
PROJECT UPDATE

DEMONSTRATION PLANT – PHASE 1B

19 May 2026, Victoria, Australia: Latrobe Magnesium Limited (ASX: LMG) provides the following update on continued progress of its Phase 1B installation and commissioning activities at its Stage 1 Demonstration Plant.

Highlights:

- * **Structural and mechanical installation targets achieved across the Briquetting and Reduction Furnace areas, including erection of major Briquetting equipment on concrete pedestals, completion of the Reduction Furnace platform fabrication, and progressive installation of screw conveyors and associated piping.**
- * **Electrical cable installations to the Briquetting area are effectively complete and ready for termination, with electrical work in both areas progressing concurrently.**
- * **Phase 1B installation and commissioning activities maintain a strong safety record, with an average HSE checklist compliance rate of 95% and zero reportable incidents recorded to date.**
- * **Further updates will be provided as LMG progresses toward commissioning and first magnesium metal production in the second half of the calendar year.**

1. Engineering and Procurement

Procurement activity across Phase 1B has been active during the period, with purchase orders issued to support the advancing installation activities. This includes remaining piping & fittings, electrical cabling and minor miscellaneous structural steel and consumables identified during installation works. No items procured are long lead; all are either on site or expected in the near term.

Remobilisation of suppliers responsible for equipment delivery continues to progress. The Reduction Furnace schedule remains on the critical path for the overall Phase 1B schedule and is being actively managed. Automation around the Reduction Furnace is also progressing with the relevant specialist subcontractor.

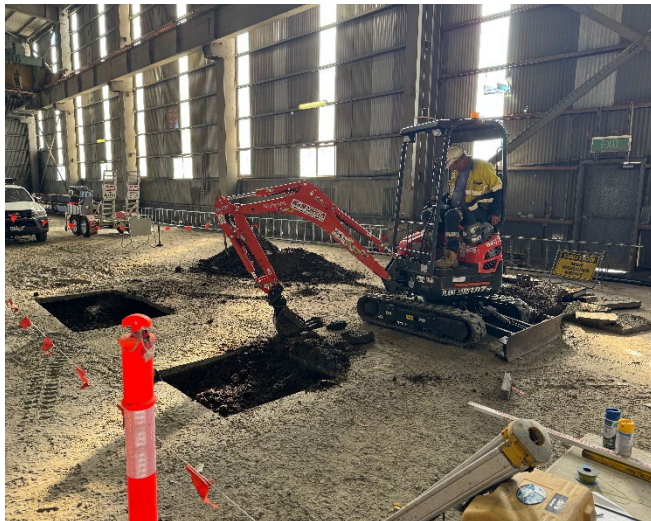
2. Health, Safety & Environment (HSE)

Safety performance throughout Phase 1B installation and commissioning activities has been maintained to a high standard. Weekly HSE checklist compliance rates have consistently tracked for an average of 95%, with zero reportable incidents recorded to date.

3. Site Execution

Civil Works

Civil installation activities have progressed steadily. Local civil contractor AMEC Industries has been engaged and mobilised to complete remaining civil scope. Civil drawings for the Reduction Furnace exhaust stack have been issued for quotation to enable the next and final phase of civil scope to proceed.



AMEC Industries mobilised to complete remaining civil scope

Structural, Mechanical & Piping (SMP) Installation

SMP installation across the Briquetting and Reduction Furnace areas has progressed substantially, with the following key activities achieved:

- Major Briquetting equipment, comprising the storage hoppers and dust collectors, have been erected on concrete pedestals and fixed in position.
- Adjustments to installed screw conveyors and associated structural supports are well advanced.
- Reduction Furnace platform fabrication is complete. The platform subframe is substantially assembled, including stair threads, handrails, and grating.
- Fabrication of structural bases for the Reduction Furnace electrical cabinets, and for the Briquetting oil and grease stations, are expected to begin to allow subsequent equipment installation to follow.



SMP activities in Reduction Furnace (top) and Briquetting (bottom) areas.

Electrical & Instrumentation (E&I) Installation

Electrical and instrumentation installation has proceeded in parallel with structural and mechanical works, with the following progress reported across the Briquetting and Reduction Furnace areas:

- Electrical cable gland installation from the switchroom to the Briquetting area is now effectively complete. The system is ready for cable termination over the coming weeks.
- Cable pulling and support installation for the Briquetting loading conveyors is progressing and expected to be fully completed imminently.
- Reduction Furnace control panel installation and associated cabling works are planned to commence in the coming weeks, subject to structural support arrangements.



E&I activities in Reduction Furnace and Briquetting areas

The current Phase 1B commitment reflects the ramp-up in installation activity across site since commencement in end of March 2026. The commitment has increased progressively over the period as purchase orders and subcontract agreements have been executed in line with the advancing scope.

First magnesium metal production from the Demonstration Plant remains targeted for the second half of calendar year 2026, consistent with the previously stated guidance.

D. Paterson

David Paterson
Chief Executive Officer

19 May 2026

About Latrobe Magnesium

Latrobe Magnesium (LMG) is developing a magnesium metal Demonstration Plant in Victoria's Latrobe Valley using its world first patented extraction process. LMG intends to extract and sell magnesium metal, cementitious material, and other products from industrial ash, which is currently a waste resource from brown coal power generation.

LMG has completed the first half of a Demonstration Plant which has now produced sustained magnesium oxide and other saleable by-products, with the full plant expected to be commissioned in the second half of 2026.

A Commercial Plant will also be developed by LMG, with a capacity of 10,000 tonne per annum of magnesium metal. The plant will be in the heart of Victoria's coal power generation precinct, providing access to feedstock, infrastructure, and labour.

LMG will sell the 10,000 tonne per annum of refined magnesium metal under long-term contracts to LMG's U.S.-based distributors.

LMG is also developing an International 'Mega' Plant in the state of Sarawak, Malaysia, which will produce 100,000 tonnes per annum of magnesium metal via its wholly owned subsidiary company Latrobe Magnesium Sarawak Sdn Bhd. LMG has completed the first phase (PFS-A) of a pre-feasibility study using Ferronickel Slag feedstock.

Magnesium has the best strength-to-weight ratio of all common structural metals and is increasingly used in the automotive, aerospace, medical and electronics industries.

LMG's projects are at the forefront of ESG best-practice by recycling power plant waste tailings, avoiding landfill, encouraging a circular economy, and by being a low CO₂ emitter.