Latrobe Magnesium

MONTHLY PROJECT UPDATE



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2 November 2026, Victoria, Australia

PHASE 1B 98% INSTALLED AND COMMISSIONING AT 50% ON TRACK FOR FIRST METAL BY END OF 2026

Latrobe Magnesium Limited (ASX: LMG) ("Latrobe", "LMG" or the "Company") is pleased to report continued strong progress on its Phase 1B Pyrometallurgical Plant Project at its Latrobe Valley Demonstration Plant, Victoria. Installation is now substantially complete at 98%, and staged commissioning is actively advancing across all work areas, whilst the project continues to track within its original budget. The Company remains on track to achieve its key technical milestone of producing magnesium metal crowns (>98% Mg) by the end of 2026.

Summary

- **Installation 98% complete:** Overall project installation is substantially complete across most major work areas, with only minor outstanding works remaining which do not impact the commissioning critical path.
- **Reduction Furnace commissioning commenced:** Commissioning commenced in late October, with key vendor representatives on site progressing system testing.
- **Overall commissioning at 50% complete and advancing across all areas:** Overall project commissioning advanced from 25% at the end of September to 50% at the end of October, with Briquetting reagent commissioning commenced, and other key areas already achieving dry and wet commissioning status.
- **First metal on track for end of 2026:** Remaining key commissioning activities are expected to be completed in the coming weeks, with a transition to operations targeted to ensure the key milestone of magnesium metal crowns (>98% Mg) is achieved by the end of 2026.
- **Operational readiness underway:** All reagent supplies are confirmed on site ahead of first metal production.
- **Spend forecast within budget:** Project forecast spend is within the original A$6.1m budget, with remaining spend still in line with forecasts outlined in the recent equity raising.
- **Zero recordable incidents:** Project Health, Safety & Environment (HSE) performance continued at an exceptional standard; weekly HSE compliance >98% and zero recordable incidents since commencement.

Chief Executive Officer Robert Stein said:

"The Phase 1B project is a key milestone for LMG to validate its technical solution for the metallisation of magnesium. October has been a pivotal month for the project, with commissioning actively advancing across all areas of the plant including the critical path retort testing and furnace works. The team has done this in a controlled and disciplined manner whilst maintaining outstanding HSE performance. We remain firmly on track to produce first magnesium metal by the end of 2026."

1. Project Status

Overall Phase 1B installation is now 98% complete as of 31 October 2026, representing continued progress against LMG's key organisational priority to produce magnesium metal by the end of 2026. The project has transitioned its primary focus to commissioning activities across all work areas, with the installation of remaining minor items progressing concurrently.

Staged commissioning activities have progressed, with overall project commissioning 50% complete, up from 25% at the end of September. Key vendors are on site progressing testing in accordance with LMG's five-stage commissioning process. Key commissioning milestones achieved during the reporting period include the Ball Mill being successfully charged, completion of mechanical and electrical commissioning across multiple Briquetting area subsystems, and the start of overall reagent ore-commissioning and tuning.

Personnel resourcing continued to be actively managed to meet commissioning requirements. Specialist vendor commissioning resources are on site, and additional resources have been mobilised as required to maintain commissioning momentum throughout the period. HSE management remains an active focus throughout the commissioning phase.

Phase 1B cost performance is currently tracking within its original A$6.1m budget, with forecast cash spend in line with the A$3.8m allocated in the recent equity raising.

The project remains on track for its key technical milestone of producing magnesium metal crowns (>98% Mg) by the end of 2026. The Company will provide a further update as commissioning activities continue to advance towards first metal production.

2. Health, Safety and Environment

Safety performance across Phase 1B installation and commissioning activities has continued to be maintained to an exceptional standard throughout the reporting period.

- Weekly HSE audit compliance rates remained consistently high, above 98% throughout October.
- Zero recordable incidents since project commencement, representing a strong and sustained safety outcome as the project transitions from installation to active commissioning.

3. Engineering and Procurement

Site procurement continued to be completed progressively to support the advancing commissioning activities. Materials procured over the period include consumables, hired equipment and commissioning support spares.

- Key vendors have mobilised to site to continue site testing and commissioning activities. Works include dry testing and commissioning of the automatic load shuttle system and electrical equipment in the Reduction Furnace area.
- All reagent supplies are in place on site ahead of first metal production.
- Vacuum testing of all retort and condenser assemblies is now complete, with all 30 assemblies having passed vacuum testing and been delivered to site. The Reduction Furnace is now progressing through planned commissioning activities.

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4. Site Execution

Civil Works

All major civil works are complete. Minor grouting works remain outstanding in the Reduction Furnace area and are scheduled for completion in the first few weeks of November, in parallel with commissioning of that area.

Structural, Mechanical & Piping (SMP) Installation

SMP installation is substantially complete, with the remaining minor installation works progressing alongside commissioning activities across all work areas. Key milestones achieved or significantly advanced during October include:

- Ball Mill charged and overall Briquetting area reagent ore-commissioning and system control tuning started.
- Reduction Furnace installation substantially complete, with the installation of successfully vacuum-tested retort and condenser assemblies within the furnace progressing.
- Installation of Reduction Furnace roof with upper expansion joints has commenced to allow subsequent commissioning activities to progress.
- Utilities piping system leak testing and commissioning completed, with minor adjustments.
- Safety bollards installed in required areas.
- Successful mechanical and electrical testing of the Crown Handling Baler, ready for ore-commissioning.
- Testing and commissioning of the automatic load shuttle system progressing.

Electrical & Instrumentation (E&I) Installation

Electrical and instrumentation installation is substantially complete across both Briquetting and Reduction Furnace work areas, with commissioning testing and checks now the primary focus. Key milestones achieved during October include:

- Furnace area insulation and protection completed, with final labelling being checked and confirmed.
- Successful completion of Input/Output (IO) checks on the automatic load shuttle system, with sequence testing planned to commence.
- Supplementary Cementitious Material (SCM) Dust Collector completed and tested. SCM Silo testing and commissioning completed.
- Reduction Furnace area QA/QC complete, ready for commissioning works.

Fire Protection

Fire protection installation is substantially complete. Isolation valve testing and backfilling have been completed. Minor fire monitoring systems are scheduled to be implemented across the site in the coming weeks, concluding the protection scope.

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Figure 1: Reagent (Quicklime) deliveries completed



Figure 2: Successfully loading charge into Ball Mill

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Figure 3: Crown Handling Baler, ready for final stage commissioning with mechanical & electrical testing completed

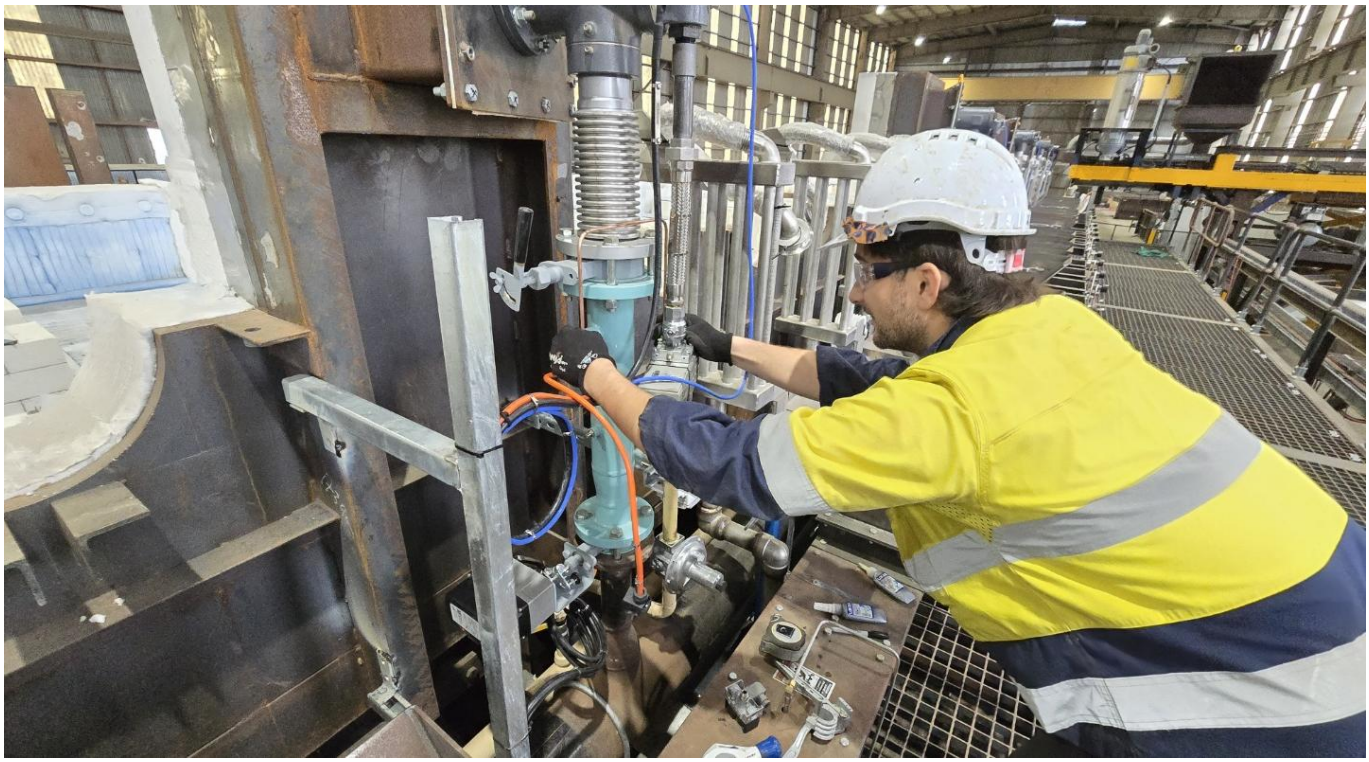


Figure 4: Reduction Furnace electrical QA/QC final checks

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Figure 5: Completion of Reduction Furnace area insulation and protection

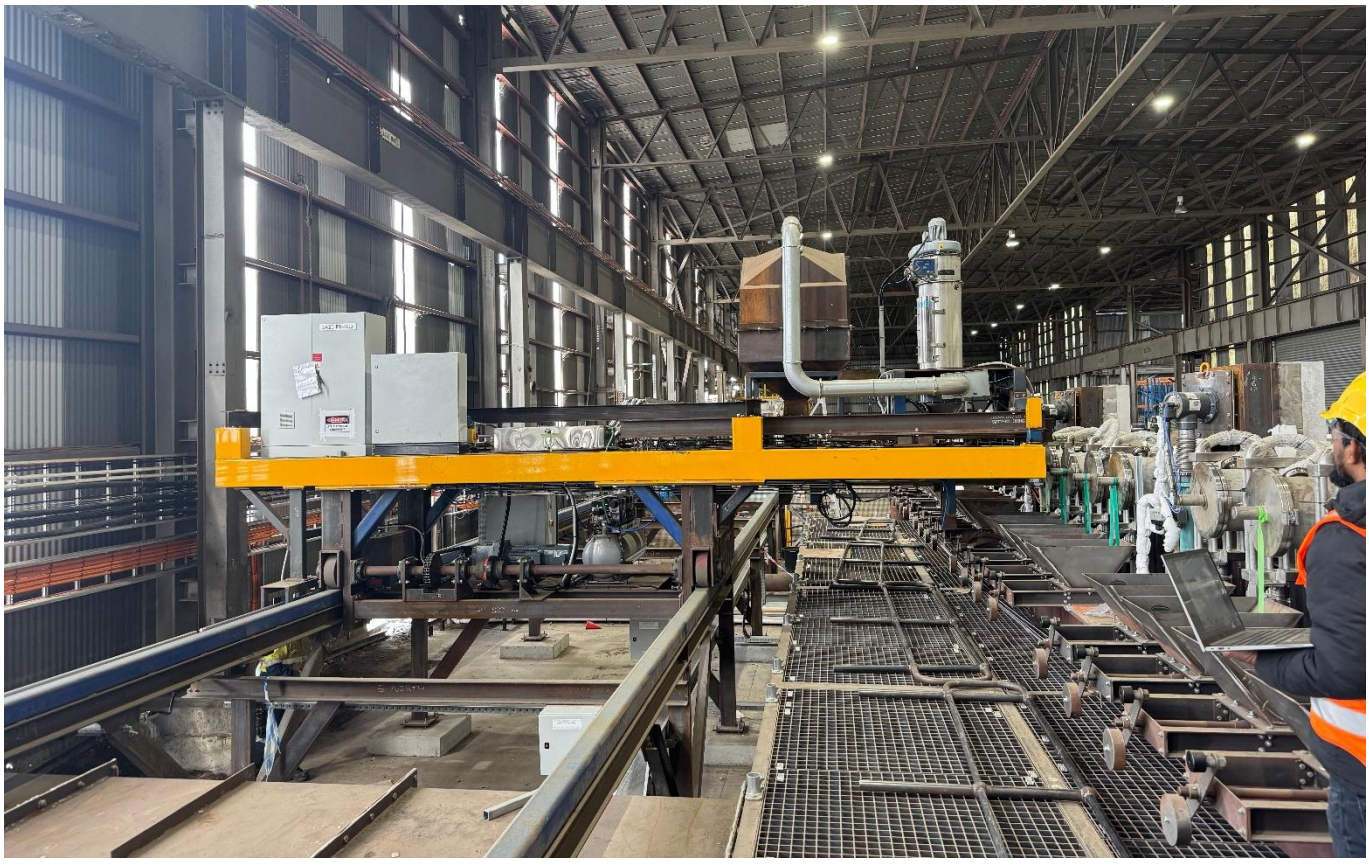


Figure 6: Automatic load shuttle testing and commissioning progressing

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Figure 7: Reduction Furnace upper module (roof) installation progressing

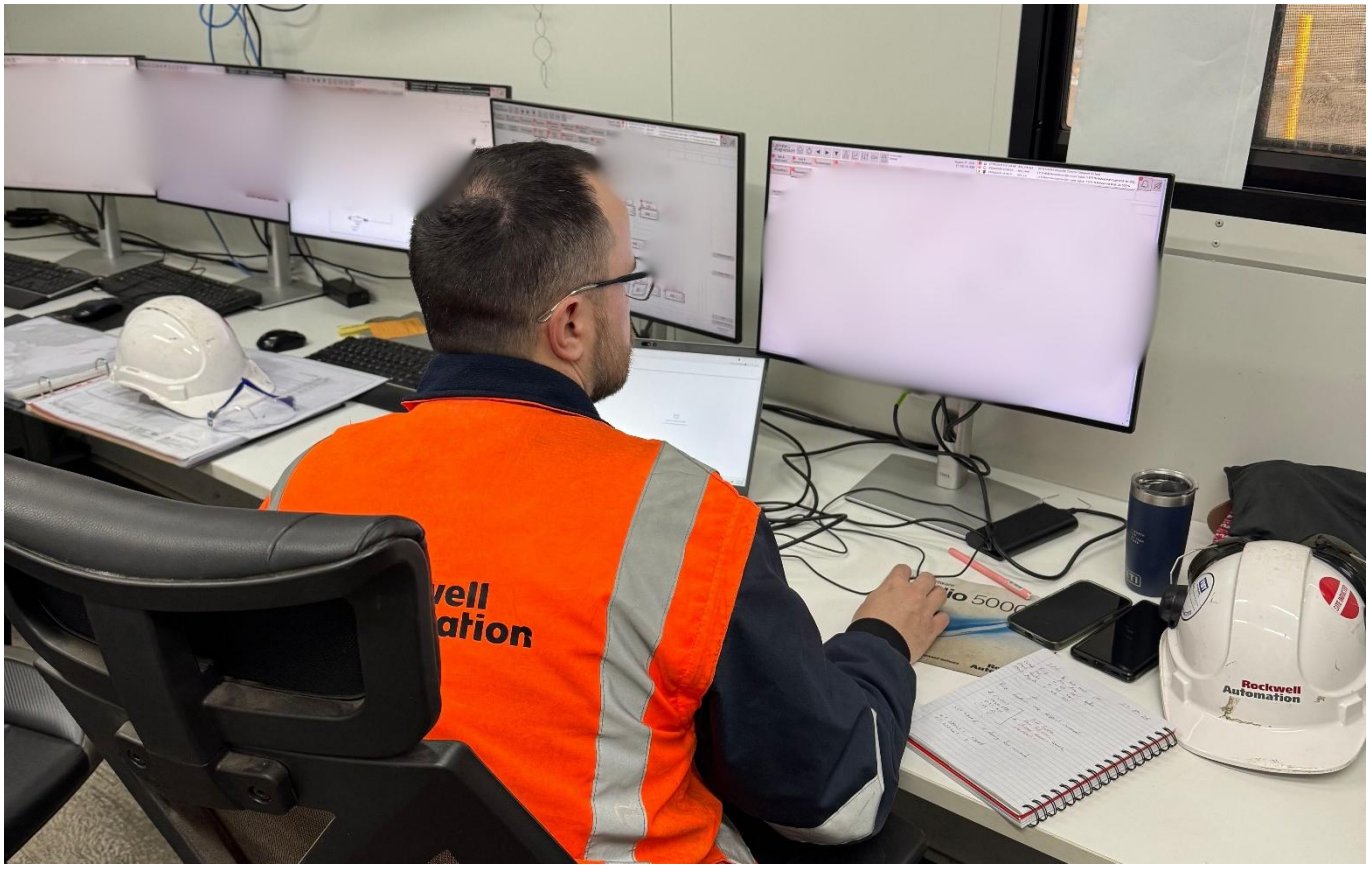


Figure 8: Automation control and SCADA system commissioning in progress

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The Board of Directors of Latrobe Magnesium Limited authorised the release of this announcement.

Robert Stein
Chief Executive Officer

2 November 2026

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Compliance Statements

Forward-looking statements

This announcement may contain certain forward-looking statements and projections, including statements regarding LMG's plans, forecasts and projections with respect to its development projects. Forward-looking statements may be identified by the use of words such as 'may', 'might', 'could', 'would', 'will', 'expect', 'intend', 'believe', 'forecast', 'milestone', 'objective', 'predict', 'plan', 'scheduled', 'estimate', 'anticipate', 'continue', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives.

Although the forward-looking statements contained in this announcement reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward-looking statements and projections are estimates only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may include changes in commodity prices, foreign exchange fluctuations, economic, social and political conditions, and changes to applicable regulation, and those risks outlined in the Company's public disclosures.

The forward-looking statements and projections are inherently uncertain and may therefore differ materially from results ultimately achieved. For example, there can be no assurance that LMG's plans for its development projects will proceed. The performance of LMG may be influenced by a number of factors which are outside of the control of the Company, its directors, officers, employees and contractors. The Company does not make any representations and provides no warranties concerning the accuracy of any forward-looking statements or projections, and disclaims any obligation to update or revise any forward-looking statements or projections based on new information, future events or circumstances or otherwise, except to the extent required by applicable laws.

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About Latrobe Magnesium

Latrobe Magnesium (LMG) is a magnesium metal developer with projects in Australia, the United States and Malaysia, based on its world-first patented extraction process which recovers magnesium metal, cementitious material and other products from industrial by-products including brown coal ash and ferronickel slag.

LMG has completed the first half of a Demonstration Plant in Victoria's Latrobe Valley which has now achieved sustained production of magnesium oxide and other saleable by-products, with the full plant, including magnesium metal production, expected to be commissioned in the second half of 2026. 100% of the Demonstration Plant's magnesium metal is allocated to the US market through LMG's distribution partner, Metal Exchange LLC.

LMG is proposing to develop a 50 ktpa primary magnesium metal plant in South Carolina, USA, using ferronickel slag feedstock, with site capacity for a future Phase 2 expansion to 100 ktpa.

LMG also holds development rights for a 10 ktpa Commercial Plant in Victoria's Latrobe Valley (currently on hold) and for an International 'Mega' Plant in the state of Sarawak, Malaysia, with potential capacity up to 100 ktpa, via its wholly owned subsidiary company Latrobe Magnesium Sarawak Sdn Bhd. LMG has completed the first phase (PFS-A) of a pre-feasibility study using ferronickel slag feedstock.

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

LMG's projects are at the forefront of ESG best practice by recycling industrial by-products, avoiding landfill, generating zero waste and tailings, encouraging a circular economy, and by being a low CO_2 emitter.

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