 2019, 23 September 2019 and 31 October 2019, whilst the Commercial Plant estimates have been determined by the Company's internal estimates based upon Demonstration Plant actual costs, subject to relevant cost escalations and the International Plant estimates have been determined by the Company on the basis of a pre-feasibility study conducted by Bechtel. (2) Weighted average price assumption where 20% of production is sold at US$3.25/lb and the remaining 80% is sold at China price of US$3,500/t.

Hydromet Process and Product

The Demonstration Plant has proven LMG's patented hydromet process, fully de-risking the process ahead of Commercial Plant works.

Patented Process and Product Overview

Ash is leached with acid solution during the leaching process, minerals are extracted and the product is refined downstream to create magnesium with associated saleable by-products. The patent mainly involves the hydromet process, which essentially takes the ash or ferro nickel slag (magnesium rich waste feedstock) and extracts magnesium.

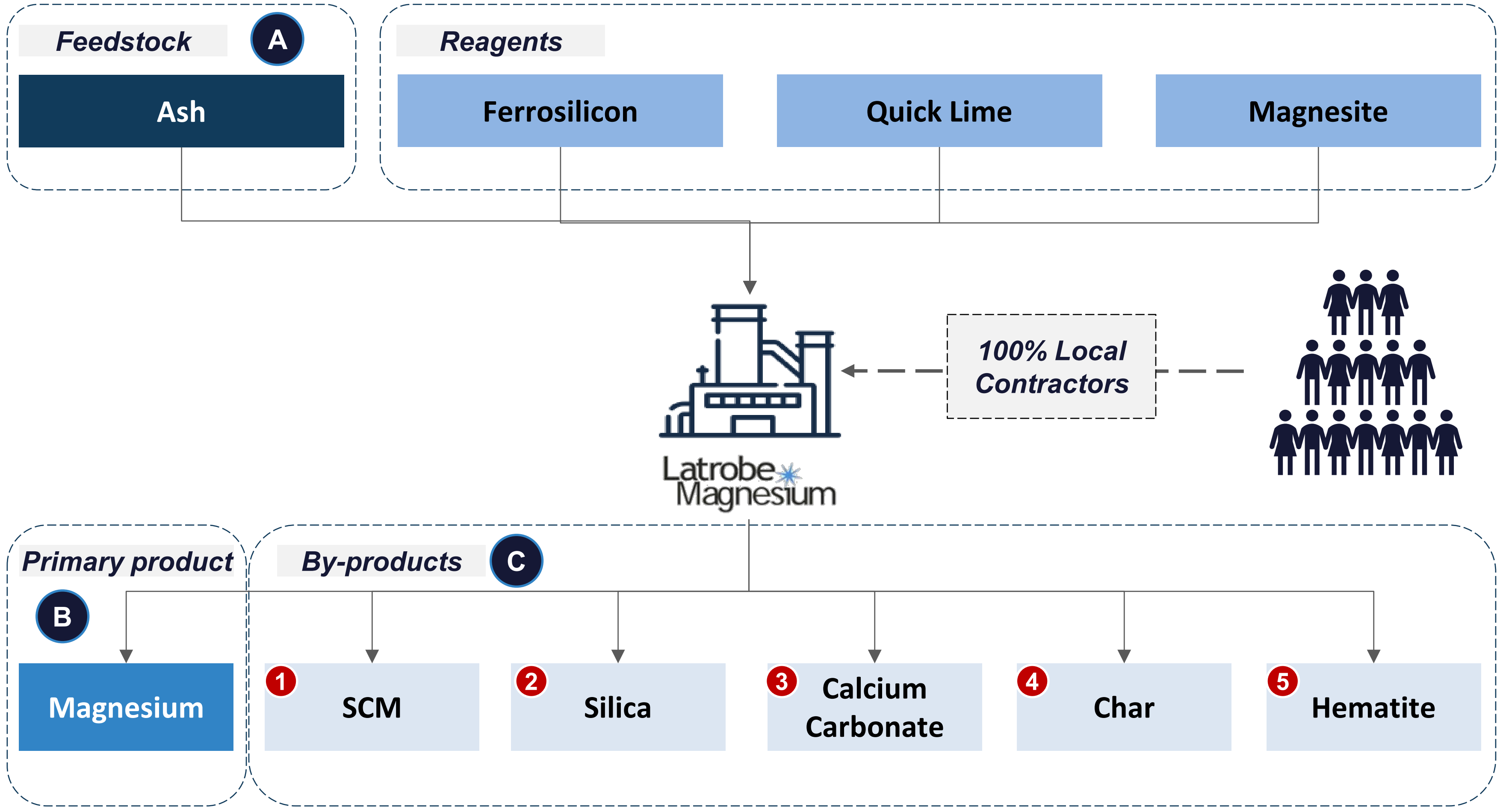
A **Ash**
Ash will be supplied from the Yallourn Power Station which will produce sufficient feedstock over the next four years to supply a 10ktpa plant for over 20 years, in addition to current deposit inventories which are millions of tonnes of ash.

B **Magnesium**
Latrobe's Commercial Plant will produce up to 10ktpa of Mg metal sold primarily to the US, under existing offtake agreements, with only 6.6t of CO_2 produced per ton of magnesium.

C **By-products**
In addition to the Mg metal production, the Commercial Plant will produce several by-products accounting for ~25% of revenue.

1. *SCM* – has similar chemistry and mineralogy (based on recent ash testwork) as Portland cement, meeting required grades and standards for use in public infrastructure civil projects
2. *Silica* – high-grade silica used for glass manufacturing
3. *Calcium carbonate* – agriculture lime used in fertilisers for farming and agriculture use
4. *Char* – biofuel used for heat bead manufacturing or sustainable pulverised coal in steel mills
5. *Hematite* – high-grade iron product used as a feedstock for steel manufacturing or as a water flocculant

Flow Sheet – Demonstration and Commercial Plant



% revenue					
~75%	~7%	~2%	~3%	~8%	~5%
METAL EXCHANGE CORPORATION	Cement suppliers	Glass packaging	Farming and agriculture	Char briquette customers	Chemical manufacturers

Summary

Latrobe Magnesium: A future globally significant Australian producer of sustainable magnesium metal.

1

Continuous MgO production and commercial validation

High-grade MgO (90–95%+) successfully produced from brown coal ash, demonstrating a sustainable, scalable product and validation from a Tier 1 US partner for domestic sale.

2

Strengthened balance sheet and funding visibility

US$2m non-dilutive Mg metal prepayment, letter of interest from EXIM, letter of support from EFA, and ongoing strategic funding discussions support development and progress towards Mg metal production.

3

Strong structural demand tailwinds for magnesium

Magnesium recognised as a critical mineral with concentrated China supply, driving Western diversification amid defence and energy transition demand. LMG is the most advanced western supply source of magnesium with imported Chinese magnesium being subject to a 111%+ tariff[1].

4

Clear pathway to commercial plant

High-grade MgO production, with initial Mg metal deliveries targeted for 2H CY26, underpins progression toward a 10,000tpa commercial plant.

5

Compelling value proposition with diversified revenue streams

~A$96m invested to date across the demonstration plant and intellectual property, ~A$59m current market capitalisation, with forecast EBITDA of ~A$63m from the 10,000tpa plant plus additional by-products.

(1) US Federal Register

Thank You!

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Appendix A

Market Overview

Appendix: Pricing Environment

Magnesium is generally traded under offtake agreements which are reviewed annually, with pricing often being within +/- 10% of the relevant spot price[1]. Future prices are often volatile and frequently subject to geopolitical tensions.

Pricing Overview

- Magnesium pricing is less transparent than metals such as exchange-traded aluminium or copper, with prices set directly through offtake agreements.
- Magnesium ingots have standardised purities of 99.8% to 99.99% pure magnesium. Common impurities include iron, silicon, nickel and copper.
- Higher purity ingots are required for die-casting and alloying end-uses whereas steel desulphurisation purity requirements are not as high.

Magnesium and Alloy Pricing[1]

- Standard magnesium alloys (such as AZ91) are priced by adding a premium to the pure Mg metal price, reflecting the costs of alloying the metal.
- Currently no fixed premium pricing exists for green magnesium, but the future opportunity may exist for LMG.

Offtake Terms

- Offtake agreements will typically set conditions for price, contract term, quality and purity, packaging requirements, delivery and settlement method, and the process for contract dispute resolution.

Anti-dumping Tariffs[2]

- In 1995, the U.S. International Trade Commission (USITC) instituted anti-dumping tariffs on pure magnesium exports from Russia and China in response to complaints that domestic US manufacturing was being harmed by magnesium being sold at ‘less than fair value’.
- The tariffs imposed on Russian magnesium exports were revoked in 2000 (upon the first five-year review of the tariffs), but tariffs on Chinese imports have continued. Citing data from the U.S. Geological Survey, the report found that China’s capacity utilisation rate in 2020 was less than 50%, with China’s excess capacity being greater than the US’ entire consumption during that year.
- As a result, in its fifth five-year review, the USITC determined that revoking the existing duties would be damaging to the domestic US magnesium industry, and therefore, the 111.73% tariff on pure magnesium imports from China would remain in place.

Pricing Risks

- Due to the concentration of global magnesium supply (~90% of global supply in 2022 came from China), changes to the Chinese domestic regulatory landscape (such as environmental laws) or the introduction of protectionist trade policies (including under the guise of increasing environmental standards), could have a major impact on global magnesium prices.

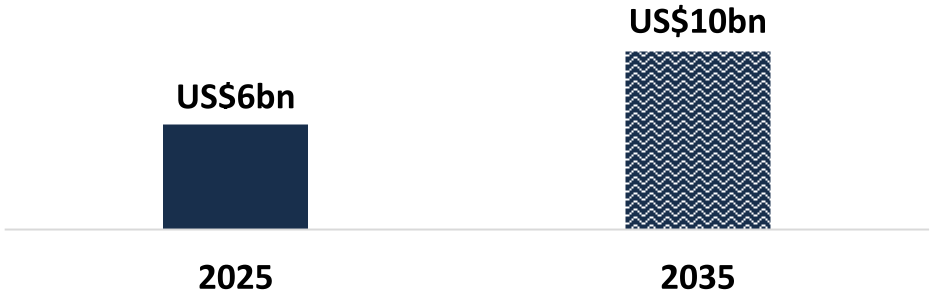
(1) CM Group (2) U.S. International Trade Commission, Investigation No. 731-TA-696 (Fifth Review), May 2023.

Appendix: Magnesium Demand Outlook

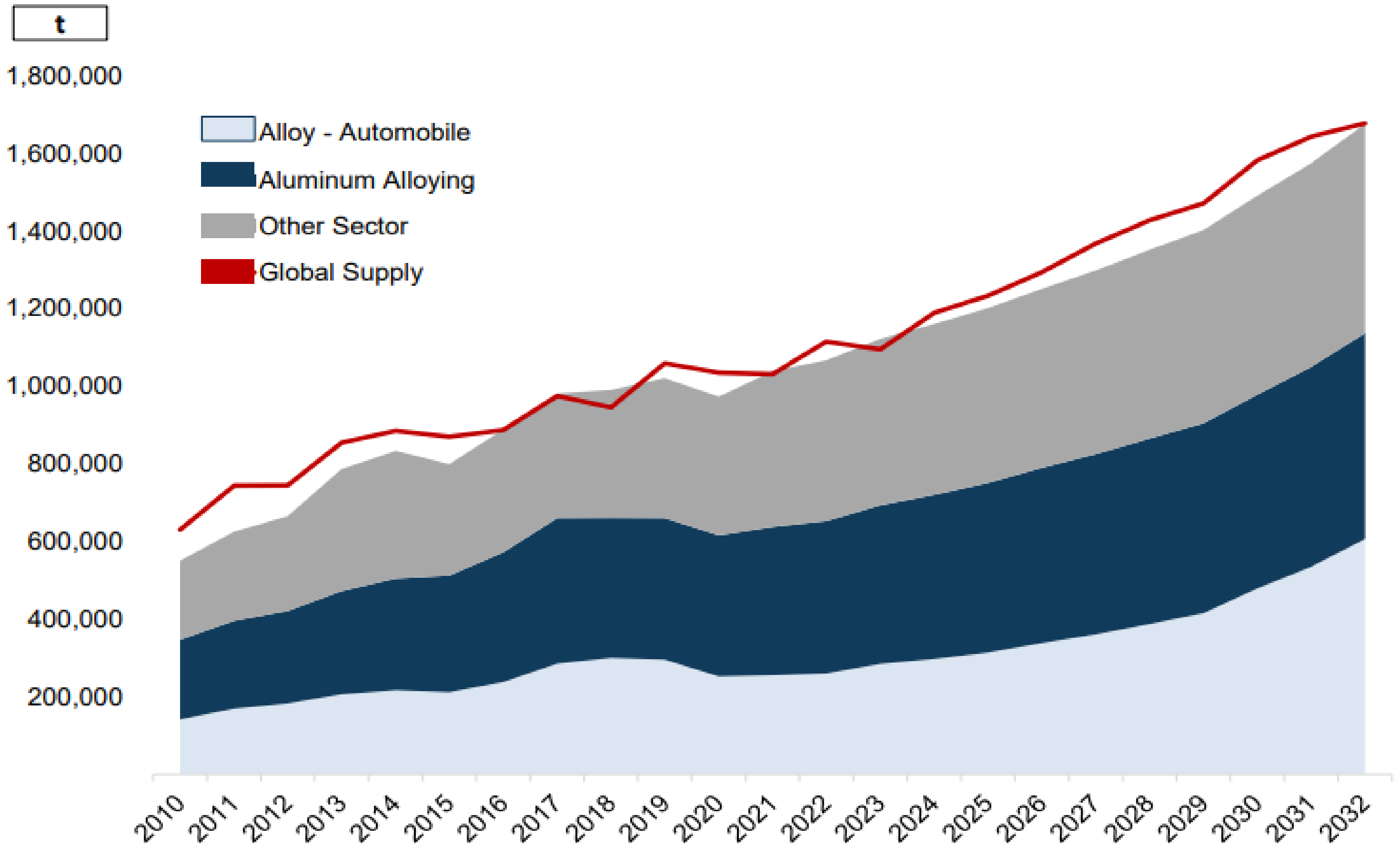
Magnesium demand is being structurally driven by global lightweighting, electrification, and its growing role as a designated critical mineral.

Projected Magnesium Market

5.24% CAGR



Historical and Forecast Global Magnesium Demand (2010-2032)[1]



(1) CM Group

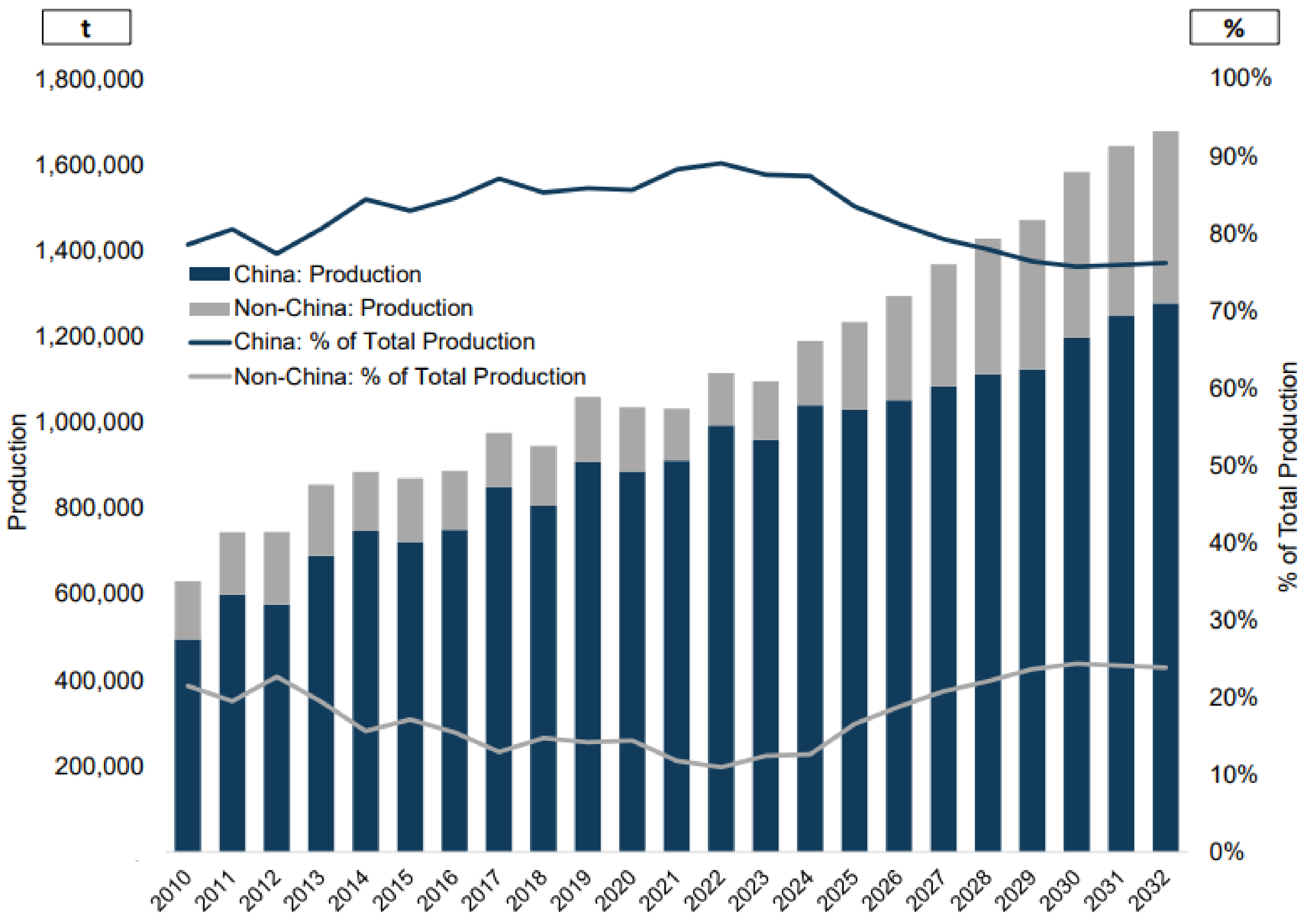
Demand Themes

- Historically, magnesium demand has demonstrated a reasonable correlation with GDP growth, although occasionally deviating as new applications have emerged as a result of exogenous supply shocks. Global demand for magnesium is expected to grow at a 5.24% (CAGR) between 2025 and 2035.
- The uptake of aluminium auto body sheets in the automotive sector (die casting) is expected to be a key global demand factor given roughly 75% of the magnesium market serves the aluminum industry as an alloying agent.
- It is expected that China's automotive market will remain smaller in terms of magnesium consumption relative to the combination of Europe and North America over the medium term, with the magnesium content of Chinese vehicles ~55% that of North American vehicles.
- Significant demand growth is also expected in alloying, which includes the packaging (sheet for beverage and food cans, aerosol) and transport sectors (automotive sheets and cast alloys), with increasing magnesium content for each (between 0.5% and 5.0% magnesium is added to aluminium to increase strength and corrosion resistance). There is currently no economic substitute for magnesium in aluminium alloying.
- The emergence of EVs is likely to have an increased effect on auto sector demand with EV manufacturers seeking to reduce curbweight, as the lithium battery significantly increases the weight of an EV.

Appendix: Magnesium Supply Outlook

Global critical minerals policies, higher policy-driven prices in response to China's production cost base, and inherent risks associated with China's dominance of the market are expected to result in the proliferation of new primary magnesium projects.

Global Primary Magnesium Supply Outlook (2010-2032)[1]



(1) CM Group (2) Minerals Council of Australia

Supply Themes

- China's dominance in the magnesium market is increasingly constrained by rising energy, labour and raw-material costs, tightening environmental compliance, and policy measures limiting semi-coke production and waste-energy use, all of which are creating conditions that are accelerating the emergence of new ex-China primary magnesium supply.
- The most critical aspect of magnesium in 2026 is its extreme supply concentration. China currently controls ~90% of global primary magnesium production, primarily through the energy-intensive and carbon-heavy Pidgeon process.
- The US ceased domestic production of magnesium in 2022 due to the industry's inability to compete with the significantly lower production costs and aggressive pricing strategies in China. Consequently, US prices carry a premium to China domestic prices, reflecting import costs, tariff risk, and security-of-supply preferences from US OEMs. LMG's US distribution agreement with Metal Exchange LLC positions it to capture this premium pricing.

US-Australia Critical Minerals Deal[2]

- The most significant near-term response to this structural risk is the US–Australia Critical Minerals Framework, signed in October 2025. Structured around a commitment of at least US$1 billion each — anchoring an US$8.5 billion pipeline of priority projects.
- Magnesium is explicitly named as one of the priority minerals under the framework demonstrated by EXIM's issued a Letter of Interest for up to A$200 million towards Latrobe Magnesium's plant in Victoria — a company representing a genuinely novel and low-carbon alternative to the Pidgeon process.

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Appendix B

Key Risks

Key Risks

Set out below are the principal risks and uncertainties associated with LMG and its subsidiaries, which are likely to have an effect on LMG's future financial prospects. The risks do not constitute an exhaustive list of all risks involved with an investment in the Company. It is not possible to determine the likelihood of these risks occurring with any certainty. If one or more of these risks materialise, LMG's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

(1) Requirements for Capital

LMG's capital requirements, including in relation to the development of the Demonstration Plant, will depend on numerous factors, including the degree of success of its planned production activities, its ability to generate income from its operations, prevailing commodity prices, market conditions and possible acquisitions or other corporate opportunities. Ramp up and production costs will reduce LMG's cash reserves. Those cash reserves may not be replaced if future or existing operations or other acquisition opportunities prove unsuccessful or perform below expectations.

LMG would then be dependent on seeking additional capital elsewhere, through equity, debt or joint venture financing, to support long-term evaluation and development of its projects. No assurance can be given that LMG will be able to procure funding (if required) in a timely manner on terms acceptable to it. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If LMG is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations which may adversely impact LMG, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

Specifically, undertaking the Commercial Plant and the International Plant will require significant capital investment and whilst LMG is actively engaged with potential strategic partners and interested parties, there is no assurance that satisfactory arrangements will be entered into to enable the progression of those projects.

(2) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on LMG's Board and executive team. There can be no assurance given that there will be no detrimental impact on LMG if one or more of its directors (Directors) or key executives no longer works with LMG.

(3) Risks Relating to LMG's Financial Instruments

LMG's principal financial instruments currently comprise cash and short-term deposits, the main purpose of which is to finance LMG's operations. LMG has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from LMG's financial instruments are credit risk, interest rate risk and liquidity risk:

A. **Credit Risk**: LMG trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that LMG's exposure to bad debts is not significant. Credit risk arises from the financial assets of LMG, which comprise cash and cash equivalents and trade, other receivables and other financial assets. LMG's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security.

A. **Interest Rate Risk**: LMG's exposure to the risk of changes in market interest rates relates primarily to LMG's cash and cash equivalents with a floating interest rate.

B. **Liquidity Risk**: LMG's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year. LMG has limited financial resources and may need to raise additional capital from time to time, and such fund raisings will be subject to factors beyond the control of LMG and its directors. When LMG requires further funding for its programs in the future, then it is LMG's intention that the additional funds will be raised by any one or a combination of the following: project finance, placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public and, where appropriate, debt. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be LMG's intention to meet its obligations by either partial sale of LMG's interests or farm-out, the latter course of action being part of LMG's overall strategy.

Key Risks

(4) General Economic Climate

General economic conditions, movements in interest rates and inflation rates, currency exchange rates and commodity prices may have an adverse effect on LMG's potential for future development and production activities, as well as the ability to fund those activities. If activities cannot be funded, there is a risk operations may have to be ceased. Furthermore, share market conditions may affect the value of LMG's quoted securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities. LMG's future revenues, the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital may be affected by these factors, which are beyond LMG's control.

(5) Political Risk, Commodity Price Volatility and Exchange Rates Risks

The revenue that may be derived through the sale of commodities exposes potential income to commodity price and exchange rate risks and any profits will be exposed to changes in the taxation or royalty regime in Australia. Commodity prices fluctuate and are affected by many factors beyond the control of LMG. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macroeconomic factors. LMG revenues are exposed to fluctuations in the commodity prices. Volatility in the magnesium price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are retained despite a fall in the spot magnesium price.

The risks associated with such fluctuations and volatility may be reduced by any magnesium price hedging that LMG may undertake. A declining magnesium price can also impact operations by requiring a reassessment of the feasibility of operating plans and certain projects and initiatives. The commencement of development projects can potentially be impacted by a decline in commodity prices. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on LMG's results of operations and financial condition. Furthermore, international prices of various commodities are denominated in United States dollars, whereas some of LMG's income and the majority of its expenditure will be in Australian dollars, exposing LMG to fluctuations in the exchange rate between the United States dollar and the Australian dollar, as determined by international markets.

(6) Permits and Approvals Risks

Companies engaged in the development and operation of processing facilities are subject to increased costs, production and other scheduling delays resulting from the requirement to comply with applicable environmental and planning laws, regulatory requirements and permitting. LMG can give no assurance that relevant approvals and permits required to commence construction, development or operation of future expansions will be obtained. Additionally, future business plans and budgets are underpinned by the assumption that relevant regulatory approvals are obtained in a timely manner.

(7) Environmental Risks

The operations and proposed activities of LMG are subject to both Australian Federal and State laws and regulations concerning the environment. As with most mineral processing operations, activities are expected to have an impact on the environment. LMG intends to conduct its activities in compliance with relevant environmental laws and approvals in order to minimise damage to the environment and risk of liability. However, as with all processing activities, LMG's operations are expected to have an impact on the environment. There are also risks inherent in LMG's activities including accidental leakages, spills, or other unforeseen circumstances that could subject LMG to extensive liability.

Further, LMG may require approval from relevant regulatory authorities before undertaking activities that are likely to impact the environment. If LMG fails to obtain such approvals, it will be prevented from undertaking those activities. LMG also cannot predict what changes in legislation and regulations may govern mineral processing and may impose significant environmental obligations on LMG including bonding. No assurances can be given that new environmental laws, regulations or stricter enforcement policies (including increased fines and penalties for non-compliance), once implemented, will not oblige LMG to incur significant expenses and undertake significant investments which could materially and adversely affect LMG's operations, financial condition and performance.

Key Risks

(8) Change of Production Risks

The capacity of LMG to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Group to fund those costs. If production is achieved, unanticipated problems may increase operating costs and reduce anticipated recovery rates.

(9) Contract Risks

LMG operates through a series of contractual relationships with consultants, operators and sub-contractors and may sell production through various marketing contracts. All contracts carry risks associated with the performance by the parties of their obligations and the time and quality of works performed. To the extent that third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.

Some contracts (including memorandums of understanding) may also be subject to satisfaction of identified matters within identified timeframes. Whilst the Company is able to, and will take all steps to, manage these milestones (and the expectations of the benefiting counter party) these contracts may be subject to termination rights if these milestones are not met, which may have an adverse consequence for the Company. An example is the offtake agreement with Metal Exchange Corporation, which requires the Company to demonstrate that it can produce the required product by the end of September 2024. The Company is confident that it can meet this milestone or can otherwise manage the relationship with Metal Exchange Corporation if the milestone needs to be extended.

The Company is also exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(10) Production and Cost Estimates

The operations and assets of LMG, as with any other mineral processing operations, are subject to a number of uncertainties, including in relation to metallurgical recovery, actual realised values and grades of stockpiles (which are to date estimated), operational environment, funding for development, regulatory changes, weather, accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

(11) Equipment and Supplies

The price and availability of resources required for LMG's operations (such as electricity) may change from time to time, and this may materially impact the operations, financial position and profitability of LMG. LMG requires certain consumables, spare parts, plant and equipment and construction materials for its operating activities. Any delay, lack of supply or increase in price in relation to such equipment and material could have a material and adverse impact on LMG.

(12) Operational Risks

The growth of the Company is dependent upon the ability of the Company to transition the operations of the Demonstration Plant into the development and conduct of the Commercial Plant and the International Plant . The progression to the Commercial Plant is subject to the completion of a bankable feasibility study to be undertaken by the Company during 2024 (subject to funding requirements being satisfied) and a final investment decision to be made by the Company, potentially by the end of 2024. This decision is itself subject to the Company securing satisfactory funding to proceed with the development of the Commercial Plant and to the issue of various approvals by the State Government of Victoria to construct and operate the plant. There is no assurance that the Company will be able to proceed with the development of the Commercial Plant. If LMG is unable to proceed with the development of the Commercial Plant within a certain time period or at a reasonable cost, this could adversely impact the economic viability of the Company.

The Company is also looking to grow the operations of the Company by the development of the International Plant. The ability to proceed with the International Plant in Malaysia is dependent upon further examination by the Company of the use of Ferro Nickel Slag as the feedstock for that project, the identification of a suitable financier or joint venture partner, and securing an appropriate site for the project, as well as obtaining the necessary approvals to construct the plant. There is no assurance that the Company will be able to proceed with the development of the International Plant.

Key Risks

Processing activities, including those carried out at the Demonstration Plant, carry risk and as such, activities may be curtailed, delayed or cancelled as a result of a number of factors outside LMG's control. These include technical difficulties, securing and maintaining inputs, weather and construction of efficient processing facilities. The operation may be affected by force majeure, fires, labour disruptions, and the inability to obtain adequate machinery, engineering difficulties and other unforeseen events. In addition, LMG's processes have not been tested beyond pilot scale and the robustness of the process has not been demonstrated over the long term and there is the risk that there may be unforeseen maintenance and operation issues which impact the viability of the process for large scale commercial application. LMG will endeavour to take appropriate action to mitigate these operational risks (including by properly documenting arrangements with counterparties and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on LMG's performance and the value of its assets.

(13) Estimates of Financial Outcomes

Estimates of capital and other financial projections contained in this Presentation have been determined and assessed by the Company as detailed in its announcements regarding its feasibility study on 2 September 2019, 23 September 2019 and 31 October 2019 and are indicative only. The Company does not guarantee that the financials outcomes for the business operations will achieve the estimated outcomes.

The Company's assessment and estimate of its research and development tax rebate for the year end 30 June 2024 (of approximately $16 million) is based upon the methodology for the determination of the ATO approved research and development tax rebate for the year end 30 June 2023. The ATO has not yet made a determination of the research and development tax rebate for the year ended 30 June 2024 and there is no assurance that the amount of the rebate will be as estimated by the Company. If LMG does not receive the research and development tax rebate, or if the amount received is lower than estimates, this could adversely affect LMG's operations and financial performance.

(14) Infrastructure and Transportation

As or when LMG is in production stage, the products will need to be transported to customers domestically and internationally. The transportation process involves risks, including the location of LMG's projects. Fuel costs, unexpected delays (including through inclement weather and climate change and accidents) could materially affect LMG's financial position and profitability. Moreover, there are risks associated with the availability of adequate transportation facilities (e.g. road, railway, port) and obtaining approvals to access these facilities (including the timing and conditions on which access may be granted). If LMG cannot access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect LMG's operations and financial performance. The price of transportation is market driven and can vary throughout the life of each project. These may also impact on the overall profitability of LMG.

(15) Technology/IP

LMG relies upon its technology and know-how and there can be no assurance that other parties may not attempt to imitate or develop technology and know-how that competes with LMG. There is an inherent risk with technology that patents may be invalidated by a third party or may gain access to unpatented know-how or trade secrets. No assurance can be given that other parties will not be able to independently develop the same or similar technologies on their own or through access to trade secrets. There can also be no assurance that LMG's technology will not be superceded by superior technologies which may impact the attractiveness of the products to existing or new customers and affect the viability of the Company.

(16) Reliance on Information Systems

LMG relies on computer, information and communications technology and related systems for the purpose of the proper operation of the administrative and compliance aspects of its business. From time-to-time LMG experiences occasional system interruptions and delays. LMG has implemented processes to respond to system interruptions and delays. However, if it is unable to regularly deploy software and hardware, effectively upgrade its systems and network and take other steps to maintain or improve the efficacy and efficiency of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data. Moreover, LMG's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions. LMG relies on accepted security measures and technology to maintain the security of its computer systems, however the risks of being attacked remain. An unauthorised user who circumvents LMG's security measures could misappropriate confidential or proprietary information or cause interruptions normal functions in LMG's operations which may require LMG to expend significant resources to alleviate these issues. Any of these events could damage LMG's reputation and generally have an adverse effect on its operating and financial performance.

Key Risks

(17) Laws and Authorisations

LMG's operations will be subject to various laws and plans, including those in respect of development permit and licence requirements, industrial relations, environment, land use, water, occupational health and plants and animals (for example laws or permitting required in relation to preservation of endangered or threatened species). Approvals, licences and permits for the compliance with these rules may be subject to the discretion of the applicable government or authorities, the local community or other stakeholders. Moreover, new laws and regulations may be enacted, and existing laws and regulations may be amended or applied in a manner which could impact LMG's development or production activities. LMG may not be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation or may not obtain the relevant authorisations in time. If so, LMG may be limited or curtailed from continuing or proceeding with production or development activities.

Operations can be subject to public and political opposition. Opposition may include legal challenges to development and production permits, political and public advocacy, electoral strategies, ballot initiatives, media and public outreach campaigns and protest activity, all which may delay or stop development or expansion. Change of laws, regulations or policies may take place as a result of political opposition in a way that adversely impacts LMG's abilities to deliver expected outcomes for certain reasons, e.g. increase of royalties or taxes or environmental bonds or change in regimes relating to permits and authorisations which are necessary for LMG's operations.

In the ordinary course of business, mineral processing companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the control of LMG. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by LMG and that the permits will be obtained in a timely manner. Amendments to current laws, regulations and permits governing operations and activities of mineral processing companies which apply to LMG's current or future operation, or a more stringent implementation thereof, could have a material adverse impact on LMG and cause increases in the cost of production or capital expenditure and reduction in levels of production for LMG's operations.

(18) Occupational Health and Safety

Workplace incidents may take place for various reasons, including as a result of non-compliance with safety rules and regulations. LMG may be liable for personal injuries or fatalities that are suffered by LMG's employees, contractors or other persons under applicable occupational health and safety laws. If LMG is liable under applicable laws, in whole or part, it may be subject to significant penalties. LMG may be subject to liability to pay compensation, and this may materially and adversely affect LMG's financial position and profitability. The potentially hazardous nature of mineral processing means that health and safety regulations impact the activities of LMG. Any injuries, accidents or other relevant events that occur on LMG's operation site could result in legal claims, potential delays or halt that could adversely impact LMG.

(19) Labour Shortages and Industrial Disputes

There is a risk that LMG may need to pay higher than expected costs to acquire or retain the necessary labour for its operations, including in relation to the Demonstration Plant. This could result in a material and adverse increase in costs and/or development projects being delayed or becoming uneconomic and not proceeding as planned. LMG will also be exposed to the risk that industrial disputes may arise (for example, in relation to claims for higher wages or better conditions) which might disrupt some of its operations and lead to increases in project costs and delays including to scheduled start up dates of projects under construction.

(20) Insurance Arrangements

LMG maintains insurance arrangements to protect against certain risks with such scope of coverage and amounts as determined by LMG's board and management, although its insurance policies may not be sufficient to cover all of the potential risks in respect of its operations. No assurance can be given that LMG will be able to obtain or maintain insurance coverage at reasonable rates, or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms. Losses, liabilities and delays arising from uninsured or underinsured events could adversely affect LMG's financial position and profitability.

(21) Changes to Accounting Standards

Changes to AAS, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 (Cth) (“Corporations Act”) and other relevant authorities or applicable laws could affect LMG's reported results of operations in any given period or LMG's financial condition from time to time.

Key Risks

(22) Changes in Tax Rules or Their Interpretation

Changes in tax law (including value added or indirect taxes and stamp duties), or changes in the way tax laws are interpreted, may impact LMG's tax liabilities or the tax treatment of a LMG shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in LMG shares involves tax considerations which may differ for each LMG shareholder. Each LMG shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be impacted.

(23) Other External Factors

Events may occur within or outside Australia that could impact upon the Australian economy, LMG's operations and the price of LMG shares. These events include but are not limited to flooding or adverse weather conditions, fires, explosions, water ingress, seismic activity or the potential effects of climate change that affect the development or operations of the business, that can have an adverse effect on the demand for LMG's products and its ability to operate its assets or may result in delays to or loss of production. LMG has only a limited ability to insure against some of these risks.

(24) Litigation

LMG may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations. These disputes may lead to legal, regulatory and other proceedings, and may cause LMG to incur significant costs, delays and other disruptions to its businesses and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.

(25) Water Sources

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of LMG's operations. There is no guarantee that there will be sufficient future rainfall to support LMG's future water demands in relation to its operations, and this could adversely affect production and LMG's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that LMG will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions. Climate related changes to precipitation patterns could exacerbate water stress in some areas and therefore potentially have a negative impact on LMG's ability to access fresh water at its operations.

(26) Weather Conditions

Some of LMG's operations may be impacted from time to time by severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production or sales.