Latrobe Magnesium

2025 Annual Report

Latrobe Magnesium Limited and its Controlled Entities

ABN 52 009 173 611

INDEX

COMPANY DIRECTORY

Directors
Jock Murray, Chairman
David Paterson, CEO
Philip Bruce
John Lee
Michelle Blackburn – resigned 24 October 2024
Peter Church – resigned 24 October 2024

Registered Office and
Principal Place of Business
320 Tramway Road
Hazelwood North VIC 3840
Telephone: (03) 5101 0240

Auditors
Nexia Sydney Audit Pty Limited
Level 22
2 Market Street
Sydney NSW 2000

Share Registry
Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Telephone: 1 300 850 505

www.latrobemagnesium.com

Chief Executive Officer
David Paterson

Secretary
John Lee

Bankers
National Australia Bank Limited
333 George Street
Sydney NSW 2000

Solicitors
Allens
Level 37
101 Collins Street
Melbourne VIC 3000

Stock Exchange
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX CODE: LMG

REVIEW OF OPERATIONS

LATROBE MAGNESIUM PROJECT

1. Overview

During the year, the Group has made significant progress with its Latrobe Magnesium Project in the following areas:

- LMG's hydromet section of its magnesium plant was completed. It was wet commissioned; load commissioned and then underwent final commissioning with the production of Magnesium Oxide (MgO) on 12 May 2024.
- The capital costs of the demonstration plant increased to $70.9 million and has a further estimated $6.6M to spend on the magnesium section of the plant.
- In April 2025, LMG raised some $5M in equity and debt to provide funding for working capital and the operating costs to operate the demonstration plant at steady state for a period of two months.
- LMG progressed the development of its Stage 2 10,000tpa Mg plant with the negotiations and finalisation of its proposals for this commercial plant with GHD, Bechtel and Societe General.
- LMG established Latrobe Magnesium Sarawak Sdn Bhd (LMS), a 100% owned subsidiary, to conduct the development of its 100,000tpa Mg Stage 3 plant located in Sarawak, Malaysia. During the year, LMS was allocated its preferred 113-acre block of land to site the plant with a long term lease to be negotiated. It has also received an allocation of 250MW of hydropower from Sarawak Electricity Board. This approval was conditional on a few matters.

2. Magnesium Markets

In the calendar year 2024, the primary world production of magnesium continued at 1.02 million tonnes with China's estimated primary production for the year being approximately 90% of the world's production and Russia some 6%. Some 50% of China's production is used locally. World growth in demand is expected to increase with a projected demand of some 1.67 million tonnes in 2032.

Australian and New Zealand consumption of magnesium was in the order of 7,000 tonnes per annum. All this magnesium is imported.

During the 2025 year, the China magnesium price traded in the range between US$2,500 to US$2,800 per tonne. The spot prices as at 30 June 2025 and 2024 were as follows:

		30-Jun-25	30-Jun-24
FOB China	US$ per tonne	2,500	2,800

Owing to United States anti-dumping duties, the USA delivered price can be greater than double the FOB China price per tonne. During the year, magnesium prices in the USA increased from US$7,165 to US$7,718 per tonne. The average price for the last 9 months was in the order of US$7,166. This price is before the increased USA trade tariffs on China product. Australian magnesium is still exempt from any USA tariffs.

With the adoption of light-weighting of motor vehicles and the legislated emission standards in many countries in the world and the increased weight of electric vehicles there is a growing demand by car companies to use more magnesium and aluminium sheet in cars. The car business has adopted aluminium sheet in outside panels and in this sheet, there is up to 6 percent of magnesium. With the development of new magnesium alloys and new production techniques, the use of magnesium car parts and sheet provides many exciting opportunities.

3. Stage 1 - Demonstration Plant 1,000 tpa

3.1 Engineering and Procurement

The Engineering and Procurement phase has been completed for the MgO part of the demonstration plant. Engineering is limited to vendor performance warranty claims and supporting minor upgrades to the process plant to improve operability and efficiency.

REVIEW OF OPERATIONS

3.2 Construction and Commissioning

Stage 1A – MgO Production

Since mid-May 2024, LMG has been making modifications to minor equipment, installation of additional instrumentation, completion of access structures, dismantling of scaffolding, and other post-trial equipment replacements.

Additionally, improvements to the process plant that were identified during the commissioning trial have been completed. Identifying improvements to the process design or correcting minor deficiencies is very common during the commissioning of new or novel processes. These changes are limited and include:

- Installation of additional instrumentation such as flowmeters and control valves to enhance operability.
- Agitator upgrade and optimisation.
- Installation of surge capacity and recycle and bypass piping to optimise process efficiency.
- Reconfiguration of piping to reduce the risk of blockages.
- Upgrading spray roaster insulation

Stage 1B – Magnesium Metal Production

Construction of the remaining plant to produce magnesium metal has progressed since the MgO commissioning, with the following items completed:

- Installation of retorts and hot testing
- Installation of Mg crown extractor
- Installation of Plant Standby Generator
- Erection of SCM Silo & Dust Collector
- Earthworks and placement of Quicklime Isotainers
- Erection of Ferrosilicon Bag Breaker
- Civil Works for Briquetting Ball Mill

REVIEW OF OPERATIONS

Figure: Spray Roaster reactor vessel insulation works completed

REVIEW OF OPERATIONS

Figure: Briquette civil work completed with major equipment set in position on foundations

4. Stage 2 - Australian Commercial Plant 10,000+tpa Mg

(i) Mine Plan

GHD have provided a proposal for work to complete the following work:

- Calculate a JORC resource for the Yallourn ash landfill.
- Assess the geotechnical stability of the landfill to verify the amount of ash that can be extracted in a safe and stable manner.

REVIEW OF OPERATIONS

- Prepare a mine plan; and
- Develop a new mine rehabilitation plan.

Bechtel Australia, an engineering, construction and project management group, are appointed to conduct a feasibility study which is estimated to take some 9 months to complete.

Société Générale was appointed as finance coordinator, structuring bank and lead arranger of the financing requirements for the Stage 2 project.

The projected timeline for operating the 10,000tpa plant is currently set for December 2027, contingent on timely approval processes from the Victorian Government, the securing of an appropriate site and finalisation of funding.

(ii) Commercial Plant Funding

LMG is currently pursuing three Government grants:

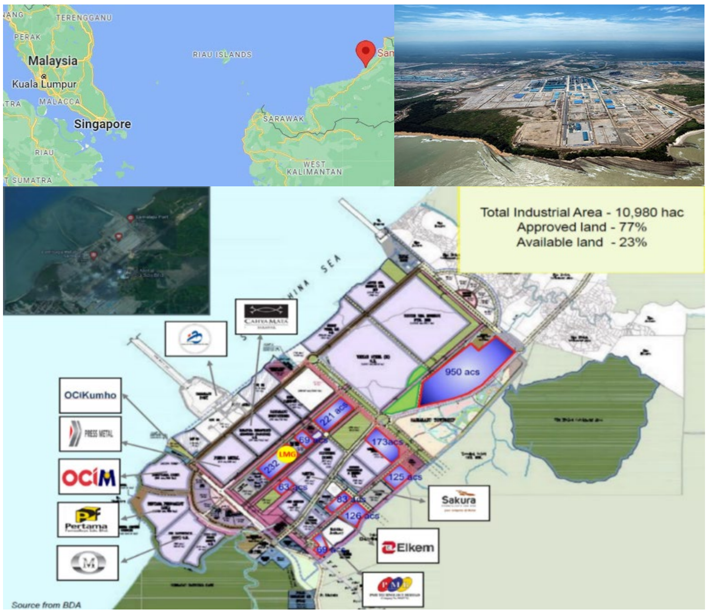
- USA Department of Defence grant
- Australian Industry Growth Program grant
- Australian Renewable Energy Areana grant

Given these grants are successful, they will be used to assist with the funding of the installation and commissioning of the magnesium part of the demonstration plant and the Stage 2 feasibility studies.

LMG are in discussion with a number of strategic investors to assist with the provision of equity for stage 2.

LMG will look to secure its debt funding from various government agencies being the National Reconstruction Fund Corporation, Export Finance Australia and USA EXIM bank in conjunction with Société Générale.

Owing to LMG's offtake agreement with Metal Exchange Corporation for the USA market, LMG believes that it should secure a satisfactory debt package for the funding of the +10,000tpa plant by mainly government institutions. The offtake agreement includes floor prices and the whole output of the 10,000tpa plant.



5. Stage 3 – Magnesium Plant Project 100,000tpa

LMG's proposed 100,000tpa plant in Samalaju, in the Sarawak state of Malaysia, is strategically located near the Samalaju Port, facilitating logistics as well as being close to ferro-silicon providers and essential resources.

REVIEW OF OPERATIONS

Stage 3, 100,000tpa Plant Project Proposed Samalaju Site

LMG has registered a 100% owned Malaysian company, Latrobe Magnesium Sarawak Sdn Bhd. This new entity enables the submission of the respective land and project applications with local authorities. The land application was approved by the Bintulu Development Authority of Sarawak last year.

During the year, LMS was approved the allocation of 250MW from SEB subject to three conditions being:

- LMS entering into a Power Purchase agreement with SEB.
- LMS completing the scope of its Environmental Management Plan for its site clearing activities. LMS has lodged its scope and NREB Sarawak approved this scope.
- LMS completing a detailed chemical analysis of the ferro-nickel slag so that a decision on its waste status could be made by the Department of Environment (DOE). The DOE has instructed LMS how to solve this query.

6. Ash Supply Agreement

On 10 March 2021, EnergyAustralia announced that they would be closing their Yallourn Power Station in mid 2028. In July 2025 an amendment agreement was entered into between LMG and EnergyAustralia covering the delivery of fly ash to the Demonstration plant.

7. Mincore Legal Action

On 15th January 2025, LMG's filed its defence and counterclaim against Mincore Pty Ltd (Mincore), for breach of contract, repudiation and contradiction of the Australian Consumer Law, in the Supreme Court of Victoria, seeking $19.39M in damages. Mincore's claim of $1.37M is contested by LMG.

The legal proceedings have progressed through the pleadings phase. The Court has ordered that the parties attend mediation by 20 October 2025. The mediation process is now likely to take place in October 2025.

8. Warrant Issue

Under the 16 May 2022 funding agreement with RnD Funding Pty Ltd, LMG has issued 80,000,001 warrants at different strike prices and dates, as follows:

Warrant Amount	Exercise Price	Expiry Date
8,888,889	$0.18	31/03/2025*
8,888,889	$0.18	30/06/2025*
8,888,889	$0.18	30/09/2025
8,888,889	$0.24	31/12/2025
8,888,889	$0.24	31/03/2026
8,888,889	$0.24	30/06/2026
8,888,889	$0.30	30/09/2026
8,888,889	$0.30	31/12/2026
8,888,899	$0.30	30/06/2027

*Under the Warrant Agreement, the warrants which were due to be exercised at 31 March 2025 and 30 June 2025 are able to be extended until 6 months after the 10,000 tpa plant has been commissioned

9. Option Issue

On 12 July 2024, the Company issued 51,337,937 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to the promoters of the 11 June 2024 private placement being part of the capital raising costs.

On 9 September 2024, the Company issued 16,887,500 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to RnD Funding as per the amended 2024 funding agreement.

On 10 April 2025, the Company issued 20,000,000 unlisted options at the exercise price of $0.019 expiring 10 April 2028 to the promoters of the 10 April 2025 private placement being part of the capital raising costs.

REVIEW OF OPERATIONS

Unlisted Options	
Total options outstanding at beginning of the period	18,000,000
Granted in the period	88,225,437
Exercised in the period	-
Lapsed in the period	(15,000,000)
Outstanding at the end of the period	91,225,437

10. Capital Raisings

During 2025 the following major capital raisings were completed

		Shares issued	$ per share	$ raised
17/07/2024	Share Purchase Plan	12,558,608	0.045	565,138
18/07/2024	Share Purchase Plan	118,996,947	0.045	5,354,863
19/07/2024	Share Purchase Plan	80,000	0.045	80,000
8/08/2024	Directors Share Issue	11,720,001	0.05	586,000
8/08/2024	Directors Share Issue	11,111,111	0.045	500,000
2/09/2024	Corporate Advisory fees paid by shares	550,000	0.05	27,500
10/04/2025	Share Purchase Plan	200,000,000	0.011	2,200,000
9/05/2025	Share Purchase Plan	76,072,670	0.011	836,800
19/05/2025	Corporate Advisory fees paid by shares	1,980,000	0.025	49,500

11. Lease Finance Agreement

During the year, the lease finance facility was reduced by the R&D rebate of $7.9M in November 2024.

The current amount owing under this facility is $5.7M as at 30 June 2025. This facility will be reduced when the R&D rebate is paid later in 2025.

We have provided a lease extension to our financier from November 2025 to June 2027. It is a contingent liability as although the financier has accepted the extension terms there is an issue with the validity of the lease extension. The matter and the amount of liability is in dispute and subject to negotiations. The outcomes of these matters are uncertain and cannot be reasonably estimated at this stage. Disclosure of further information relating to these disputes is not made as it is considered that such disclosure would be seriously prejudicial to the interests of the Group.

12. Project Funding

On 26 August 2024, the facility of $25 million was increased to $28 million. A total of $27.3 million has been drawn as below:

		$	$
Total Facility			28,000,000
Drawdown	30-Jun-22	(10,000,000)	
	30-Jun-23	(10,000,000)	
	31-Dec-23	(2,000,000)	
	03-Sep-24	(3,000,000)	
	10-Apr-25	(2,300,000)	
			(27,300,000)
Balance undrawn			700,000

The lender advanced $3M under the facility on 3 September 2024 and a further $2,300,000 on 4 April 2025. There remains a further $0.7M of the facility available to be drawn in the future (subject to meeting certain conditions). The current amount owing under this facility is $2.4M as at 30 June 2025.

The maturity date of the facility was also extended from 31 March 2027 to 31 December 2027.

REVIEW OF OPERATIONS

13. Regional Development Grant

A Regional Development Grant Agreement with the State of Victoria was signed for the provision of funding to support the demonstration plant.
The grant of $1 million payable in multiple instalments:

- First instalment $250,000 (received on 30 August 2023),
- Second instalment $250,000 (received on 28 November 2023),
- Third instalment $240,000 (received 5th February 2025).

The remaining $260,000 balance is payable upon completion of the magnesium section of the demonstration plant.

14. 2025 R&D Tax Rebate

The 2024 R&D tax rebate was approved by the Australian Tax Office (ATO) in November 2024 for $15.8 million. LMG incurred a tax liability of $2.6 million in 2024, and the net 2024 tax rebate received was $13.3 million.

Given the capital costs of the Demonstration Plant as at 30 June 2025 and its eligible research and development costs for 2025, LMG estimates that its 2025 tax rebate will be approximately $6.2 million.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Latrobe Magnesium Limited ("Company") and of the Group, being the Company and its subsidiaries for the financial year ended 30 June 2025 and the auditor's report thereon.

DIRECTORS

The following persons were Directors of Latrobe Magnesium Limited during the financial year and up to the date of this report unless otherwise stated.

Jock Murray	Chairman
David Paterson	CEO & Executive Director
P F Bruce	Non Executive Director
J R Lee	Non Executive Director
M L Blackburn	Non Executive Director – resigned 24 October 2024
P C Church	Non Executive Director – resigned 24 October 2024

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of:

- Improvements to the magnesium oxide plant (MgO) post its commissioning in May 2024.
- Planning the commencement of the start of the MgO meeting the required quality specification; and
- Completing the installation and commissioning of parts of the Demonstration Plant that relate to the production of magnesium metal.

OPERATING RESULTS

The consolidated net loss of the Group after providing for income tax amounted to $2,659,085 compared to a loss of $4,742,588 for the previous corresponding period. The loss was reduced mainly due to the reduced administration costs and research and development costs.

Further information on review of operations of the Group is shown separately in the Directors' Review of Operations on Page 4 to 11 of this report.

Dividends

The Directors have not recommended the payment of a final dividend.

Significant Changes in the State of Affairs

The significant change in the state of affairs of the Group during the financial year is an increase in the contributed equity of $9,034,211 from $77,428,757 to $86,462,968 as a result of issuing the following fully paid ordinary shares and unlisted options:

Date	Purpose	Shares/options	$ per Share/option	$ raised
12/07/2024	Broker options issued	51,337,937	0.079	-754,318
17/07/2024	Share Purchase Plan	12,558,608	0.045	565,138
18/07/2024	Share Purchase Plan	118,996,947	0.045	5,354,863
22/07/2024	Share Purchase Plan	1,777,778	0.045	80,000
22/07/2024	Placement fees			-475,000
8/08/2024	Directors convert fees to Shares	11,720,001	0.05	586,000
8/08/2024	Directors convert fees to Shares	11,111,111	0.045	500,000
4/09/2024	Corporate Advisory fees paid by shares	550,000	0.05	27,500
10/04/2025	Share Purchase Plan	200,000,000	0.011	2,200,000
10/04/2025	Placement fees			-275,000
10/04/2025	Broker options issued	20,000,000	0.019	-78,368
9/05/2025	Share Purchase Plan	76,072,670	0.011	836,800
19/05/2025	Corporate Advisory fees paid by shares	1,980,000	0.025	49,500
30/05/2025	Options expired	15,000,000	0.10	417,096
		501,105,052		**9,034,211**

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO BALANCE DATE

There is no matter or circumstance that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2025, of the Group;
(b) the results of those operations; or
(c) the state of affairs, in financial years subsequent to 30 June 2025, of the Group.

On 29 September 2025, the financial report was authorised to be signed by a resolution of Directors.

LIKELY DEVELOPMENTS

Key external and business risks which could impact the Group's ability to deliver its strategy are:

Availability of Finance - The Group has no material operating revenue and is unlikely to generate any material operating revenue unless and until the demonstration plant is fully commissioned and magnesium production commences. The Group intends to raise additional funding by seeking the availability of grants from both United States and Federal governments and completing a sale of a portion of its Tramway Road property to meet its obligations and implement its strategy. If these grants are not forthcoming LMG will consider a capital raise. Magnesium being a critical mineral allows the Group to raise additional funding from a variety of both Australian Federal and State Government as well as offshore sources.

Commodity prices – The global magnesium market is subject to demand and supply fluctuations. These fluctuations, along with fluctuations in the A$:US$ exchange rate, will affect the project economics of the Group's projects. Climate change risk creates additional demand for magnesium as a means to reduce emissions as part of global 'decarbonisation' strategies. Such additional demand may create upside pressure on magnesium prices in the future.

Management retention **–** The Group relies on its employees and consultants. There is a risk that the Group may not be able to retain those key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel or any delay in their replacement, could have a negative impact on the Group's ability to achieve its strategy. To address this risk, the Group continues to refine its remuneration framework to provide competitive remuneration to retain key personnel.

Government approvals/environmental standards – Advancing the Group's Stage 2 commercial plant is dependent on obtaining approvals from government agencies. To date the Group, owing to its new low emissions technology and it's no waste policy, has been able to meet increasing government and public sensitivity to environmental sustainability and environmental regulation, which are becoming more stringent.

Except for information disclosed on certain developments and the expected results of those developments included in this report under review of operations, further information on likely developments in the operations of the Group and the expected results of those operations have not been disclosed in this report because the Directors believe these matters to be commercial in confidence.

ENVIRONMENTAL REGULATIONS

The Group's operations will be subject to normal State and Federal Environmental Regulations. There were two breaches of these regulations during the year or to the date of this report. It is important to note that the fines issued were administrative in nature and do not reflect the high standards to which the plant has been designed and constructed. At no time was there any risk posed to the community, and our site was, and is, in full compliance.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

John Stephen Murray AO – Non-Executive Chairman

Mr Murray studied economics and history with the Royal Military College at Duntroon before studying engineering management at the Royal Military College of Science in the UK. He also holds qualifications in international politics from Deakin University. Prior to his foray into business, Mr Murray had a distinguished military career over almost 30 years before retiring as a Colonel in 1994. He brings a wealth of senior management and directorship experience with a particular focus on infrastructure, project management and freight logistics.

He managed numerous projects in his role with NSW Department for Transport including the production of a ten-year development plan for the State's transport infrastructure and services and chairing the $2 billion Parramatta Rail Link Company project. He acted as an adviser for operational planning and infrastructure for the Sydney, Beijing, and London Olympic Games. In addition to these roles, he held numerous directorships including non-executive chairman of Omni Tanker Holding Pty Ltd, The Hills Motorway (M2) Limited and Country Pipelines Pty Ltd. He was on the board of Terminals Australia for five years. Roles currently held by Mr Murray include strategic adviser for law firm, King & Wood Mallesons in the government infrastructure sector.

Date of appointment as Director	1 May 2015
Other current public company directorships	None
Former public company directorships in last 3 years	None
Special responsibilities	Chairman of the Board of Directors
Interests in securities	20,191,115 ordinary shares in Latrobe Magnesium Limited, registered in the name of MurraySetter Pty Limited as trustee for the MurraySetter Trust.

David Oliver Paterson – Chief Executive Officer

Mr Paterson is a qualified Chartered Accountant and a graduate from the University of Queensland. Prior to forming Europacific in 1990, he was a group manager of the Corporate Services Division of Tricontinental Corporation Limited responsible for NSW and Queensland. He also worked for Coopers & Lybrand in Brisbane and Sydney in their Corporate Services Division.

He has been involved in a wide range of corporate advisory assignments and underwritings for both debt and equity for a number of public and private companies. Mr Paterson has experience in the property and mining industries in relation to project financing, financial analysis, valuations and the raising of debt and equity.

Date of appointment as Director	23 August 2002
Other current public company directorships	None
Former public company directorships in last 3 years	None
Special responsibilities	Chief Executive Officer
Interests in securities	146,769,394 ordinary shares in Latrobe Magnesium Limited, 40,415,079 held as a direct interest and 106,354,315 registered in the name of Rimotran Pty Limited as trustee for the David Paterson Super Fund.

Philip Francis Bruce – Non-Executive Director

Mr Bruce is a director of P F Bruce & Associates, which provides corporate and project management services. He is a mining engineer with over forty years resource industry experience in Australia, South Africa, West Africa, South America and Indonesia in project development and senior corporate management. He was the CEO of PT BHP Indonesia and managing director of Triako Resources Limited and Pure Alumina Limited.

He also held Board positions with Ausmelt Limited, Buka Minerals Limited, Bassari Resources Limited, Ora Gold Limited and Archean Star Resources Inc. He was general manager of development for Plutonic Resources Limited and was technically responsible for acquisition and development of resource projects in its growth from $35 million to over $1 billion market capitalisation.

DIRECTORS' REPORT

He is a Member of the Australian Institute of Company Directors and a Fellow of the Australasian Institute of Mining and Metallurgy.

Date of appointment as Director	4 September 2003
Other current public company directorships	None
Former public company directorships in last 3 years	None
Special responsibilities	Chairman of Nomination & Remuneration Committee
Interests in securities	14,338,209 ordinary shares in Latrobe Magnesium Limited, registered in the name of Diazill Pty Limited as trustee for the PB Superannuation Fund.

John Robert Lee – Non-Executive Director

Mr Lee has a broad range of commercial skills and experiences in both the public and private sectors. He has held senior management roles 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. In the private sector, Mr Lee has held a number of senior management positions with a number of major corporations including Henry Jones IXL, Elders Building Supplies and Woolworths Limited. He is the founder of Stockholder Relations Pty Ltd, a management consultancy specialising in corporate advisory, investor relations and corporate governance.

Date of appointment as Director	10 December 2010
Other current public company directorships	None
Former public company directorships in last 3 Years	None
Special responsibilities	Chairman of Audit & Risk Committee
Interests in securities	500,000 ordinary shares in Latrobe Magnesium Limited held as direct interest and 8,215,408 ordinary shares registered in the name of Stockholder Relations Pty Limited of which Mr Lee is a Director.

Company Secretary

Mr John Lee who has been a Director to the Company since 10 December 2010 became Company Secretary on 1 July 2013.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2025 and the number of meetings attended by each Director was:

	Directors' Meetings		Audit Committee Meetings	
Director	**Attended**	**Held Whilst in Office**	**Attended**	**Held Whilst in Office**
J S Murray	6	6	-	-
D O Paterson	6	6	2	2
J R Lee	6	6	2	2
P F Bruce	6	6	-	-
M L Blackburn	3	3	-	-
P C Church	3	3	-	-

Retirement, Election and Continuation in Office of Directors

Mr J R Lee is the Director retiring by rotation at the next Annual General Meeting of the Company. Mr Lee being eligible in accordance with Article 12.2 of the Company's constitution offers himself for re-election. His background, experience and qualifications are detailed on Page 15.

DIRECTORS' REPORT

The information which follows through to the section titled "Share Options Granted to Key Management Personnel" is subject to audit by the external auditors.

REMUNERATION REPORT - AUDITED

This report outlines the Remuneration Arrangements in place for each key management person of Latrobe Magnesium Limited. Principles used to determine the nature and amount of remuneration are:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency
- Appropriateness for level of operations

Remuneration Committee

In July 2023, a Nomination and Remuneration Committee was formed to advise and make recommendations to the Board on recruitment policies and level of remuneration.

Key Management Personnel

The Nomination and Remuneration Committee advises and recommends to the Board of Directors on remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors.

Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice. As well as basic salary, remuneration packages include superannuation.

Directors and executives are also able to participate in an Employee Share Acquisition Plan. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time. The Board undertakes an annual review of its performance and the performance of the Board Committees against goals set at the start of the year.

Details of the nature and amount of each element of the emoluments of each Director of Latrobe Magnesium Limited and each specified officer of the Company and the Group receiving the highest emoluments are set out in the following tables.

DIRECTORS' REPORT

	Short-term benefits		Share-based payments	Post-employment benefits	Long-term benefits		
2025 Directors	Base Emoluments	Bonuses	Equity Options	Superannuation	Long service leave	Total	Performance Related
	$	$	$	$	$	$	%
J S Murray	85,000	-	-	-	-	85,000	-
D O Paterson	557,000	-	-	-	-	557,000	-
J R Lee	75,000	-	-	-	-	75,000	-
P F Bruce	53,000	-	-	-	-	53,000	-
M L Blackburn (resigned 24 October 2024)	12,500	-	-	-	-	12,500	-
P C Church (resigned 24 October 2024	67,667	-	-	-	-	67.667	-
Sub Total	850,167	-	-	-	-	850,167	
Other KMP							
J D S Collier	302,107	-	-	33,120	3,164	338,391	
R Gillen	348,395	-	-	37,375	1,634	387,401	
Sub Total	650,499	-	-	70,495	4,798	725,792	
	1,500,666	-	-	70,795	4,798	1,575,959	-

	Short-term benefits		Share-based payments	Post-employment benefits	Long-term benefits		
2024 Directors	Base Emoluments	Bonuses	Equity Options	Superannuation	Long service leave	Total	Performance Related
	$	$	$	$	$	$	%
J S Murray	80,000	-	-	-	-	80,000	-
D O Paterson	400,000	-	-	-	-	400,000	-
J R Lee	70,000	-	-	-	-	70,000	-
P F Bruce	50,000	-	-	-	-	50,000	-
M F Wandmaker	37,500	-	-	-	-	37,500	-
M L Blackburn	50,000	-	-	-	-	50,000	-
P C Church	90,000	-	-	-	-	90,000	-
Sub Total	777,500	-	-	-	-	777,500	-
Other KMP							
J D S Collier	170,425	-	-	17,762	-	188,187	
R Gillen	286,328	-	-	29,040	16,933	332,301	
Sub Total	456,753	-	-	78,267	16,933	520,488	
	1,234,253	-	-	78,267	16,933	1,297,988	

There are no additional management executives employed by Latrobe Magnesium Limited who are identified as Key Management Personnel other than those already disclosed. [Ronan Gillen – Chief Operating Officer and John Collier – Chief Financial Officer]. Peter Church remains a KMP as Chairman of Latrobe Magnesium Sarawak.

DIRECTORS' REPORT

Service Agreements

There are currently no service agreements in place formalising the terms of remuneration of Directors or the CEO of the Company and the Group. Service agreements are in place for other KMP.

Shareholdings

Number of shares held by Directors and Other Key Management Personnel of Parent Entity

Directors & Other Key Management Personnel	Balance at 1 July 2024	Acquired under Share Purchase Plan for Shareholders	Acquired Under Debt Conversion to Equity	Net Change - Other	Balance at 30 June 2025
J S Murray	18,115,559	1,075,556	-	1,000,000	20,191,115
D O Paterson	132,938,284	5,377,777	-	8,453,333	146,769,394
P F Bruce	13,665,986	672,223	-	-	14,338,209
J R Lee	7,774,297	941,111	-	-	8,715,408
J D S Collier	526,680	-	-	-	526,680
R Gillen	-	1,111,111	-	-	1,111,111

Share Options Granted to Key Management Personnel

Granted - No options were granted to key management personnel over unissued shares during the financial year.

Exercised - No options were exercised by key management personnel during or in the period since the end of the financial year and up to the date of this report.

Expiry - No options expired during or since the end of the financial year.

Balance - No options outstanding as at 30 June 2025.

END OF AUDITED REMUNERATION REPORT

UNLISTED WARRANTS

Under the June 2022 funding agreement with RnD Funding Pty Ltd, LMG has issued 80,000,001 warrants at different strike prices and dates, as follows:

Warrant Amount	Exercise Price	Expiry Date
8,888,889	$0.18	31/03/2025
8,888,889	$0.18	30/06/2025
8,888,889	$0.18	30/09/2025
8,888,889	$0.24	31/12/2025
8,888,889	$0.24	31/03/2026
8,888,889	$0.24	30/06/2026
8,888,889	$0.30	30/09/2026
8,888,889	$0.30	31/12/2026
8,888,889	$0.30	30/06/2027

Unlisted Warrants	
Total warrants outstanding at beginning of the period	80,000,001
Granted in the period	-
Exercised in the period	-
Lapsed in the period	-
Outstanding at the end of the period	80,000,001

DIRECTORS' REPORT

Under the Warrant Agreement, the warrants which were due to be exercised at 31 March 2025 and 30 June 2025 are able to be extended until 6 months after the 10,000 tpa plant has been commissioned.

UNLISTED OPTIONS

On 12 July 2024, the Company issued 51,337,937 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to the promoters of the 11 June 2024 private placement being part of the capital raising costs.

On 9 September 2024, the Company issued 16,887,500 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to RnD Funding as per the amended 2024 funding agreement.

On 10 April 2025, the Company issued 20,000,000 unlisted options at the exercise price of $0.019 expiring 10 April 2028 to the promoters of the 10 April 2025 private placement being part of the capital raising costs.

Unlisted Options	
Total options outstanding at beginning of the period	18,000,000
Granted in the period	88,225,437
Exercised in the period	-
Lapsed in the period	(15,000,000)
Outstanding at the end of the period	91,225,437

INDEMNIFICATION

During or since the end of financial year, the Company has not been indemnified nor made a relevant agreement to indemnify an officer or auditor of the Company nor any related body corporate against liability incurred as such an officer or auditor. The Company maintains a Directors and Officers Liability Insurance, including company securities cover.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Group is subject to and is compliant with all aspects of environmental regulations of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to Nexia Sydney Audit Pty Ltd and related entities for services provided during the year are set out below:

	2025 $	2024 $
Audit and Review of Financial Reports	112,879	130,777
Taxation and Other Services	21,900	22,395
	134,779	**153,172**

DIRECTORS' REPORT

The Board of Directors ensure that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

AUDITORS' INDEPENDENT DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on Page 21 and forms part of this report.

This report is made in accordance with a resolution of the Directors.

J S Murray	**D O Paterson**
Chairman	**Chief Executive Officer**

Sydney

30 September 2025

Nexia Australia

Nexia Sydney Audit Pty Ltd
Level 22, 2 Market Street
Sydney NSW 2000
PO Box Q776
QVB NSW 1230
E: info@nexiasydney.com.au
P: +61 2 9251 4600
F: +61 2 9251 7138

nexia.com.au

To the Board of Directors of Latrobe Magnesium Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Latrobe Magnesium Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia

Nexia Sydney Audit Pty Ltd

Vishal Modi

Vishal Modi
Director

Sydney
Dated: 30 September 2025

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes and the Remuneration Report on pages 16 to 18 comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable (refer to note 26).

- the information disclosed in the attached consolidated entity disclosure statement on page 58 is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*

On behalf of the directors

J S Murray
Chairman

D O Paterson
Chief Executive Officer

Sydney

30 September 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2025

	Note	GROUP 2025 $	GROUP 2024 $
Revenue			
Finance income		28,873	262,823
Other income		2,697,432	6,321,565
	3	2,726,305	6,584,388
Expenses			
Administration expenses		(3,469,423)	(4,127,956)
Employee benefit expenses		(1,651,248)	(1,217,820)
Finance cost	3	(356,003)	(205,502)
Research and evaluation expenses		(87,575)	(366,807)
Total expenses	3	(5,564,249)	(5,918,085)
Profit/(loss) before Income Tax		(2,837,944)	666,303
Income tax benefit/(expense)	4	178,859	(5,408,891)
Loss attributable to members of the parent entity		(2,659,085)	(4,742,588)
Other Comprehensive Income			
Other Comprehensive Income for the year		-	-
Total Comprehensive Income		(2,659,085)	(4,742,588)

	Note	GROUP 2025	GROUP 2024
Basic and diluted loss per share (cents per share)	19	(0.11)	(0.26)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	GROUP 2025 $	2024 $
CURRENT ASSETS			
Cash and cash equivalents	5	2,424,479	565,150
Trade and other receivables	6	6,670,672	16,483,317
Non-current assets classified as held for sale	11	871,470	-
Total Current Assets		9,966,621	17,048,467
NON-CURRENT ASSETS			
Trade and other receivables	6	179,881	195,854
Office equipment	7	48,288	62,757
Demonstration plant	8	70,989,846	60,738,061
Right-of-use asset	9	2,033,102	7,232,766
Other assets	10	7,025,665	6,993,768
Land & Buildings	11	2,260,770	3,132,239
Total Non-Current Assets		82,537,552	78,355,445
TOTAL ASSETS		92,504,173	95,403,912
CURRENT LIABILITIES			
Trade and other payables	12	2,344,249	6,748,885
Provision for income tax		-	2,587,088
Borrowings	13	2,123,567	1,861,169
Lease liabilities	9	5,670,313	5,434,749
Share subscription funds	14	580,000	1,086,000
Total Current Liabilities		10.718.129	17,717,891
NON CURRENT LIABILITIES			
Lease liabilities	9	-	6,564,635
Deferred income	8	30,548,019	26,671,951
Deferred income tax liability	4	2,571,545	2,821,802
Total Non Current Liabilities		33,119,564	36,058,388
TOTAL LIABILITIES		43,837,693	53,776,279
NET ASSETS		48,666,480	41,627,632
EQUITY			
Issued capital	15	86,462,968	77,428,757
Reserves	16,17	5,033,136	4,369,415
Accumulated losses		(42,829,624)	(40,170,540)
TOTAL EQUITY		48,666,480	41,627,632

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

GROUP	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2023		54,149,170	7,586,088	(35,427,951)	26,307,307
Exercise of warrants		3,255,634	(3,255,634)	-	-
Option Reserve		(38,961)	38,961	-	-
Total comprehensive income		-	-	(4,742,588)	(4,742,588)
Shares issued during the period	15	20,062,914	-	-	20,062,914
Balance at 1 July 2024		77,428,757	4,369,415	(40,170,539)	41,627,633
Expiry of options		417,096	(417,096)	-	-
Option Reserve	17	(832,686)	1,080,817	-	248,131
Total comprehensive income		-	-	(2,659,085)	(2,659,085)
Shares issued during the period	15	9,449,801	-	-	9,449,801
Balance at 30 June 2025		86,462,968	5,033,136	(42,829,624)	48,666,480

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

	Note	GROUP 2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		13,244,520	12,872,388
Payments to suppliers and employees		(5,422,540)	(4,153,169)
Interest and other financial costs paid		(301)	(11,104)
Interest received		11,459	18,099
Government grant		264,000	500,000
GST on sale of equipment sale & lease back		-	2,277,680
Net cash from operating activities	18b	8,097,138	11,503,894
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of office equipment and furniture & fittings		(5,471)	(66,143)
Payments to acquire demonstration plant		(6,162,311)	(27,246,396)
Payments of international patent expenditure		(17,239)	(42,535)
Rent and deposit bonds		(59,027)	-
Proceeds from disposal of equipment (net of GST)		-	10,378,772
Net cash used in investing activities		(6,244,048)	(16,976,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		9,113,801	16,288,547
Transaction costs related to issue of shares		(1,151,620)	(823,500)
Proceeds from exercise of warrants and options		-	3,980,000
Repayments of borrowings		(5,319,168)	(22,272,388)
Proceeds from borrowings		5,300,000	2,000,000
Repayment of leases (interest)		(1,607,614)	-
Repayments of lease liabilities		(6,329,160)	(26,835)
Net cash used in financing activities		6,239	(854,176)
Net increase / (decrease) in cash and cash equivalents held		1,859,329	(6,326,583)
Cash and cash equivalents at beginning of the financial year		565,150	6,891,733
Cash and cash equivalents at end of financial year	18a	2,424,479	565,150

The above statement should be read in conjunction with the accompanying notes.

NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group. These new Standards have not had a material financial impact on its financial statements:

AASB 2020-1 and AASB 2022-6: Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

The amendments to AASB 101 specify that conditions (covenants) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, an entity discloses information about these conditions in the notes to the financial statements.

Where AASB 2022-6 is adopted before its mandatory application date, AASB 2020-1 must also be applied at the same date.

AASB 2022-5: Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

The Standard amends AASB 16 Leases to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts* with Customers to be accounted for as a sale.

AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

AASB 2022-10: Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

The standard amends AASB 13 *Fair Value Measurement*, including adding authoritative implementation guidance and providing related illustrative examples, relating to the measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

AASB 2023-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

AASB 2023-1 requires the disclosure of information about an entity's supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements).

The new disclosures are designed to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

AASB 2023-3: Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

AASB 2023-3 amends the Tier 2 financial reporting requirements for the classification of loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with specified conditions.

Earlier application is permitted, provided AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current is also applied at the same time.

AASB 2024-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures.

Application Date: 1 January 2024, applies to financial year ended 30 June 2025

Amends AASB 1060 to require a Tier 2 entity to disclose information about an entity's supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements).

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(w).

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 27.

a. Principles of Consolidation

The consolidated financial statements comprise the financial statements of Latrobe Magnesium Limited and its subsidiaries at 30 June each year ("the Group"). Subsidiaries are entities over which the Group has exposure to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All inter-entity balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Subsidiaries are accounted for in the parent entity financial statements at cost. A list of controlled entities is contained in Note 20 to the financial statements.

b. Income Tax

The Group adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets in relation to tax losses are not brought to account unless there is convincing evidence of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Latrobe Magnesium Limited and its wholly-owned Australian subsidiaries have formed an income tax group under the Tax Consolidation Regime. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each Group entity is then subsequently assumed by the parent entity. The Group notified the ATO on 2 January 2003 that it had formed an income tax group to apply from 1 July 2002. The tax group has entered a tax sharing agreement whereby each Company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax group.

c. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange difference is recognised in the income statement.

d. Plant and Equipment

Plant and equipment are stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment - diminishing value	35%

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

e. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, once the project is complete and ready to use, being their finite life of 20 years.

Patents

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

f. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

g. Government grants

Government grants relating to assets are deferred and recognised in profit or loss over the period necessary to match them with the assets that they are intended to compensate. Grants relating to expense items are recognised as income immediately.

h. Impairment of Non-Financial Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

i. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Groupo recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured based on the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

j. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

l. Revenue

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Research and development tax rebate

The Group is entitled to claim a refundable tax offset for eligible research and development expenditure under the Australian Government’s R&D Tax Incentive program. The incentive is recognised when there is reasonable assurance that the company will comply with the conditions and the incentive will be received. Where the related expenditure has been expensed, the incentive is recognised as other income. Where the related expenditure has been capitalised as an intangible asset, the incentive is recognised as deferred income.

m. Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have up to 60-day payment terms.

n. Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the loans and borrowings using the effective interest method.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

o. Other liabilities

Other liabilities comprise non-current amounts due to related parties that do not bear interest and are repayable in more than 366 days from balance sheet date. As these are non-interest bearing, fair value at initial recognition requires an adjustment to discount these loans using a market-rate of interest for a similar instrument with a similar credit rating (Group's incremental borrowing rate). The discount is credited to the income statement immediately and amortised using the effective interest method.

The component parts of compound instruments (convertible securities) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

p. Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. For service warranties, the likelihood that an outflow will be required to settle the obligation is determined by considering the class of obligations as a whole. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

q. Share-based payments

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received.

r. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s. Contributed equity

Ordinary shares are classified as equity (refer Note 15).

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

t. Dividends

Provision is made for dividends declared and no longer at the discretion of the Group, on or before the end of the financial year but not distributed at balance date.

u. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to members of Latrobe Magnesium Limited, adjusted for the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

The weighted average number of issued shares outstanding during the financial year does not include shares issued as part of the Employee Share Loan Plan that are treated as in-substance options.

Diluted earnings per share

Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

v. Goods and Services Tax (GST)

Revenues, expenses are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

w. Critical Accounting Estimates and Judgments

The Directors evaluate, estimate and make judgements which are incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Capitalised development assets are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Value in use calculations performed in determining recoverable amounts incorporate a number of key estimates. No impairment has been recognised in respect of the intangible assets and the demonstration plant under construction for the year ended 30 June 2025. Refer to Note 10 for details of assumptions used in the value in use impairment model.

x. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

The Group is still assessing but does not currently expect these new Standards to have a material financial impact on its financial statements:

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability

Application Date: 1 January 2025, applies to financial year ended 30 June 2026

The Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements of AASB 121 for entities that apply AASB 1060 for Tier 2 financial statements.

AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

Application Date: 1 July 2026, applies to financial year ended 30 June 2027

The Standard amends AASB 17 to include modifications that apply to public sector entities.

It also amends AASB 1050 to provide an accounting policy choice for government departments to apply either AASB 17 or AASB 137 in determining the information to be disclosed about administered captive insurer activities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

Application Date: 1 January 2026, applies to financial year ended 30 June 2027
The standard amends AASB 9 and AASB 7 to clarify:
a) the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and
b) the date on which a financial asset or financial liability is derecognised where settlement of a financial liability occurs through electronic payment systems.

AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11

Application Date: 1 January 2026, applies to financial year ended 30 June 2027

This Standard amends:

a) AASB 1 to improve consistency with the requirements for hedge accounting in AASB 9;

b) AASB 7 to replace a cross-reference with a reference to AASB 13 *Fair Value Measurement*

c) AASB 9 to clarify how a lessee accounts for the derecognition of a lease liability when it is extinguished; and address an inconsistency between AASB 9 and the requirements in AASB 15 in relation to the term 'transaction price';

d) AASB 10 in relation to determining de facto agents of an entity; and

e) AASB 107 to replace the term 'cost method' with 'at cost' as the term is no longer defined in Australian Accounting Standards.

AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity

Application Date: 1 January 2026, applies to financial year ended 30 June 2027

This Standard amends AASB 7 and AASB 9 to reflect nature-dependent electricity contracts that entities use to secure their electricity supply from sources such as wind and solar power.

The amendments:
a) clarify the application of the 'own-use' criteria to nature-dependent electricity contracts;
b) permit hedge accounting if these contracts are used as hedging instruments; and
c) add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows.

AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures

Application Date: 1 January 2026, applies to financial year ended 30 June 2027

This Standard amends AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to require a Tier 2 entity to disclose information about financial instruments with contingent features that do not relate directly to basic lending risks and costs that enables users of financial statements to understand the effect that changes in contractual terms could have on the entity's future cash flows.

This amendment reflects the issuance of AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*, which amended AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments* and extends some of the new disclosure requirements to Tier 2 entities.

AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures

Application Date: 1 January 2026, applies to financial year ended 30 June 2027

This Standard amends AASB 1060 to incorporate the disclosures about nature-dependent electricity contracts added by AASB 2025-1 for Tier 1 entities that are relevant for Tier 2 entities. A Tier 2 entity is required to disclose information about nature-dependent electricity contracts that meet the 'own-use' criteria and are recognised as procurement contracts.

AASB 18 Presentation and Disclosure in Financial Statements

Application Date: 1 January 2027 #, applies to financial year ended 30 June 2028 #

AASB 18 will replace AASB 101 *Presentation of Financial Statements*. AASB 18 will:

a) Better align the presentation of the statement of profit or loss to the categories in the statement of cash flows by introducing two new defined subtotals — operating profit and profit before financing and income taxes (EBIT).

b) require disclosure of management-defined performance measures — subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of a company's financial performance (such as funds from operations, cash profit, etc); and

c) enhance the requirements for aggregation and disaggregation to help a company to provide useful information.

 # Applies to not-for-profit private sector entities, not-for-profit public sector entities, and superannuation entities for annual periods beginning on or after 1 January 2028.

AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)

Application Date: 1 January 2028, applies to financial year ended 30 June 2029

Amends AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2028 by AASB 2024-4b.

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e., not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is conducted by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls, and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board monthly.

(i) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash or access to funds to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The Group's exposure to liquidity risk has been assessed as minimal. There are no past due payables at balance date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(ii) Interest Rate Risk

The Group's exposure to interest risk arises when the value of financial instruments fluctuates as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities.

The Group's exposure to interest rate risk only extends to cash and cash equivalents, borrowings and lease liabilities at balance date. The Group's exposure to interest rate risk at 30 June 2025 and 30 June 2024 is set out in the following tables:

CONSOLIDATED

Year ended	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest maturing in			Non-interest bearing	Total
30 June 2025			1 year or less	Over 1 to 5 years	More than 5 years		
	%	$	$	$	$	$	$
Financial assets							
Cash & cash equivalents	0.3	2,424,479	-	-	-	-	2,424,479
Trade & other receivables		-	-	-	-	6,850,553	6,850,553
Total Financial Assets		2,424,479	-	-	-	6,850,553	9,275,032
Financial liabilities							
Borrowings	18.0	-	(2,123,567)	-	-	-	(2,123,567)
Lease liabilities	20.81		(5,670,313)	-	-	-	(5,670,313)
Trade and other payables		-	-	-	-	(2,343,497)	(2,343,497)
Net financial assets		2,424,479	(7,793,880)	-	-	4,507,056	(862,345)

Year ended	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest maturing in			Non-interest bearing	Total
30 June 2024			1 year or less	Over 1 to 5 years	More than 5 years		
	%	$	$	$	$	$	$
Financial assets							
Cash & cash equivalents	0.3	565,150	-	-	-	-	565,150
Trade & other receivables		-	-	-	-	16,679,171	16,679,171
Total Financial Assets		565,150	-	-	-	16,679,171	17,244,321
Financial liabilities							
Borrowings	18.0	-	(1,861,169)	-	-	-	(1,861,169)
Lease liabilities	18.0		(5,434,749)	(6,564,635)	-	-	(11,999,384)
Trade and other payables		-	-	-	-	(6,748,885)	(6,748,885)
Net financial assets		565,150	(7,295,918)	(6,564,635)	-	9,930,286	(3,365,117)

(iii) Foreign exchange currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency.

There was no exposure to foreign currency risk at balance date because the Group had purchased some Euro and USD currencies.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

(iv) Share market risk

The Group relies greatly on equity markets to raise capital for its magnesium project development activities and is thus exposed to equity market volatility.

When market conditions require prudent capital management, in consultation with its professional advisers, the Group looks to alternative sources of funding, including debt financing and joint venture participation.

(v) Credit risk

Credit risk arises principally when the other party to a financial instrument fails to discharge its obligations in respect of that instrument. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

Trade and receivable balances are monitored on an ongoing basis with the Group's exposure to bad debts minimal. There was no exposure to trade receivable credit risk at balance date. The Group does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Group.

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

(vi) Commodity risk

Commodity price risk arises when the fair value of future cash flows of a financial instrument will fluctuate because of changes in commodity market prices.

The Group had no exposure to commodity price risk at balance date. The Group's potential exposure to commodity price risk will materialise in the event that development of the Group's Latrobe Magnesium Project proceeds.

(vii) Market risk

Market risk does arise as the Group has interest bearing, tradeable or foreign currency financial instruments. However, it is mitigated as most of these instruments have fixed interest rates.

As the financial assets held by the Group as at 30 June 2025 were cash and cash equivalents and trade and other receivables, and the value of these financial assets are not affected by the short-term movement in interest rates, a market risk sensitivity has not been performed.

(viii) Equity price risk

Equity price risk arises from investments in equity securities and Latrobe Magnesium Limited's issued capital. The Group had no exposure to investments in equity securities at balance date. The capacity of the Company to raise capital from time to time may be influenced by either or both market conditions and the price of the Company's listed securities at that time.

Fair value of financial assets and liabilities

The fair value of all monetary financial assets and financial liabilities of Latrobe Magnesium approximate their carrying value. There are no off-balance sheet financial asset and liabilities at year-end. All financial assets and liabilities are denominated in Australian dollars.

NOTE 3: LOSS FROM ORDINARY ACTIVITIES

		GROUP	
		2025	2024
		$	$
The following revenue and expense items are relevant in explaining the financial performance for the period.			
(i)	**Revenue**		
	Finance income	28,873	262,823
	Other Income		
	Research and development tax rebate 2023-24	-	6,271,955
	Research and development tax rebate 2024-25	2,620,237	-
	Fuel excise rebate	10,607	
	Rent income	67,500	33,750
	(Loss)/gain on foreign exchange	(912)	15,860
		2,726,305	6,584,388

Total research and development tax rebates for the year were $6,256,305 (2024: $15,885,594 gross). $3,636,068 (2024: $9,613,639) in R&D rebates have been capitalised as per note 8.

(ii)	**Expenses**		
	Depreciation – Office equipment and furniture & fittings	23,106	17,012
	Depreciation – Lease	10,278	24,667
	Research and evaluation expenses	87,575	366,807
	Directors and CEO fees	850,167	777,500
(iii)	**Finance costs**		
	Interest on borrowings	474,946	2,418,680
	Interest on leases	1,607,614	1,609,280
	Other interest	356,003	205,502
	Total finance costs	2,438,563	4,233,462
	Less: amounts capitalised to demonstration plant	(2,082,560)	(4,027,960
	Finance costs expensed	356,003	205,502

NOTE 4: INCOME TAX EXPENSE

	GROUP	
	2025	2024
	$	$
Income Tax Expense		
Current tax	-	2,587,089
Deferred tax – origination and reversal of temporary differences	(250,256)	2,821,802
Prior period under/(over) provision	71,397	-
	(178,859)	5,408,891

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax benefit as follows:		
Profit (loss) from ordinary activities before income tax	(2,837,944)	666,303
Prima facie tax expense(benefit)/ on loss from ordinary activities before income tax at 25%	709,486	(166,576)
Permanent differences relating to R&D claim	(218,137)	(3,958,415)
Other permanent differences	(8,537)	-
Tax losses not recognised	(554,915)	-
Prior period (under)/over provision	(71,397)	-
(Decrease) / Increase in income tax benefit due to timing differences	322,359	(1,283,900)
Income tax credit/ (expense)	178,859	(5,408,891)

Net deferred tax asset not taken to account

The potential future income tax benefit arising from tax losses has not been taken to account because of the absence of convincing evidence of the realisation of the benefit.

The deferred tax asset will only be recognised if:

i. the Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
ii. the Group continues to comply with the conditions for deductibility imposed by the law; and
iii. no changes in tax legislation adversely affect the Group in realising the benefit.

	GROUP	
	2025	2024
	$	$
Sale proceeds from Sale of Equipment	-	10,378,772
Gross up adjustment	-	7,680,291
	-	18,059,063
Revenue Losses	-	(7,710,707)
	-	10,348,356
Estimated tax payable	**-**	**2,587,088**
Benefit of unrecognised tax losses carried forward:		
Revenue losses	621,792	66,877
Capital losses	682,095	682,095
	1,303,887	748,972
Deferred tax asset		
Accrued expenses	20,588	22,500
Employee entitlements	49,219	27,085
Superannuation payable	9,240	15,283
Regional Victoria Grant	185,000	125,000
Legal fees	107,240	-
Capital raising costs	379,221	241,535
	750,508	431,403

Deferred tax liability		
Patent costs	18,644	10,668
Lease payments	983,736	983,736
Capitalised interest	688,216	604,715
Prepaid insurance	34,126	56,755
Prepaid Lease payments	1,597,331	1,597,331
	3,322,053	3,253,205
Net deferred tax liability	2,571,547	2,821,802

NOTE 5: CASH AND CASH EQUIVALENTS

	GROUP	
	2025	2024
	$	$
Cash at bank	2,424,479	565,150

NOTE 6: TRADE AND OTHER RECEIVABLES

	GROUP	
	2025	2024
CURRENT	$	$
R&D tax concession rebate	6,256,304	15,885,594
GST recoverable	83,006	325,241
Trade debtor	-	1,068
Bonds	89,781	14,600
Prepayment – insurance	191,131	227,018
Share subscription receivable	-	7,654
Other prepayments	50,450	22,142
	6,670,672	16,483,317
NON-CURRENT		
Share acquisition Plan (note 22)	100,877	100,877
Rent and deposit bonds	79,004	94,977
	179,881	195,854

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

NOTE 7: OFFICE EQUIPMENT AND FURNITURE FIXTURES & FITTINGS

	GROUP 2025	GROUP 2024
	$	$
Office equipment and furniture & fittings at cost	107,727	99,090
Accumulated depreciation	(59,439)	(36,333)
Total Office Equipment and Furniture & Fittings	48,288	62,757

Movements in Carrying Amounts

Between the beginning and the end of the current financial year, movements in the carrying amounts of plant, equipment and furniture fixtures & fittings are:

	GROUP 2025	GROUP 2024
	$	$
Balance at 1 July	62,757	28,149
Additions	8,637	51,620
Depreciation expense	(23,106)	(17,012)
Carrying amount at 30 June	48,288	62,757

NOTE 8: DEMONSTRATION PLANT

	GROUP 2025	GROUP 2024
	$	$
Capitalised costs of the Demonstration Plant (i)	65,897,216	57,727,990
Crane equipment	2,881,000	2,881,000
Capitalised borrowing costs (ii)	12,590,402	10,507,843
Equipment Sale & Lease Back (iii)	(10,378,772)	(10,378,772)
	70,989,846	60,738,061

Reconciliation of the carrying value of the demonstration plant at the beginning and end of the current and previous financial year are set out below:

Demonstration plant brought forward	60,738,061	31,439,516
Lease interest	1,607,614	1,609,280
Loan interest	474,945	6,533,555
Amortisation of ROU asset	5,189,386	3,156,284
Other additions	2,979,840	28,378,198
Disposals	-	(10,378,772)
Demonstration plant carried forward	70,989,846	60,738,061

(i) Construction costs work of the initial 1,000 tpa magnesium plant have been capitalised as demonstration plant asset of $65,897,216.

(ii) The construction loan facility of $23 million was finalised on 16 May 2022 with an approximately five-year loan term. The facility was increased by $3 million to $25 million on 21 April 2023.

On 26 August 2024, LMG increased the limit of its project finance facility by $3M to $28M to provide funds for operational working capital purposes. The lender advanced $3M under the facility on 3 September 2024, and a further $2.3M under the facility on 4 April 2025.

The maturity date of the facility has also been extended from 31 March 2027 to 31 December 2027. Also included within capitalised borrowing costs is interest on the sale and leaseback arrangement.

The loan finance costs comprised of mandate fee and establishment fee of $517,500 were paid by issue of LMG shares and other transaction costs of $100,000 was paid in cash. Under the facility agreement, 80,000,001 unlisted warrants were issued with the value of $3,913,358 calculated by the Black-Scholes method. The loan finance cost on the increased facility of $25 million with no increase in loan interest rate was structured by issuing 15 million LMG shares at $0.07 per share.

The finance costs and warrants fair value issued under the terms of the facility agreement are initially set-off against the loan facility proceeds as loan transaction costs but are eligible borrowing costs for capitalisation progressively to the demonstration plant asset (until its completion) as they are unwound to the loan carrying value over the loan term. The interest on the loan is also an eligible borrowing cost.

(iii) On 21 November 2023, LMG signed an agreement to lease finance $10.4 million of its demonstration plant equipment for the life of its project through a sale and lease back. There is no obligation to buy the equipment at the end of the lease. The lease liability interest is also an eligible borrowing cost for capitalisation to the demonstration plant to the extent that the sale proceeds were used to pay down the construction loan by $9.4 million and $1 million for operating expenses. The amortisation of the right of use asset under the lease back agreement is also an eligible cost for capitalisation as the right of use asset continues to be directly related to the continuing construction of the demonstration plant.

(iv) Refer to note 10 for information on the key assumptions for impairment testing

Capital Commitments

The Group has committed to $0.3 million of future capital expenditure on the Demonstration Plant at 30 June 2025. Also refer to note 9 for leasing commitments and note 23 for contingent liabilities.

Deferred Income Liability

The deferred income from R&D incentive received or receivable for the demonstration plant design and construction in progress continues to be classified as a non-current liability.

	GROUP	
	2025	**2024**
	$	**$**
Accumulated R&D incentives brought forward	26,171,951	16,558,312
Plus R&D incentives during the year	3,636,068	9,613,639
Accumulated R&D incentives carried forward	29,808,019	26,171,951
Regional Development VIC Grant	740,000	500,000
	30,548,019	26,671,951

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

NOTE 9: LEASING COMMITMENTS

Right of Use Assets - the Company is committed on following leases:

	GROUP	
	2025	**2024**
	$	**$**
Right of Use Asset	10,378,772	10,452,772
Accumulated Depreciation	(8,345,670)	(3,220,006)
	2,033,102	7,232,766
Lease Liability – at lease commencement	10,378,772	10,452,772
Interest Expense - cumulative	3,216,894	1,614,464
Lease Payments - cumulative	(7,925,353)	(67,852)
Lease Liability at end of period	5,670,313	11,999,384
Current Lease Liability	5,670,313	5,434,749
Non-Current Lease Liability	-	6,564,635
Total Lease Liability	5,670,313	11,999,384

Lease Commitments	**Equipment**	**Total**
	2023-25	
Right of use of assets		
Value of Lease	10,378,772	10,378,772
Accumulated Depreciation*	(8,345,670)	(8,345,670)
	2,033,102	2,033,102
Lease Liability – at lease commencement	10,378,772	10,378,772
Interest Expense	3,216,894	3,216,894
Lease Payment	(7,925,353)	(7,925,353)
	5,670,313	5,670,313
Current Liability	5,670,313	5,670,313
Non Current Liability	-	-
	5,670,313	5,670,313

*Capitalised to demonstration plant

- Equipment Lease – Operation Unit
  Term: 21 November 2023 to 20 November 2025
  Monthly rent Varies but averages $532,444 as from 21 November 2023.
  Rental increase N/A
  Interest rate Implicit composite rate of 19.67% p.a. from 21 November 2023 to measure lease liability

As disclosed in note 23, there is a dispute over the lease extension through to June 2027. No liability or additional right-of-use asset has been recognised in relation to the disputed lease extension.

NOTE 10: OTHER INTANGIBLE ASSETS

	GROUP	
	2025	**2024**
	$	**$**
Acquired in-process research and development, at cost	5,684,000	5,684,000
Other intangible assets acquired in 2017 with the Ecoengineers Pty Ltd acquisition	1,080,000	1,080,000
Closing balance	6,764,000	6,764,000
International Patent for the Hydromet Process	229,768	166,673
New patent applications in the year	31,897	63,095
Total Intangible Assets	7,025,665	6,993,768

Since June 2023, the Group is in the process of applying Australian provisional patents for the processes of improved ferro-nickel slag leaching and pro-hydrolysis of calcium chloride.

Latrobe Magnesium Project is based in the Latrobe Valley in Victoria. As the project is not held ready for use, the Group is required to perform an annual impairment test. This impairment test involves the comparison of the recoverable amount calculated from a discounted cash flow value in use impairment model with the carrying value of the cash generating unit (CGU) as at 30 June 2025. The CGU has been determined to comprise the demonstration plant under construction of $70,989,846 set out in Note 8, the intangible assets of $7,025,665 set out above and the land and property of $2,260,769 set out in Note 11, offset by deferred grant income of $30,548,019 set out in note 8. The net carrying value of the CGU is $49,728,261 (2024: $44,192,117).

The key assumptions underlying this impairment test have been based on data provided in the Group's feasibility study and subsequent reports. The key assumptions are adjusted to incorporate risks with a particular segment, and are summarised as follows:

- budgeted cash flow period of 30 years, which approximates the project's life, based on current inputs;
- initial production of 1,000 tonnes per annum increasing to 10,000 pa;
- magnesium metal price of US$7,165 per tonne is used which represents the United States market which is currently approximately double the Chinese price;
- market information for forward exchange rates;
- operating costs based upon third party consultant's estimates;
- capital costs based upon the management's estimates; and
- pre-tax discount rate of 10% used in both 1,000tpa and 10,000tpa models.

NOTE 11 LAND AND PROPERTY

The purchase price together with capitalised costs are summarised below:

	GROUP 2025	GROUP 2024
320 Tramway Road, Hazelwood North, VIC 3840	$	$
Land and property	1,305,456	2,119,000
Stamp duty	92,950	150,875
Administration building improvement	862,364	862,364
Total	2,260,770	3,132,239

On 16 December 2021, the Group exercised its option to purchase the site, where its magnesium production facility is situated, from the landlord for its fixed price of $5 million, which included the cost of ten cranes. The settlement of the purchase was completed on 8 February 2022. The land and property value was $2,119,000.

Reconciliation of the carrying value of land and property at the beginning and end of the current and previous financial year are set out below:

	2025	2024
	$	$
Land and property brought forward	3,132,239	3,132,239
Classified as held for sale	(871,469)	-
Land and property carried forward	2,260,770	3,132,239

	GROUP 2025	GROUP 2024
Asset Held for Sale - 320 Tramway Road, Hazelwood North, VIC 3840	$	$
Vacant parcel of land	871,469	-
Total	871,469	-

The vacant land situated at 320 Tramway Road, Hazelwood North, VIC is currently for sale and is expected to be sold within 12 months from the reporting date.

NOTE 12: TRADE AND OTHER PAYABLES

	GROUP 2025	GROUP 2024
	$	$
Trade creditors and accrued expenses	2,072,056	6,529,030
Employee annual leave entitlements	151,986	91,409
Employee PAYG Withholding	36,958	50,382
Employee Superannuation	38,361	61,131
Employee Long Service Leave provision	44,888	16,933
Total	2,344,249	6,748,885

Trade creditors include an amount owing to our former EPCM contractor, Mincore, which is in dispute. LMG has lodged a counter claim for a significantly greater amount. Refer to note 23.

NOTE 13: BORROWINGS - SECURED

	GROUP	
	2025	2024
	$	$
Loan balance at 1 July	2,036,558	19,890,265
Loan Drawdown	5,300,000	2,000,000
Interest accrued	334,006	2,418,681
Loan repayment	(5,319,168)	(22,272,388)
Loan balance at 30 June	**2,351,396**	**2,036,558**
Less transaction costs	(5,757,076)	(5,580,858)
Plus transaction costs amortisation	5,247,540	5,178,514
Less Sale of Equipment	(52,933)	(52,933)
GST loan balance	334,640	279,888
Carrying value as at 30 June 2025	2,123,567	1,861,169
Current	2,123,567	1,861,169
Non-Current	-	-
	2,123,567	1,861,169

In November 2024, LMG received $13.2 million R&D Tax Rebate from the ATO. This amount was utilised to repay the lender under the loan agreement and reduce the lease liability.

The terms and conditions are as follows:

Lender	RnD Funding Pty Ltd
Loan Term	Four years and nine months expiring 31 March 2027. On 26 August 2024, the maturity date was extended to 31 December 2027.
Interest Rate	12% per annum up to 31 October 2023, 18% per annum from 1 November 2023 to 31 December 2024 and 24% per annum thereafter to maturity date. The recent drawdown of $2.3M is at 24% per annum.
Loan Drawdown	$27.3 million has been drawn to 30 June 2025. The amounts drawn have all been repaid apart from the recent drawdown of $2.3M.
Financing Costs	Mandate fee 1.25% and establishment fee 1% totaling $517,500 paid by issue of LMG shares. Transaction costs $100,000 paid by cash. 80 million warrants issued to the lender at a fair value of $3,913,358. The financing costs are subtracted from the loan proceeds and unwound over the loan term of 4 years and 9 months to 31 March 2027. 15 million LMG shares at $0.07 were issued as financing costs of the $3 million increase in the facility. Interest rate remains unchanged. Due to large early principal repayments made during FY25, unwinding of financing costs has been accelerated in tandem.
Loan Repayment	Loan principal and interest repayments were scheduled to start from 12 July 2024 from the proceeds of the R&D Tax Rebate. All R&D grant refunds received subsequent to the loan commencement are required to be utilised as additional loan repayments.
Security	The facility is secured by a mortgage deed on the 320 Tramway Road, Hazelwood North property which has been valued at $9.6 million owned by Latrobe Magnesium Limited as the mortgagor, and the lender, RnD Funding Pty Ltd as the mortgagee.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

NOTE 14: SHARE SUBSCRIPTION FUNDS

		GROUP 2025	GROUP 2024
Shares subscribed by related parties		$	$
(a) 21-Dec-23 Placement	6,720,001 shares at $0.05	-	336,000
(b) 26 Feb-24 Placement	5,000,000 shares at $0.05	-	250,000
(c) 11-Jun-24 Placement	11,111,111 shares at $0.045	-	500,000
(d) 10-Apr-25 Placement	52,727,273 shares at $0.011	580,000	-
		580,000	1,086,000

Under the ASX listing Rule 10.11, the shares subscribed by related parties will not be issued until they are approved by shareholders at a general meeting. Point (d) 41,684,091 shares are subscribed by Directors and 11,043,182 shares are subscribed by an Associate of the Director

NOTE 15: ISSUED CAPITAL

			GROUP 2025	GROUP 2024
			$	$
(a)	**Ordinary Shares Issued and Fully Paid**			
	Balance at beginning of reporting period		77,428,757	54,149,170
	31-Jul-23	824,000 shares issued at $0.04 - exercise of listed options		32,960
	29-Aug-23	727,000 shares issued at $0.04 - exercise of listed options		29,080
	26-Sep-23	2,760,193 shares issued at $0.04 - exercise of listed options		110,408
	30-Oct-23	95,188,807 shares issued at $0.04 - exercise of listed options		3,807,552
	30-Oct-23	30,000,000 options expired transferred back from Reserve.		3,255,634
	10-Nov-23	1,062,375 shares issued at $0.04 for asset management services		42,495
	10-Nov-23	1,000,000 shares issued at $0.06 for corporate advisory services		60,000
	22-Dec-23	54,388,378 shares issued at $0.05 pursuant to a private placement		2,719,419
		Placement fees		(180,000)
		3,000,000 options issued @ $0.10 for advisory services, valued by Black- Scholes		(38,961)
	26-Feb-24	17,020,000 shares issued at $0.05 pursuant to a private placement		851,000
		Placement fees		(45,000)
	28-Mar-24	38,600,000 shares issued at $0.05 pursuant to a share purchase plan		1,930,000
	11-Jun-24	255,555,556 shares issued at $0.045 pursuant to a private placement		11,500,000
		Placement fees		(795,000)
	12-Jul-24	51,337,937 options issued @ $0.079 for broker services, valued by Black- Scholes	(754,318)	
	17-Jul-24	12,558,608 shares issued at $0.045 pursuant to a share purchase plan	565,138	
	18-Jul-24	118,996,947 shares issued at $0.045 pursuant to a share purchase plan	5,354,863	
	19-Jul-24	1,777,777 shares issued at $0.045 pursuant to a share purchase plan	80,000	
	19-Jul-24	Placement fees	(475,000)	
	8-Aug-24	11,720,001 shares issued at $0.05 to Directors as approved by EGM	586,000	
	8-Aug-24	11,111,111 shares issued at $0.045 to Directors as approved by EGM	500,000	
	2-Sep-24	550,000 shares issued at $0.05 for corporate advisory services	27,500	
	10-Apr-25	200,000,000 shares issued at $0.011 pursuant to a share purchase plan	2,200,000	
	10-Apr-25	Placement fees	(275,000)	

10-Apr-25	20,000,000 options issued @ $0.019 for broker services, valued by Black-Scholes	(78,368)	
9-May-25	76,072,670 shares issued at $0.011 pursuant to a share purchase plan	836,800	
19-May-25	1,980,000 shares issued at $0.025 for corporate advisory fees	49,500	
30-May-25	Options expired 15,000,000 @ $0.10, valued by Black-Scholes	417,096	
		86,462,968	77,428,757

(b) Shares on Issue	No.	No.
Balance at beginning of reporting period	2,191,822,930	1,724,696,621
Share on Issues:		
• 31 July 2023		824,000
• 29 August 2023		727,000
• 26 September 2023		2,760,193
• 30 October 2023		95,188,807
• 10 November 2023		2,062,376
• 22 December 2023		54,388,378
• 26 February 2024		17,020,000
• 28 March 2024		38,600,000
• 11 June 2024		255,555,556
• 17 July 2024	12,558,608	
• 18 July 2024	118,996,947	
• 19 July 2024	1,777,777	
• 8 August 2024	11,720,001	
• 8 August 2024	11,111,111	
• 24 September 2024	550,000	
• 10 April 2025	200,000,000	
• 9 May 2025	76,072,670	
• 19 May 2025	1,980,000	
Balance at end of reporting period	2,626,590,045	2,191,822,930

Fully paid ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholder meetings each ordinary share is entitled to one vote when a poll is called.

Options and warrants

Refer to notes 16 and 17 for unissued shares under outstanding warrants and options.

Employee Share Plan Scheme

For information relating to the Latrobe Magnesium Limited Share Acquisition Plan, refer to Note 24: Employee Benefits. No shares were issued during the financial year.

Capital Management

The Group considers its capital to comprise its ordinary share capital and reserves.

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and the development of its Latrobe magnesium project.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives. During FY2025, the Group:

- Completed capital raising by placements in July 2024, April 2025 and May 2025 raising a total of $8.4 million to complete the construction of the magnesium plant.
- Completed part of the Regional Development Grant agreement with the State of Victoria for a grant of up to $1 million entered in June 2022. A total of $240,000 was received in January 2025.
- The R&D tax rebate 2024 was approved in November 2024. The rebate of $13.2 million was paid by the ATO and in turn repaid to the lender under the construction loan agreement.

NOTE 16: UNLISTED WARRANTS

Under the 16 May 2022 funding agreement with RnD Funding Pty Ltd, LMG has issued 80,000,001 warrants at different strike prices and dates, as follows:

Warrant Amount	Exercise Price	Expiry Date
8,888,889	$0.18	31/03/2025*
8,888,889	$0.18	30/06/2025*
8,888,889	$0.18	30/09/2025
8,888,889	$0.24	31/12/2025
8,888,889	$0.24	31/03/2026
8,888,889	$0.24	30/06/2026
8,888,889	$0.30	30/09/2026
8,888,889	$0.30	31/12/2026
8,888,889	$0.30	30/06/2027

Unlisted Warrants		
	Number	Weighted average exercise price $
Total warrants outstanding at beginning of the year	80,000,001	0.24
Granted in the year	-	
Forfeited in the year	-	
Exercised in the year	-	
Expired in the year	-	
Lapsed in the year	-	
Outstanding and exercisable at the end of the year	80,000,001	0.24

*Under the Warrant Agreement, the warrants which were due to be exercised at 31 March 2025 and 30 June 2025 are able to be extended until 6 months after the 10,000 tpa plant has been commissioned.

The weighted average contractual life of warrants outstanding at the end of the financial year was 1.9 years (2024: 0.9 years).

The warrants were valued using the Black-Scholes model.

Warrant Reserve

Calculated by Black-Scholes	Warrants	Value
Capital raising costs on 16 May 2022	80,000,001	$ 3,913,358

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

NOTE 17: UNLISTED OPTIONS

On 12 July 2024, the Company issued 51,337,937 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to the promoters of the 11 June 2024 private placement being part of the capital raising costs.

On 9 September 2024, the Company issued 16,887,500 unlisted options at the exercise price of $0.079 expiring 12 August 2027 to RnD Funding as per the amended 2024 funding agreement.

On 10 April 2025, the Company issued 20,000,000 unlisted options at the exercise price of $0.019 expiring 10 April 2028 to the promoters of the 10 April 2025 private placement being part of the capital raising costs.

Unlisted Options		
	Number	Weighted average exercise price $
Total options outstanding at beginning of the year	18,000,000	0.10
Granted in the year	88,225,437	0.07
Forfeited in the year	-	-
Exercised in the year	-	-
Expired in the year	-	-
Lapsed in the year	(15,000,000)	0.10
Outstanding and exercisableat the end of the year	91,225,437	0.07

The outstanding options at the end of the year had an exercise price ranging from $0.019 to $0.10 (2024: all $0.10).

The weighted average contractual life of options outstanding at the end of the financial year was 2.2 years (2024: 0.9 years).

The options were valued using the Black-Scholes model. The inputs used to determine the fair value of the options issued during the year at the grant dates were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
12-Jul-24	12-Aug-27	$0.036	$0.079	88%	3.658%	$0.0147
09-Sep-24	12-Aug-27	$0.036	$0.079	88%	3.658%	$0.0147
10-Apr-25	10-Apr-28	$0.011	$0.019	72.97%	3.338%	$0.0039

Option Reserve

Calculated by Black-Scholes	Options	Value $
Capital raising costs on 21 December 2023	3,000,000	38,961
Capital raising costs on 12 July 2024	51,337,937	754,318
Options issued under funding agreement to RnD funding on 9 September 2024	16,887,500	248,131
Capital raising costs on 10 April 2025	20,000,000	78,368
Total	91,225,437	1,119,778

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

NOTE 18: CASH FLOW INFORMATION

		GROUP	
		2025	**2024**
		$	**$**
a.	**Reconciliation of Cash**		
	Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:		
	Cash at Bank	2,424,479	565,150
b.	**Reconciliation of cash flow from operating activities to operating loss after income tax:**		
	Net loss	(2,659,085)	(4,742,588)
	Profit / Loss Adjustment of non-cash items:		
	Depreciation of equipment and furniture & fittings	23,016	17,012
	Depreciation of leases	10,278	24,667
	Interest expense to measure lease liabilities	63,223	60,521
	Changes in Assets and Liabilities:		
	Decrease/(increase) in receivables and other assets	9,844,590	10,139,870
	Increase in trade and other payables	993,885	595,521
	Increase/(decrease) in tax payable	(178,859)	5,408,891
	Net Cash from Operating Activities	8,097,138	11,503,894

c. Acquisition and Disposal of Entities

There was no disposal of controlled entities during the 2025 or 2024 financial years.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

d. Non-cash Financing and Investing Activities

2024-25		$
12-Jul-2024	Options 51,337,937 unlisted options issued at exercise price of $0.079 to pay for capital raising costs, fair valued at $754,318, refer to Note 17	754,318
9-Sep-2024	16,887,500 unlisted options issued under funding agreement to RnD funding, fair valued at $248,131, refer to Note 17	248,131
10-Apr-2025	20,000,000 unlisted options issued at exercise price of $0.079 to pay for capital raising costs, fair valued at $78,368, refer to Note 17	78,368
	Right-of-use asset amortisation capitalised to the demonstration plant asset	1,607,614
	Loan interest capitalised to the demonstration plant asset	474,945
2023-24		
21-Dec-2023	Options 3,000,000 unlisted options issued at exercise price of $0.039 to pay for capital raising costs, fair valued at $38,961, refer to Note 17	38,961
	Right-of-use asset amortisation capitalised to the demonstration plant asset	1,609,280
	Loan interest capitalised to the demonstration plant asset	6,533,555

NOTE 19: LOSS PER SHARE

		GROUP 2025	2024
Reconciliation of loss to net loss:			
(a) Basic and diluted loss per share	cents per share	(0.11)	(0.26)
(b) Loss used in the calculation of LPS	$	(2,659,085)	(4,742,588)
(c) Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted LPS	share	2,394,887,164	1,850,647,508

There were 80,000,001 unissued shares under warrants at 30 June 2025 (2024: 80,000,001) and 91,225,437 unissued shares under options at 30 June 2025 (2024: 18,000,000). The warrants and options issued have not been considered for the diluted LPS calculation as their effect would be anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

NOTE 20: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned 2025	2024
Parent Entity:		%	%
Latrobe Magnesium Limited	Australia	-	-
Subsidiaries of Latrobe Magnesium Limited			
Money Management WA Pty Ltd	Australia	100	100
Gold Mines of WA Pty Ltd	Australia	100	100
Magnesium Investments Pty Ltd	Australia	100	100
Ecoengineers Pty Ltd	Australia	100	100
Latrobe Magnesium Sarawak SDN BHD	Malaysia	100	100

NOTE 21: SEGMENT REPORTING

AASB 8: *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. As a result, following the adoption of AASB 8, the Board of Directors believes there is only one operating segment, and this is reflected in management's reporting processes.

AASB 8 requires a management approach under which segment information is presented on the same bases as that used for internal reporting purposes. The Group consists of one business segment being the development of its Latrobe magnesium project.

NOTE 22: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated. Transactions with and amounts receivable from and payable to Directors of related parties or their director related entities which:

(i) occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the director or director related entities at arms length in the same circumstances;

(ii) do not have the potential to adversely affect decisions about the allocations of scarce resources made by users of the financial report, or the discharge of accountability by the directors if disclosed in the financial report only by general description; and

(iii) are not trivial or domestic in nature;

must be excluded from the detailed disclosures required. Such transactions and amounts receivable or payable shall be disclosed in the financial report by general description.

	Other related entities	GROUP 2025	2024
		$	$
(i)	Director's fees were paid to J S Murray Pty Ltd of which J S Murray is a principal.	85,000	80,000
(iii)	Director's fees were paid to Stockholders Relation Pty Ltd of which J R Lee is a principal.	75,000	70,000
(iv)	Director's fees were paid to Wandmaker Consultants Pty Ltd of which M F Wandmaker is a principal	-	37,500
	Total	160,000	187,500

At 30 June 2025, a liability of $580,000 (2024: $1,086,000) was payable to Directors of the Group. This liability will be paid in issued capital and is recognised in note 14 as a share subscription fund.

At June 2025, director's fees of $53,225 (2024: $nil) were payable to David Paterson.

At June 2025, a balance of $26,334 (2024: $26,334) is due from John Collier, a member of KMP, under the share acquisition plan disclosed in note 6.

Key Management Personnel compensation

Disclosure details relating to key management personnel, including remuneration, are provided in the Remuneration Report contained within the Directors' Report. Remuneration is entirely comprised of short-term benefits (salaries and fees) totaling $1,575,959 (2024: $1,297,988).

NOTE 23: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Lease Extension

We have provided a lease extension to our financier from November 2025 to June 2027. It is a contingent liability as although the financier has accepted the extension terms there is an issue with the validity of the lease extension. The matter and the amount of liability is in dispute and subject to negotiations.

The outcomes of these matters are uncertain and cannot be reasonably estimated at this stage. Disclosure of further information relating to these disputes is not made as it is considered that such disclosure would be seriously prejudicial to the interests of the Group.

Mincore Claim

On 15th January 2025, LMG's filed its defence and counterclaim against Mincore Pty Ltd (Mincore), for breach of contract, repudiation and contradiction of the Australian Consumer Law, in the Supreme Court of Victoria, seeking $19.39M in damages. Mincore's claim of $1.37M is contested by LMG.

The legal proceedings have progressed through the pleadings phase. The Court has ordered that the parties attend mediation by 20 October 2025.

The outcomes of these matters are uncertain and cannot be reasonably estimated at this stage. Disclosure of further information relating to these disputes is not made as it is considered that such disclosure would be seriously prejudicial to the interests of the Group.

NOTE 24: EMPLOYEE BENEFITS

Employees Share Acquisition Plan

The Shareholders approved at the 2021 AGM changes to the Group's Share Acquisition Plan. The Plan provides for eligible participants to purchase shares in the Company tax effectively through salary sacrifice and for the Board to issue shares to its employees as long term incentive bonuses.

NOTE 25: EVENTS SUBSEQUENT TO REPORTING DATE

In September 2025, the demonstration plant was started to operate at steady state and make some 1,000tpa of MgO. Once this is shown and funding is available the company will then look to install and commission the remaining Mg component of the plant by February 2027.

There are no other significant events subsequent to reporting date which will affect the operations and state of affairs of the Group.

NOTE 26: GOING CONCERN

For the year ended 30 June 2025, the Group reported a loss after tax of $2,659,085 (2024: $4,472,588) and net cash inflows from operating activities of $8,097,138 (2024: $11,503,894), which is primarily on account of R&D tax incentive received.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2025

Notwithstanding the loss of the year, historical negative cash flows from operations and historical financial performance, the financial report has been prepared on a going concern basis. This assessment is based on cash at hand and the financial facilities available to the Group at balance date and post. The Group has prepared cash flow forecasts for the period up to 31 December 2026 and is satisfied that it will be able to continue to operate as a going concern on this basis.

LMG is proposing to sell 4.3 hectares of surplus land at its Tramway Road site. Jones Lang La Salle has been appointed to manage the sale, with expressions of interest and financial commitments currently being sought. This is expected to generate approximately $5M in additional funding to support MgO operations and working capital requirements

The Group has lodged its “Whitepaper” to the USA Department of Defence (DOD) under the auspices of the Title III Defence Production Act seeking funding. Magnesium is considered a critical mineral in the United States and no current domestic production exits. The proposal highlights that Bechtel, a US based Washington firm, would lead engineering efforts, and that all magnesium produced would be exported to US customers, including the Pentagon. If this application is successful, the funding will enable LMG to complete magnesium production at the Demonstration Plant, fund ramp-up costs and progress feasibility studies for the Stage 2 10,000 tpa Commercial Plant.

The Group’s tax return for 2025 Financial Year is expected to be a R&D refundable offset claim in the order of $6.2 million which LMG anticipates it will receive in November 2025. These funds will be used to reduce secured moneys owed to the Lender, leaving an amount outstanding to the Lender of circa $2.2 million after that repayment. This amount is repayable up until 31 December 2027.

There is also a contingent liability to the Lender in respect of a lease extension. The matter and the amount of liability is in dispute and subject to negotiations and or refinancing.

The Group also has a number of potential funding options from the Federal Governments and is assessing eligibility for grants under the Industry Growth Program and the Australian Renewable Energy Agency. A capital raise will be considered.

In the event that the above plans are not realised, a material uncertainty would exist that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTE 27: PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2025 the parent entity of the Group was Latrobe Magnesium Limited.

	2025	2024
	$	$
Result of parent entity		
Loss for the period	(2,659,085)	(4,742,588)
Other comprehensive income	-	-
Total comprehensive income for the period	(2,659,085)	(4,742,588)
Financial position of the financial entity at year end		
Current assets	9,966,921	17,048,467
Non-current assets	82,537,552	78,355,445
Total assets	92,504,173	95,403,912
Current liabilities	10,718,129	17,717,891
Non-current liabilities	33,119,564	36,058,388
Total liabilities	43,837,693	53,776,279
Net Assets	48,666,480	41,627,632
Total equity of the parent entity comprising of		
Issued capital	86,462,928	77,428,757
Reserves	5,033,136	4,369,415
Accumulated Losses	(42,829,624)	(40,170,540)
Total equity	48,666,480	41,627,632

Parent entity contingencies

Refer to note 23 for the contingent liabilities of the Group which also apply to the parent entity.

Parent entity capital commitments for the acquisition of property, plant or equipment.

The parent entity has has committed to $0.3 million of future capital expenditure on the Demonstration Plant at 30 June 2025.

Parent entity guarantees in respect of the debts of the subsidiaries

The parent entity has entered into deed of guarantee with the effect that its subsidiaries guarantee the secured loan detailed in Note 13, to Latrobe Magnesium Limited.

NOTE 28: AUDITOR'S REMUNERATION

Details of the amounts paid or payable to Nexia Sydney Audit Pty Limited or related entities for services provided during the year are set out below.

	GROUP	
	2025	2024
	$	$
Audit and Review of Financial Reports	112,879	130,777
Taxation services	21,900	22,395
	134,779	153,172

The Board of Directors ensure that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
For the year ended 30 June 2025

Latrobe Magnesium Limited
Consolidated entity disclosure statement
As at 30 June 2025

Entity Name	Entity Type	Place formed / Country of Incorporation	Ownership Interest	Tax Residency
Latrobe Magnesium Limited	Body Corporate	Australia	100%	Australia
Money Management WA Pty Ltd	Body Corporate	Australia	100%	Australia
Gold Mines of WA Pty Ltd	Body Corporate	Australia	100%	Australia
Magnesium Investments Pty Ltd	Body Corporate	Australia	100%	Australia
Ecoengineers Pty Ltd	Body Corporate	Australia	100%	Australia
Latrobe Magnesium Sarawak SDN BHD	Body Corporate	Malaysia	100%	Australia

Nexia Australia

Nexia Sydney Audit Pty Ltd
Level 22, 2 Market Street
Sydney NSW 2000
PO Box Q776
QVB NSW 1230
E: info@nexiasydney.com.au
P: +61 2 9251 4600
F: +61 2 9251 7138

nexia.com.au

Independent Auditor's Report to the Members of Latrobe Magnesium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Latrobe Magnesium Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 26 (Going Concern) in the financial report, which indicates that the Group incurred a net loss of $2,659,085 and had net cash inflow of $1,859,329 during the year ended 30 June 2025. As stated in the Going Concern note, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.

Nexia Australia

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Latrobe Valley Magnesium Production Project • **Capitalised Development Costs $7,025,665 - Note 10** • **Capitalised Demonstration Plant Costs $70,989,846 - Note 8** • **Land and Property $2,260,770 - Note 11** *Refer to notes 8, 10 and 11 to the financial statements.* Included in the Group's total assets are capitalised development costs of $7,025,665 in respect of the acquired in-process research and development cost in relation to extracting magnesium from fly ash, capitalised demonstration plant costs of $70,989,846 and land and property of $2,260,770. Together, these assets comprise the cash generating unit (CGU) of the Group's Latrobe Valley Magnesium production project as identified in Note 10. The Group's accounting policy in respect of capitalised development costs is outlined in note 1(e), in respect of property, plant and equipment is outlined in note 1(d) and in respect of borrowing costs is outlined in note 1(j).	Our audit procedures included, amongst others: ▪ We assessed the acquired in-process research and development costs against the requirements for capitalisation contained in AASB 138 *Intangible Assets*; ▪ We assessed the capitalised demonstration plant costs and right of use asset against the recognition requirements for capitalisation as development phase activities contained in AASB 138 *Intangible Assets* and assessed the capitalised borrowing costs component of demonstration plant costs against the recognition requirements of AASB 123 *Borrowing Costs*; ▪ We verified a sample of the capitalised demonstration plant costs to supporting supplier invoices and checked the calculations of eligible borrowing costs allocated to the demonstration plant asset; ▪ We reviewed the company's consultant prepared development asset "value in use" impairment model and tested the capital investment and chemical components amounts included in the model for consistency with the internal and external data sources for these amounts; ▪ We assessed and challenged management's key assumptions and estimates used to determine the recoverable amount of the assets, including those relating to output pricing, input costs, growth assumptions and discount rates; ▪ We performed sensitivity analysis in relation to all the significant inputs to assess whether the carrying value of the Latrobe Valley Magnesium production project CGU exceeded its recoverable amount; ▪ We compared the net assets of the Group to the Group's market capitalisation; ▪ We tested the mathematical accuracy of the underlying 'value in-use' calculations; ▪ We visited and inspected the demonstration plant during the year; and

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
This is a key audit matter because: ▪ The carrying value of the above assets is highly material to the financial statements, representing approximately 87% of the total assets of the Group; and ▪ the determination of whether the intangible development asset costs can be capitalised in accordance with AASB 138 - *Intangible Assets* and/or if an impairment charge to the CGU is necessary involves significant estimates and judgments made by management, including estimating future cash flows.	▪ We assessed whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.

Other information

The Directors are responsible for the other information. The other information comprises the information in Latrobe Magnesium Limited's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the Directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 18 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Latrobe Magnesium Limited for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Sydney Audit Pty Ltd

Vishal Modi

Vishal Modi

Director

Dated: 30 September 2025

Sydney

ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

a. Distribution of Shareholders as at 17 September 2025.

Range	Total holders	Units	% Units
1 - 1,000	233	92,918	0.01
1,001 - 5,000	553	2,011,459	0.08
5,001 - 10,000	1,038	8,533,917	0.32
10,001 - 100,000	3,201	133,399,643	5.06
100,001 - 250,000	805	132,013,692	5.01
250,001 Over	1,140	2,358,447,507	89.52
Total	**6,970**	**2,634,499,136**	**100.00**

b. Unmarketable Parcels as at 17 September 2025.

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $0.0230 per unit	21,740	2,853	26,843,146

c. Substantial Shareholder as at 17 September 2025.

No.	Shareholder Name	Number of Fully Paid Ordinary Shares Held	Interest (%)
1	Rimotran Pty Ltd <DP Super A/C>	103,395,522	3.92
167	Rimotran Pty Ltd <DP Super A/C>	2,958,793	0.11
6	David Oliver Paterson	40,415,079	1.54
	Total	146,769,394	5.57

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

(i) At meetings of members each member is entitled to vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorized.

(ii) On a poll every member is entitled to vote and be present in person or by proxy or attorney or representative duly authorized shall have one (1) vote for each fully paid share of which they are a holder.

ADDITIONAL INFORMATION

e. Twenty largest shareholders as at 17 September 2025.

Rank	Top Shareholders	Number of Fully Paid Ordinary Shares Held	Holding %
1	Rimotran Pty Ltd <DP Super A/C>	103,395,522	3.92
2	Contango Nominees Pty Limited	55,555,556	2.11
3	BNP Paribas Nominees Pty Ltd <Clearstream>	47,918,915	1.82
4	RnD Funding Pty Limited	47,899,019	1.82
5	Gibbs Plumbing Services Pty Ltd <G Plumbing Ser Pl SF A/C>	45,000,000	1.71
6	David Oliver Paterson	40,415,079	1.53
7	Fantapants Pty Ltd <Macleod Family A/C>	40,000,000	1.52
8	Dr Jason Michael Spencer + Dr Carolyn Jean Nelson	31,015,262	1.18
9	Ableside Pty Ltd	29,776,638	1.13
10	CSH Engineering Pty Ltd	29,522,919	1.12
11	Mr Shenchen Gu	28,646,853	1.09
12	10 Bolivianos Pty Ltd	27,676,099	1.05
13	Citicorp Nominees Pty Limited	26,374,858	1.00
14	Goldreef Corporation Pty Ltd	25,000,000	0.95
15	Telunapa Pty Ltd <Telunapa Capital A/C>	24,500,000	0.93
16	Edentower Pty Ltd	21,022,453	0.80
17	Murraysetter Pty Ltd	20,191,115	0.77
18	Mr Leslie Robert Knight + Mrs Heather Margery Knight + Mr Timothy Paul Knight <Knight Super Fund A/C>	20,000,000	0.76
19	Finclear Services Pty Ltd <Superhero Securities A/C>	18,840,398	0.72
20	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	17,541,697	0.67
Total		**700,292,383**	**26.58**

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement can be viewed at the following location on the Group's website

www.latrobemagnesium.com/investor-center/governance-documents