
PROJECT UPDATE

DEMONSTRATION PLANT – PHASE 1B

01 September 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:

- * Briquetting installation complete and ready for staged commissioning, following successful completion of Site Acceptance Testing (SAT) by Rockwell Automation, with all major equipment successfully energised and tested.
- * Significant Reduction Furnace area milestones achieved, including delivery of outstanding remaining equipment under supplier contract, and installation of vacuum piping, acoustic enclosures, stack support, and combustion air pipework substantially progressed.
- * Electrical installation significantly advanced, with Briquetting successfully energised and tested, Quicklime and Briquette Loading area terminations complete and Reduction Furnace area works advancing.
- * Health, Safety & Environment (HSE) performance continued at an exceptional standard, with weekly HSE compliance above 98% and zero reportable incidents recorded since project commencement.
- * Overall construction 70% complete, reflecting sustained completion progress across both work areas whilst continuing to advance toward first magnesium metal production in the second half of the calendar year.
- * Early staged commissioning is targeted to commence during next reporting period to support an efficient transition from installation completion to active commissioning across each work area.

1. Health, Safety & Environment (HSE)

Safety performance throughout Phase 1B installation and commissioning activities has continued to be maintained to an exceptional standard. Weekly HSE compliance rates remained consistently high, above 98% across the last month. Zero reportable incidents have been recorded since project commencement, representing a strong safety outcome.

2. Engineering and Procurement

Site procurement continues to be completed progressively to support the advancing installation works. Materials procured over the period include consumables and minor supplies to support installation works, with all major procurement items already delivered to site.

The Briquetting system programming Site Acceptance Testing (SAT) was successfully completed by Rockwell Automation, with Supervisory Control and Data Acquisition (SCADA) screens implemented, equipment functionality tested, and the system accepted for commissioning. This represents a significant milestone in the transition of the Briquetting system from installation to active commissioning.

The Reduction Furnace works continue to progress with most of the equipment outstanding last month, now fabricated and delivered, including the exhaust stack and combustion gas piping & ducting. During the month, specialist trades were mobilised to site to complete the first phase of furnace modules modifications in line with the validation of the retort supporting pier design during last month's successful prototype testing. Mobilisation to complete phase two of the retort supporting pier rail installation is scheduled during the second half of September.

This is the remaining key installation activity on the critical path for the Reduction Furnace, excluding commissioning support. The Reduction Furnace nonetheless remains on the critical path for the overall project schedule and continues to be actively managed to ensure it remains on track.



Delivery of last remaining outstanding equipment, including exhaust stack and combustion gas piping

3. Site Execution

Civil Works

All major civil works associated with the Phase 1B are now complete. Final grouting of the Briquetting area, including the Ball Mill and Briquette Machine was fully completed, to allow staged commissioning of those systems. Minor grouting works remains for the Reduction Furnace area once the area has completed installation and is ready for commissioning.

Structural, Mechanical & Piping (SMP) Installation

SMP installation advanced substantially during the reporting period across both work areas, with the following key milestones achieved or progressing:

- Briquetting equipment installation is complete and has entered staged commissioning/testing.
- Safety guarding for the Ball Mill & Briquette Loading Storage Hopper has been installed.
- Utility piping installation including Agron supply system has been completed and tested to confirm welding compliance, with only the final tie-ins remaining outstanding.
- 30-tonne slew crane lift was successfully executed to complete the installation of the dust collector on top of the SCM Silo, lift the final pieces of the Briquetting stacks into position, and install the Reduction Furnace exhaust stack support in preparation for the installation of the stack itself.
- Vacuum piping manifold fabrication has been completed and pressure tested, with installation of the pre-evacuation system progressing.
- All vacuum exhaust piping modifications to suit the acoustic enclosure are complete, with control valves, hoses, and instruments mounted and the system ready for commissioning integration.
- Reduction Furnace installation is progressing concurrently across multiple fronts, including ducting, fans, air aspiration piping, combustion burners & gas piping, with an estimated four to five weeks of remaining installation scope across the Reduction Furnace area.
- Crown Handling Baler, its associated equipment, and the automatic shuttles have been mechanically installed in position, with installation remaining to continue once the Reduction Furnace installation is sufficiently advanced.

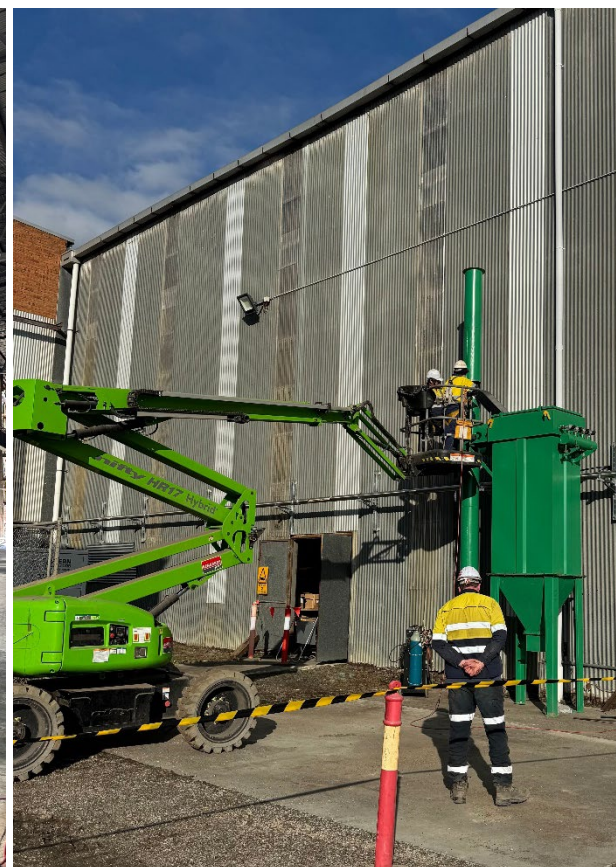
Fire protection installation continues to progress on site with installation of new fire hose reels completed and tested. Excavation for isolation valves, new hydrants, and quad booster system is underway around the Demonstration Plant, in compliance with Fire Rescue Victoria requirements, with majority completion expected by the end of September 2026.



Fire protection installation with fire hose reels completed and new hydrants progressing



Briquetting (top) & Quicklime (bottom) area installation completed and ready for staged commissioning and testing



Briquette Loading Storage Hopper safety cages, Reduction Furnace stack support and piping installation progress



Reduction Furnace area installation progressing with exhaust ducting, air aspiration piping, and bottom modules with burner controls

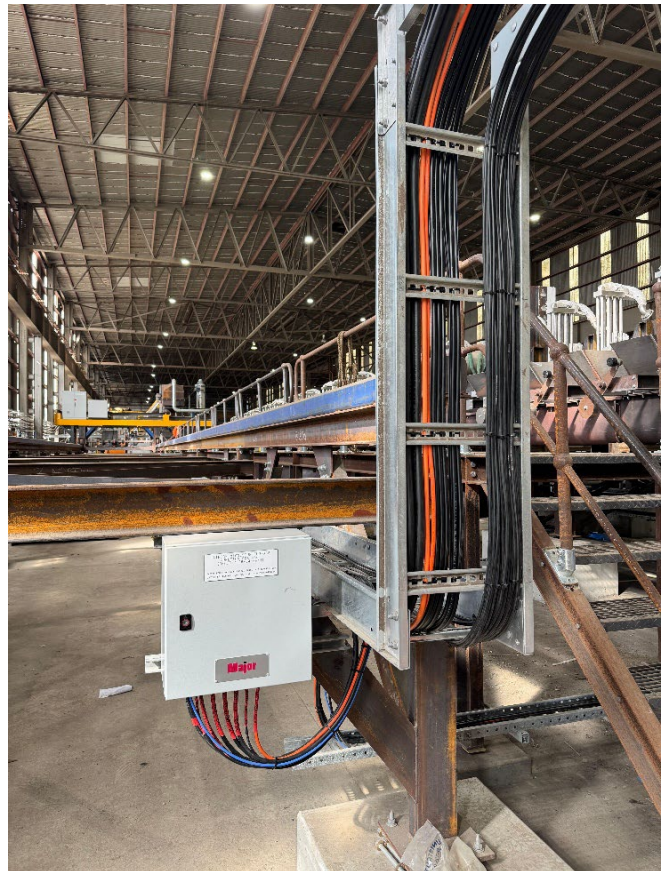
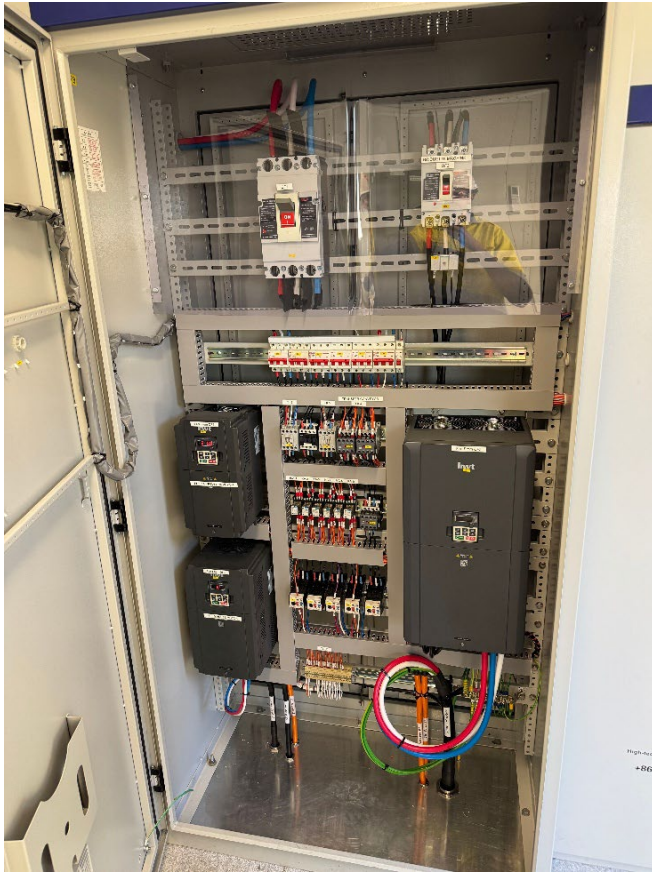
Electrical & Instrumentation (E&I) Installation

Electrical and instrumentation installation has continued to strongly advance in parallel with SMP works across the Briquetting and Reduction Furnace areas, with the following key milestones achieved:

- Briquetting area pre-commissioning and testing is 100% complete. All screw conveyors, dust collector motors, Quicklime motor, hydraulic press, weigh screw feeders, and Ball Mill have been successfully energised and tested. The Briquetting area is ready for staged commissioning.
- Quicklime area terminations are complete, with the area now 100% complete overall.
- Briquette Loading area terminations are complete.
- Wiring modifications to accommodate Briquetting system design changes are complete.
- Reagent bag breaker wiring changes to suit the agreed reprogramming have commenced and will progress over the coming weeks.
- Reduction Furnace area cable racking, supply cable installation for the Baler, and Refinery are complete, with glanding and terminations progressing in field junction box and the substation.
- Cable pulls for the Reduction Furnace and automatic shuttle system are advancing, with completion targeted ahead of phase two mobilisation of specialist trades to complete retort supporting pier rail installation.



E&I electricians progressing with terminations within the substation for Reduction Furnace area equipment



Reduction Furnace area electrical and instrumentation cable installations for the furnace, automatic shuttles and baler equipment control panels and field junction boxes progressing

Early staged commissioning activities, including commissioning documentation preparation, is targeted to commence in the coming weeks. This approach to commissioning documentation is expected to support an efficient transition from installation completion to active commissioning across each work area.

The current Phase 1B cost commitment reflects the continued and sustained installation activity across site since the project's commencement late March 2026. Commitments are aligned with procurement and subcontract agreements executed with the advancing scope.

Personnel resourcing continues to be actively managed to align with evolving work fronts. Additional specialist trades and electrical resources have been engaged to support the advancing work fronts.

Overall Phase 1B construction is 70% complete as at 31 August 2026, up from approximately 50% five weeks earlier, reflecting sustained progress in construction completion across the project as works continue to advance toward completion before progressing into LMG's five-stage commissioning process.

First magnesium metal production from the Demonstration Plant remains targeted for the second half of calendar year 2026, consistent with the previously stated guidance. A further project update will be provided as commissioning activities advance toward readiness for first metal production.



David Paterson
Chief Executive Officer

01 September 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.