

TERMS OF UNLISTED WARRANTS

Latrobe Magnesium Limited ("LMG") has completed the Construction Facilities of \$23 million on 24 June 2022, under the Facility Agreement, LMG is applying for the issue of 80,000,001 unlisted warrants being financing costs on the terms below.

1. The warrants are issued to RnD Funding at different strike prices and dates as follows:

Expiry Date	Warrant Amount	Exercise Price
31/03/25	8,888,889	\$0.18
30/06/25	8,888,889	\$0.18
30/09/25	8,888,889	\$0.18
31/12/25	8,888,889	\$0.24
31/03/26	8,888,889	\$0.24
30/06/26	8,888,889	\$0.24
30/09/26	8,888,889	\$0.30
31/12/26	8,888,889	\$0.30
30/06/27	8,888,889	\$0.30

2. One warrant can be converted into one ordinary LMG fully paid share ("shares").
3. Upon the exercise of the warrant the warrant holder needs to pay an exercise price as specified above.
4. The warrants are exercisable at any time up to the date as specified above.
5. Shares issued on the exercise of any warrant will rank equally in all respects with the fully paid ordinary shares then on issue.
6. The warrants will not be quoted on the Australian Securities Exchange. LMG will apply for quotation by the ASX of the new shares issued upon the exercise of the warrants within 5 business days of the allotment of those shares.
7. In the event of a reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of LMG, the number of warrants or the exercise price of the warrants shall be amended as appropriate and to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of the reorganisation.
8. Warrant holders may only participate in new issues of securities to Shareholders if the warrant has been exercised and a share has been issued in respect of the warrant before the books closing date for determining entitlements to the issue.



David Paterson
Chief Executive Officer

29 June 2022

About Latrobe Magnesium

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

LMG has completed a feasibility study validating its combined hydrometallurgical / thermal reduction process that extracts the metal. Construction has commenced on its initial 1,000 tonne per annum magnesium plant with production targeted to commence from Q1 2023. A commercial plant will then be developed, with a capacity of +10,000 tonne per annum magnesium, shortly thereafter. Further plant capacity expansion will be considered once the 10,000 tonne per annum is operating successfully. The plant will be in the heart of Victoria's coal power generation precinct, providing immediate access to feedstock, infrastructure, and labour.

LMG plans to sell the refined magnesium under long-term contracts to USA and Japanese customers. Currently, Australia imports 100% of the 8,000 tonnes annually consumed.

Magnesium has the best strength-to-weight ratio of all common structural metals and is increasingly used in the manufacture of car parts, laptop computers, mobile phones, and power tools.

The LMG project is at the forefront of environmental benefit – by recycling power plant waste, avoiding landfill and is a low CO₂ emitter. LMG adopts the principles of an industrial ecology system.