2024 Annual Report

Latrobe Magnesium Limited and its Controlled Entities

ABN 52 009 173 611

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COMPANY DIRECTORY

Directors
Jock Murray, Chairman
David Paterson, CEO
Philip Bruce
John Lee
Michael Wandmaker - resigned 1 April 2024
Michelle Blackburn
Peter Church

Chief Executive Officer
David Paterson

Secretary
John Lee

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Principal Place of Business
Suite 504
80 Clarence Street
Sydney NSW 2000
Telephone: (02) 9279 2033

Bankers
National Australia Bank Limited
333 George Street
Sydney NSW 2000

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

Solicitors
Allens
Level 37
101 Collins Street
Melbourne VIC 3000

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

Stock Exchange
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ASX CODE: LMG

www.latrobemagnesium.com

REVIEW OF OPERATIONS

LATROBE MAGNESIUM PROJECT

1. Overview

During the year, the Company 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 from \$41.75M to \$60.7M and has a further estimated \$5.2M to spend on the magnesium section of the plant.
- LMG raised some \$23.3M over the year in a number of capital raisings to assist with the cost overruns of the demonstration plant, the Company's working capital and capital raising costs. In July 2024, LMG raised an additional \$6M (before costs) in an underwritten rights issue.
- 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. It also increased to 10,000tpa Mg its offtake agreement with Metal Exchange Corporation in USA and included a floor price.
- 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 applied for the local Sarawak manufacturing permit, an allocation for 250MW of hydropower and an operating permit from the Federal Malaysian Government.

2. Magnesium Markets

In the calendar year ended 31 December 2023, the primary world production of magnesium continued at 1.085 million tonnes. China's estimated primary production for the calendar year 2023 was 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 continue at an annual rate between 6% and 7% until 2027 when it is projected the market will require some 1.6 million tonnes.

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

During the 2024 year, the China magnesium price traded in the range between US\$2,800 to US\$3,800 per tonne. The spot prices as at 30 June 2024 and 2023 were as follows:

		30-Jun-24	30-Jun-23
FOB China	US$ per tonne	2,800	3,000

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 decreased from US\$8,818 to US\$7,165 per tonne.

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.

REVIEW OF OPERATIONS

3. Stage 1 - Demonstration Plant 1,000 tpa

3.1 Engineering and Procurement

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

3.2 Construction and Commissioning

Stage 1A – MgO Production

With the successful completion of the ore and final commissioning trial, LMG's MgO plant is nearing its next step towards an official handover to operations personnel to move into operations at a production of 1,000 tpa of magnesium oxide scheduled for October 2024.

Stages of commissioning

- Construction completion - Completed
- Pre Commissioning - Completed 30 June 2023
- Dry Commissioning - Completed 30 June 2023
- Wet Commissioning - Water runs, sequence testing achieved in April 2024
- Ore Commissioning - Production of MgO on 12 May 2024
- Ramp up - Ramp up once hand over to operations

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, some of these items include improvements to the process plant that were identified during the commissioning trial. 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 repair and optimisation.
- Installation of new recycle and bypass piping to optimise process efficiency.
- Reconfiguration of piping to reduce the risk of blockages.

The MgO produced during the ore commissioning trial was over 80% pure MgO. This is a positive result and in-line with expectations, particularly given that the Spray Roaster was processing an understrength magnesium solution.

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 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

Ferrosilicon Bag Breaker erection (left) and Briquetting Ball Mill civil works (right

Supplementary Cementitious Material product (SCM) silo erection

REVIEW OF OPERATIONS

Quicklime Isotainers

Emergency Standby Generator installed

Acid resistant epoxy coating for Spray Roaster (left) and SCM Dust Collector & Stack installed (right)

LMG is proceeding with the recruitment of operating personnel to ensure systems and processes are in place for the plant restart in October 2024.

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

(i) Mine Plan

Proposal received from GHD for work required on the Yallourn landfill involving several aspects, including:

- Calculating a JORC resource for the Yallourn landfill after drilling.
- Assessing geotechnical stability of the landfill to determine the amount of ash that can be extracted in a safe and stable manner.
- Preparing a mine plan; and
- Developing a new mine rehabilitation plan.

REVIEW OF OPERATIONS

This comprehensive work is expected to take approximately 6 months to complete. The current plant size is set at 10,000tpa, based on the ash supply generated from Yallourn until its closure in 2028. This supply of ash feedstock alone can operate a 10,000tpa plant for 20 years. There is substantially more ash supply available than what will be generated, and the work undertaken will determine the amount of ash that can be economically extracted, to determine the optimum size and mine life for the project, potentially beyond 10,000 tpa.

In June 2024, Bechtel Australia, an engineering, construction and project management group, was appointed to conduct a feasibility study and 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 June 2026, contingent on timely approval processes from the Victorian Government.

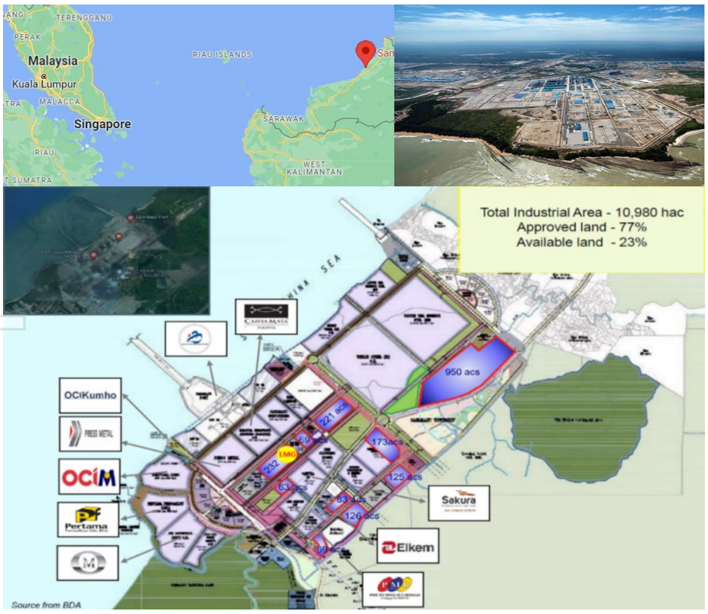
(ii) Commercial Plant Funding

LMG's offtake agreement with Metal Exchange Corporation for the USA market allows for funding of the +10,000tpa plant by government institutions. The floor price in this agreement is expected to ensure the repayment of funding over a 15-year period, and continued offtake demand is expected to be high, given that magnesium is a critical mineral in both Australia and the USA. During the year this agreement was upgraded to include floor prices and increase the quantity to 10,000tpa.

LMG is investigating the sale and leaseback of their 320 Tramway Road site. It is expected that this approach could release funding for the pre-development of the Stage 2 project, such as the financing of the Stage 2 mine planning work, bankable feasibility study, and further test work for the Commercial 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.



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 on 25 June 2024

Malaysia's International Chamber of Commerce is considering the manufacturing permit lodged by LMS in 2024, and its issue is pending:

REVIEW OF OPERATIONS

- LMS completing an Environmental Management Plan for the site clearing activities to be carried out on the project site. Latrobe wrote to NREB Sarawak and asked that this activity be a condition precedent listed on LMS permit. No further correspondence has been received until the date of his report
- LMS completing a detailed chemical analysis of the ferro-nickel slag so that a decision on its waste status can be made by the Department of Environment, Sarawak.

Once the above two matters have been resolved and a decision made regarding the allocation of 250MW of hydropower from the Baleh dam, the next phase of this project can proceed.

6. Ash Supply Agreement

On 10 March 2021, EnergyAustralia announced that they would be closing their Yallourn Power Station in mid 2028. New agreements will need to be entered into between LMG and EnergyAustralia before the expansion of LMG's plant can take place.

7. Community Briefings

During the prior year, LMG updated its website so that it is more interactive with all stakeholders. It also has LinkedIn and X (formerly Twitter) sites for the provision of information.

LMG's last community briefing was held on site in November 2022. It is currently planning to hold the next briefing in November 2024 for all stakeholders after the demonstration plant is restarted. LMG is committed to a social licence with the Community in which it operates.

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	31/03/25
8,888,889	$0.18	30/06/25
8,888,889	$0.18	30/09/25
8,888,889	$0.24	31/12/25
8,888,889	$0.24	31/03/26
8,888,889	$0.24	30/06/26
8,888,889	$0.30	30/09/26
8,888,889	$0.30	31/12/26
8,888,899	$0.30	30/06/27

9. Option Issue

On 24 May 2023, the Company issued 15,000,000 unlisted options at the exercise price of $0.10 expiring 23 May 2025 to the promoters of the 24 May 2023 private placement being part of the capital raising costs.

On 21 December 2023, the Company issued 3,000,000 unlisted options at the exercise price of $0.10 expiring 22 December 2025 to the advisers of the 21 December 2023 private placement being part of the capital raising costs.

Unlisted Options	
Total options outstanding at beginning of the period	15,000,000
Granted in the period	3,000,000
Exercised in the period	-
Lapsed in the period	-
Outstanding at the end of the period	18,000,000

REVIEW OF OPERATIONS

10. Option Expiry

The Company issued 118,750,001 listed options, at an exercise price of $0.04 per option in October and November 2021, which expired on 26 October 2023, of which 11,502,137 options were not exercised. The proceeds received from the options exercised during the period July to October 2023 totalled $3.98 million.

11. Capital Raisings

- On 21 December 2023, the Company issued 54,388,378 fully paid ordinary shares at $0.05 per share to sophisticated and professional investors pursuant to a private placement to fund the final stage of construction of the demonstration plant.

  Directors and Senior Management also subscribed to $700,000 of the total $3.06 million raised. Under the ASX listing Rule 10.11, the shares to be issued to Directors were approved by shareholders at the general meeting held on 7 August 2024.

  The Company issued 3 million unlisted options at an exercise price of 10 cents for a term of 2 years payable on or before 22 December 2025 for payment of advisory fees associated with the capital raising.

- On 26 February 2024, the Company issued 17,020,000 fully paid ordinary shares at $0.05 per share to sophisticated and professional investors pursuant to a private placement to fund the construction costs of the demonstration plant.

  Directors subscribed to $250,000 of the total $1.1 million raised. Under the ASX listing Rule 10.11, the shares to be issued to Directors were approved by shareholders at the general meeting held on 7 August 2024.

- On 28 March 2024, the Company issued 38,600,000 fully paid ordinary shares at $0.05 per share to eligible shareholders pursuant to a Share Purchase Plan raising $1.93 million to fund the construction costs overrun of the demonstration plant.

- On 11 June 2024, the Company issued 255,555,556 fully paid ordinary shares at $0.045 per share to sophisticated and professional investors pursuant to a private placement to fund the demonstration plant to produce magnesium metal and saleable by-products.

  Directors and Senior Management also subscribed to $650,000 of the total $12 million raised. Under the ASX listing Rule 10.11, the shares to be issued to Directors were approved by shareholders at the general meeting held on 7 August 2024.

  Alongside with this placement, a fully underwritten Non-renouncement Rights Issue was offered to eligible shareholders to raise $6 million. This offer opened on 12 June 2024 and closed on 10 July 2024. Acceptances of entitlements received from shareholders totalled 12,558,600 new shares raising $565,137, giving rise to a rights issue shortfall of $5,434,863, representing 120,774,733 new shares. The Underwriter subscribed for the total shortfall of 120,774,733 new shares, representing $5,434,863.

  As part of the capital raising costs, up to 18,000,000 unlisted options were issued to the Underwriter at $0.079 per option expiring 3 years from issue date and up to 33,337,937 unlisted options were issued to Underwriter's nominated Sub-underwriters at $0.079 per option expiring 3 years from issue date. Shareholders' approval was obtained for the issue of all 51,337,937 options at the general meeting held on 7 August 2024.

12. Lease Finance Agreement

On 21 November 2023, the Company signed a sale and leaseback agreement to lease finance $10.4 million of its demonstration plant equipment for the life of its project. There is no obligation to buy the equipment at the end of the lease.

After receiving the payment of $12.9 million from LMG's R&D 2023 tax rebate in May 2024 this resulted in a reduction in LMG's ongoing debt levels.

REVIEW OF OPERATIONS

13. Project Funding

On 26 April 2023, the facility of $23 million was increased to $25 million. A total of $22 million has been drawn as below:

		$	$
Total Facility			25,000,000
Drawdown	30-Jun-22	(10,000,000)	
	30-Jun-23	(10,000,000)	
	31-Dec-23	(2,000,000)	
			(22,000,000)
Balance undrawn			3,000,000

$9.4 million from the proceeds of the lease finance agreement was used to repay part of the facility. The ATO completed the examination of the demonstration plant construction costs in FY2023 and paid the tax rebate of $12.8 million on 25 May 2024. Under the Loan Agreement, this rebate has been applied to repay the lender in reducing the debt level and for operating expenses.

14. Regional Development Grant

The 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 three instalments: the first instalment of $250,000 was paid on 30 August 2023 and the second grant was paid on 28 November 2023. The remaining $500,000 balance is payable upon completion of the magnesium section of the demonstration plant.

15. 2024 R&D Tax Rebate

The 2023 R&D tax rebate was approved by the Australian Tax Office (ATO) in May 2024 for $12.9 million. Given that the ATO now understands LMG's Demonstration Plant process, the Company expects that the ATO will approve the 2024 R&D tax rebate in a shorter timeframe.

Given the capital costs of the Demonstration Plant as at 30 June 2024, LMG estimates that its 2024 tax rebate will be approximately $15.9 million, Owing to the sale and leaseback of the plant described in point 12 above LMG will have a tax liability to the ATO of $2.6M. The net 2024 tax rebate will therefore be in the order of $13.3M.

Given the increase in demonstration costs and LMG's proposed spending profile for 2025, LMG's 2025 tax rebate is estimated to be in the range between $11M to $13M based upon LMG's advisors' calculations.

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 2024 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 F Wandmaker	Non Executive Director (resigned on 1 April 2024)
M L Blackburn	Non Executive Director
P C Church	Non Executive Director

PRINCIPAL ACTIVITIES

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

- completing construction of the demonstration plant to fully commission the magnesium oxide production;
- producing magnesium oxide (MgO) meeting the required quality specification; and
- completing some of the construction and commissioning of the Demonstration Plant for the production of magnesium metal.

OPERATING RESULTS

The consolidated net loss of the Group after providing for income tax amounted to $4,742,588 compared to a loss of $2,438,497 for the previous corresponding period. The loss was mainly due to the costs incurred in expanding the team management, higher administration and insurance costs and a deferred tax liability.

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 $23,279,587 from $54,149,170,484 to $77,428,757 as a result of issuing the following fully paid ordinary shares:

Date	Purpose	Shares	$ per Share	$
31-Jul-23	Exercise of Options	824,000	0.04	32,960
29-Aug-23	Exercise of Options	727,000	0.04	29,080
26-Sep-23	Exercise of Options	2,760,193	0.04	110,408
30-Oct-23	Exercise of Options	95,188,807	0.04	3,807,552
30-Oct-23	30M options exercised - returned from reserve			3,255,634
10-Nov-23	Asset Management fees paid by shares	1,062,375	0.04	42,495
10-Nov-23	Corporate Advisory fees paid by shares	1,000,000	0.06	60,000
22-Dec-23	Private Placement	54,388,378	0.05	2,719,419
	Placement fees			(180,000)

DIRECTORS' REPORT

	3M options for advisory services			(38,961)
26-Feb-24	Private Placement	17,020,000	0.05	851,000
	Placement fees			(45,000)
28-Mar-24	Share Purchase Plan	38,600,000	0.05	1,930,000
11-Jun-24	Private Placement	255,555,556	0.045	11,500,000
	Placement fees			(795,000)
		467,126,309		**23,279,587**

MATTERS SUBSEQUENT TO BALANCE DATE

i. A fully underwritten non-renouncement rights issue was offered to eligible shareholders to raise $6 million. This offer opened on 12 June 2024 and closed on 10 July 2024. Acceptances of entitlements received from shareholders totalled 12,558,600 new shares raising $565,137, giving rise to a rights issue shortfall of $5,434,863, representing 120,774,733 new shares. The Underwriter subscribed for 120,774,733 new shares, representing $5,434,863.

ii. An Extraordinary General Meeting was held on 7 August 2024, all 20 resolutions were carried:

- Shareholder approval was sought to rectify the issue and allotment of the shares under placements:
  - Resolution 1 54,388,378 shares issued by placement on 12 December 2023
  - Resolution 9 17,020,000 shares issued by placement on 26 February 2024
  - Resolution 12 255,555,556 shares issued by placement on 11 June 2024

  As a result of the ratification, the Company has refreshed its capacity to issue securities as follows:
  - Under Listing Rule 7.1 346,826,375 security issue capacity; and
  - Under Listing Rule 7.1A 234,592,500 security issue capacity
- Shareholder approval was sought in accordance with ASX Listing Rule 10.11 to issue shares to related parties of the Company in 3 placements:
  - Resolutions 2-8, 10-11, 13-18, a total of 19,497,779 shares subscribed by Directors
  - Resolution 19, 3,333,333 shares subscribed by an Associate of a Director.
- Resolution 20, shareholder approval was sought to issue 51,337,937 unlisted options to Underwriter and its nominated Sub-underwriters of the Entitlement Offer being capital raising costs in lieu of cash payment.

iii) 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 there remains a further $3M of the facility available to be drawn in the second half of the FY25 financial year.

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

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

(a) the operations, in financial years subsequent to 30 June 2024, of the Group;
(b) the results of those operations; or
(c) the state of affairs, in financial years subsequent to 30 June 2024, of the Group.

On 30 September 2024, the financial report was authorised to be signed by a resolution of Directors.

DIRECTORS' REPORT

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 completing a sale and lease back of its Tramway Road property to meet its obligations and implement its strategy. Magnesium being a critical mineral allows the Group to raise additional funding from a variety of both Federal and State Government 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 no breaches of these regulations during the year or to the date of this 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

DIRECTORS' REPORT

Former public company directorships in last 3 years	None
Special responsibilities	Chairman of the Board of Directors
Interests in securities	18,115,559 ordinary shares in Latrobe Magnesium Limited, registered in the name of MurraySetter Pty Limited as trustee for the MurraySetter Trust.

<u>David Oliver Paterson – Chief Executive Officer</u>

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	132,938,284 ordinary shares in Latrobe Magnesium Limited, 22,553,969 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.

<u>Philip Francis Bruce – Non-Executive Director</u>

Mr Bruce is a director of P F Bruce & Associates, which provides corporate and project management services. He is a mining engineer with over thirty 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.

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	Director of Ora Gold Limited
Special responsibilities	Chairman of Nomination & Remuneration Committee
Interests in securities	13,665,986 ordinary shares in Latrobe Magnesium Limited, registered in the name of Diazill Pty Limited as trustee for the PB Superannuation Fund.

<u>John Robert Lee – Non-Executive Director</u>

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

DIRECTORS' REPORT

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 7,274,297 ordinary shares registered in the name of Stockholder Relations Pty Limited of which Mr Lee is a Director.

Michael Frederick Wandmaker – Non-Executive Director

Mr Wandmaker has recently been the Managing Director of Melbourne Water for more than 7 years. Prior to that he was the COO and Acting CEO of publicly listed UGL. He has also held leadership positions as CEO of Silcar, Vice President of Siemens Canada and President of FT Services as well as senior roles within other Utilities and Engineering/construction companies. He is an experienced senior executive with a strong track record of success in building and implementing corporate strategies to deliver operational excellence and profitable growth in large, complex asset intensive organisations.

Mr Wandmaker brings a breadth and depth of leadership and operational experience at chief executive level covering a wide range of public and private industry sectors. He has had significant M&A experience, and successfully integrating large complex (unionised) construction, engineering, infrastructure, defence and utility businesses. Graduated from Monash University with a Bachelor of Engineering, Mechanical and Computing, he has worked both internationally and in Australia managing large scale engineering projects. He is a Fellow of the Institute of Engineers and has qualified as a GAICD, providing a depth of engineering expertise to complement LMG's skill-based Board.

Date of appointment as Director	1 April 2022, resigned on 1 April 2024
Other current public company directorships	None
Former public company directorships in last 3 years	None
Special responsibilities	Member of Audit & Risk Committee and Safety, Health & Environment Committee
Interests in securities	None

Michelle Leanne Blackburn – Non-Executive Director

Michelle brings a breadth and depth of corporate advice experience, covering a wide range of public and private industry sectors. She has had extensive experience in complex environmental law and has represented Australian States and Federal governments and local and international legal entities over more than 20 years. Her early experience was in legal roles in the Victorian Government; before practicing for many years as a solicitor, including as a Senior Associate at Minter Ellison Lawyers; principal of her own legal practice in Gippsland and as a Partner at Corrs Chambers Westgarth, managing Victoria and Western Australian environment and planning teams.

Graduating from Melbourne University with a Bachelor of Laws (hons), with a Masters in Social Science (Planning and Environment) from RMIT University and having been an Honorary Senior Fellow at the University of Melbourne designing and delivering a Juris Doctor subject, Michelle has significant academic credentials.

Michelle has been a Director of South Gippsland Water, Chairman of Lifeline Gippsland and a Director of Interchange Gippsland. She has also served as a Member of the Victorian Civil and Administrative Tribunal sitting in its planning and environment list. With significant environmental law experience and as an Accredited Mediator and a Graduate of the AICD, Michelle broadens the skills and experiences of LMG's skill-based Board.

Date of appointment as Director	1 September 2022
Other current public company directorships	None
Former public company directorships in last 3 Years	None
Special responsibilities	Chair of the Safety Health & Environment Committee & member of Nomination / Remuneration Committee
Interests in securities	254,870 ordinary shares in Latrobe Magnesium Limited held as direct interest.

DIRECTORS' REPORT

Peter Campbell Church OAM – Non-Executive Director

Peter is the Executive Chairman of AFG Venture Group, an Australian and Asian corporate advisory firm with activities throughout Australia, South East Asia and India. He is a senior adviser to Stephenson Harwood, an English law firm with operations in multiple jurisdictions including, London, Hong Kong, Myanmar, and Singapore. Previously, Peter also served as the Asian Managing Partner of Freehills, Non Executive Director of Northern Iron Limited, Non Executive Director of The George Institute of Global Health, President of Australia Indonesia Business Council, and a member of several Federal Government Boards such as the Trade Policy advisory Committee.

Peter served as a Director of OM Holdings Limited (OMH) for a period of 10 years which included the development and then operation of its Sarawak smelter operations. He retired from that role in 2021. His experience gained from developing OMH's activities in Sarawak will be of great advantage to LMG.

Peter was awarded the Medal of the Order of Australia in 1994 by the Australian Government for promotion of business between Australia and South East Asia. He is a Fellow of the Australian Institute of Directors. He graduated from NSW University with a Bachelor of Commerce, from Sydney University with a Bachelor of Laws, from the University of London with a Master of Laws and was awarded a Doctorate of Humane Letters by the Sri Sharada Institute of Indian Management-Research in Delhi.

Peter brings a breadth and depth of leadership, corporate advisory, legal and directorship experience in ten South East Asian countries, in particular Malaysia and the State of Sarawak. He provides a depth of operating expertise to complement LMG's skill-based Board for its proposed 100,000tpa magnesium plant in Malaysia.

Date of appointment as Director	24 April 2023
Other current public company directorships	None
Former public company directorships in last 3 Years	DomaCom Limited (retired August 2021) and OM Holdings Limited (retired May 2021)
Special responsibilities	None
Interests in securities	400,000 ordinary shares in Latrobe Magnesium Ltd registered in the name of Murmeli Pty Ltd <Murmeli Superannuation Fund> of which Mr Church 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 2024 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	9	9	-	-
D O Paterson	9	9	2	2
J R Lee	9	9	2	2
P F Bruce	7	9	-	-
M F Wandmaker	7	7	-	-
M L Blackburn	9	9	-	-
P C Church	9	9	-	-

Retirement, Election and Continuation in Office of Directors

Mr J S Murray is the Director retiring by rotation at the next Annual General Meeting of the Company. Mr Murray 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 14.

DIRECTORS' REPORT

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.

DIRECTORS' REPORT

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.

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

2024 Directors	Base Emoluments	Equity Options	Bonuses	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	179,231	-	-	179,231	
R Gillen	321,040	-	-	321,040	
Sub Total	500,271	-	-	500,271	
	1,277,771	-	-	1,277,771	-

2023 Directors	Base Emoluments	Equity Options	Bonuses	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	50,000	-	-	50,000	-
M L Blackburn	41,667	-	-	41,667	-
P C Church	-	-	-	-	-
	691,667	-	-	691,667	-

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]

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. The Board reviewed all Directors' emoluments in 2021 and the recommendations were approved by shareholders in the 2021 Annual General Meeting.

Shareholdings

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

Directors & Other Key Management Personnel	Balance at 1 July 2023	Acquired under Share Purchase Plan for Shareholders	Acquired Under Debt Conversion to Equity	Net Change - Other	Balance at 30 June 2024
J S Murray	17,715,559	400,000	-	-	18,115,559
D O Paterson	132,538,284	400,000	-		132,938,284
P F Bruce	13,665,986	-	-	-	13,665,986
J R Lee	7,274,297	-	-	500,000	7,774,297
M F Wandmaker	-	-	-	-	-
M L Blackburn	254,870	-	-	-	254,870
P C Church	-	-	-	400,000	400,000
J D S Collier	-	526,680	-	-	526,680
R Gillen	-	-	-	-	-

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 2024.

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	31/03/25
8,888,889	$0.18	30/06/25
8,888,889	$0.18	30/09/25
8,888,889	$0.24	31/12/25
8,888,889	$0.24	31/03/26
8,888,889	$0.24	30/06/26
8,888,889	$0.30	30/09/26
8,888,889	$0.30	31/12/26
8,888,889	$0.30	30/06/27

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

LISTED OPTIONS - EXPIRED

The Company issued 118,750,001 listed options at an exercise price of $0.04 per option in October and November 2021, which expired on 26 October 2023, of which 11,502,137 options were not exercised. The proceeds received from the options exercised during the period July to October 2023 totaled $3.98 million.

UNLISTED OPTIONS

On 24 May 2023, the Company issued 15,000,000 unlisted options at the exercise price of $0.10 expiring 23 May 2025 to the promoters of the 24 May 2023 private placement being part of the capital raising costs.

On 21 December 2023, the Company issued 3,000,000 unlisted options at the exercise price of $0.10 expiring 22 December 2025 to the advisers of the 21 December 2023 private placement being part of the capital raising costs.

Unlisted Options	
Total options outstanding at beginning of the period	15,000,000
Granted in the period	3,000,000
Exercised in the period	-
Lapsed in the period	-
Outstanding at the end of the period	18,000,000

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 consolidated entity 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:

	$
Audit and Review of Financial Reports	130,777
Taxation and Other Services	22,395
	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 23 and forms part of this report.

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

D. Paterson

J S Murray
Chairman

D O Paterson
Chief Executive Officer

Sydney

30 September 2024

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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 2024, 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 Sydney Audit Pty Ltd

Stephen Fisher
Director

Dated: 30 September 2024
Sydney

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes and the Remuneration Report on pages 18 to 20 in the Directors Report 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 consolidated entity's financial position as at 30 June 2024 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.

- the information disclosed in the attached consolidated entity disclosure statement on page 59 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 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Note	GROUP 2024 $	GROUP 2023 $
Revenue			
Finance income		262,823	26,336
Other income		6,321,565	1,909,510
	3	6,584,388	1,935,846
Expenses			
Administration expenses		(4,127,956)	(2,575,737)
Employee benefit expenses		(1,217,820)	(783,720)
Finance cost		(205,502)	-
Research and evaluation expenses		(366,807)	(1,014,886)
Total expenses	3	(5,918,085)	(4,374,343)
Profit/(loss) before Income Tax		666,303	(2,438,497)
Income tax expense	4	(5,408,891)	-
Loss attributable to members of the parent entity		(4,742,588)	(2,438,497)
Other Comprehensive Income			
Other Comprehensive Income for the year		-	-
Total Comprehensive Income		(4,742,588)	(2,438,497)

	Note	GROUP 2024	GROUP 2023
Basic and diluted loss per share (cents per share)	20	(0.26)	(0.15)

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

STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	GROUP 2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents	5	565,150	6,891,733
Trade and other receivables	6	16,483,317	13,893,983
Total Current Assets		17,048,467	20,785,716
NON-CURRENT ASSETS			
Trade and other receivables	6	195,854	94,977
Office equipment	7	62,757	28,149
Demonstration plant	8	60,738,061	31,439,516
Right-of-use asset	9	7,232,766	34,945
Intangible assets	10	6,993,768	6,951,093
Land & Buildings	11	3,132,239	3,132,240
Total Non-Current Assets		78,355,445	41,680,920
TOTAL ASSETS		95,403,912	62,466,636
CURRENT LIABILITIES			
Trade and other payables	12	6,748,885	4,232,561
Provision for Income Tax	4	2,587,088	-
Borrowings	13	1,861,169	12,627,502
Lease liabilities	9	5,434,749	26,090
Share Subscription Funds	14	1,086,000	-
Total Current Liabilities		17,717,891	16,886,153
NON CURRENT LIABILITIES			
Borrowings	13	-	2,703,450
Lease liabilities	9	6,564,635	11,414
Deferred income	8	26,671,951	16,558,312
Deferred tax liability	4	2,821,802	-
Total Non Current Liabilities		36,058,388	19,273,176
TOTAL LIABILITIES		53,776,279	36,159,329
NET ASSETS		41,627,632	26,307,307
EQUITY			
Issued capital	15	77,428,757	54,149,170
Reserves	16,17,18	4,369,415	7,586,088
Accumulated losses		(40,170,540)	(35,427,951)
TOTAL EQUITY		41,627,632	26,307,307

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

GROUP	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2022		48,527,484	7,383,847	(33,204,310)	22,707,021
Exercise of warrants		-	(214,856)	214,856	-
Option Reserve	18	(417,097)	417,097	-	-
Total comprehensive income		-	-	(2,438,497)	(2,438,497)
Shares issued during the period	15	6,038,783	-	-	6,038,783
Balance at 1 July 2023		54,149,170	7,586,088	(35,427,951)	26,307,307
Expiry of options	16	3,255,634	(3,255,634)	-	-
Option Reserve	18	(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 30 June 2024		**77,428,757**	**4,369,415**	(40,170,540)	41,627,632

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

STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Note	GROUP 2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		12,872,388	3,152,582
Payments to suppliers and employees		(4,153,169)	(5,794,025)
Interest and other financial costs paid		(11,104)	(46,052)
Interest received		18,099	26,336
Income tax paid		-	(1,647,756)
Government grant		500,000	-
GST on sale of equipment sale & lease back		2,277,680	-
Net cash from/(used in) operating activities	19b	11,503,894	(4,308,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of office equipment and FFF		(66,143)	(24,292)
Payments to acquire demonstration plant		(27,246,396)	(17,225,190)
Payments to acquire property		-	(730,850)
Payments of international patent expenditure		(42,535)	(20,420)
Rent and deposit bonds		-	(39,003)
Proceeds from disposal of equipment (net of GST)		10,378,772	-
Net cash used in investing activities		(16,976,302)	(18,039,755)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		16,288,547	4,200,000
Transaction costs related to issue of shares		(823,500)	(142,500)
Proceeds from exercise of warrants and options		3,980,000	931,283
Repayments of borrowings		(22,272,388)	(1,464,198)
Proceeds from borrowings		2,000,000	10,517,500
Repayments of lease liabilities		(26,835)	(48,501)
Net cash (used in)/from financing activities		(854,176)	13,993,584
Net decrease in cash and cash equivalents held		(6,326,583)	(8,355,086)
Cash and cash equivalents at beginning of the financial year		6,891,733	15,246,819
Cash and cash equivalents at end of financial year	19a	565,150	6,891,733

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 consolidated entity 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 consolidated entity. These new Standards have not had a material financial impact on its financial statements:

AASB 2017: Insurance Contracts

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

AASB 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. AASB 17 replaces AASB 4, AASB 1023 and AASB 1038 for for-profit entities.

NFP public sector entities are excluded from the scope of AASB 17 and continue to apply AASB 4, AASB 1023 and AASB 1038.

AASB 2020-5 deferred the application date of AASB 17 to annual periods beginning on or after 1 January 2023 and made other amendments to AASB 17.

Amendments are also made by AASB 2022-1 to add a transition option referred to as 'a classification overlay' relating to comparative information about financial assets if an entity first applies AASB 17 and AASB 9 Financial Instruments at the same time.

AASB 2022-8 made consequential amendments to other Accounting Standards so that public sector entities (both for-profit and not-for-profit) are permitted to continue to apply AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

This Standard amends:

a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;

c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;

d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and

e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

f) Additional conforming amendments to AASB 1049, AASB 1054, and AASB 1060 were made by AASB 2021-6.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

The amendment narrowed the scope of the recognition exemption in paragraphs 15 and 24 of AASB 112 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment applies to transactions that occur on or after the beginning of the earliest comparative period presented.

AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

Amends AASB 1060 to require entities to disclose their material accounting policy information rather than their significant accounting policies and to clarify that information about the measurement bases for financial instruments is expected to be material to an entity's financial statements.

Consequential amendments are made to other Accounting Standards.

AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

This Standard repeals various Australian Accounting Standards superseded by another Standard or otherwise made redundant.

This Standard has no effect on in-force Accounting Standards.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

Amends AASB 112 to introduce:

a) a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD); and

b) disclosures relating an entity's exposure to income taxes arising from the reform.

The Federal Government announced it would implement a minimum corporate tax rate of 15% consistent with the OECD Pillar Two Model Rules. The legislation has not passed parliament and is not considered to be substantively enacted at 30 June 2024 for the purpose of AASB 112.

AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

Application Date: 1 January 2023, applies to financial year ended 30 June 2024

Amends AASB 1060 to require a Tier 2 entity to disclose:

a) that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (see AASB 112 paragraph 4A); and

b) its current tax expense (income) related to Pillar Two income taxes.

The Federal Government announced it would implement a minimum corporate tax rate of 15% consistent with the OECD Pillar Two Model Rules. The legislation has not passed parliament and is not considered to be substantively enacted at 30 June 2024 for the purpose of AASB 112.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

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 consolidated entity'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 consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

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-Company 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 21 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 consolidated entity is able to use or sell the asset; the consolidated entity 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 consolidated entity 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 consolidated entity 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

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 consolidated entity'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 consolidated entity 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 consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity 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 consolidated entity'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.

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

Research and development tax rebate is recognised when it is received or when the right to receive payment is established.

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 Company’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 Company 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 2024. 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 consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, 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 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: Tier 2

Application Date: 1 January 2024, applies to financial 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).

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 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 2025, applies to financial year ended 30 June 2026

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 2025 by AASB 2021-7c

AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
Application Date: 1 January 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.

NOTE 2: FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity'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 consolidated entity'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 consolidated entity. The consolidated entity 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 consolidated entity 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 consolidated entity and appropriate procedures, controls, and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity'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.

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 2024 and 30 June 2023 is set out in the following tables:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

CONSOLIDATED

Year ended 30 June 2024	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	%	$	$	$	$	$	$
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)

Year ended 30 June 2023	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest maturing in: 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
	%	$	$	$	$	$	$
Financial assets							
Cash & cash equivalents	0.3	2,604,460	-	-	-	4,287,273	6,891,733
Trade & other receivables		-	-	-	-	13,988,959	13,988,959
Total Financial Assets		2,604,460	-	-	-	18,276,232	20,880,692
Financial liabilities							
Borrowings	12.0	-	(12,627,502)	(2,703,450)	-	-	(15,330,952)
Lease liabilities			(26,090)	(11,414)			(37,504)
Trade and other payables		-	-	-	-	(4,169,371)	(4,169,371)
Net financial assets		2,604,460	(12,653,592)	(2,714,864)	-	14,106,861	1,342,865

(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.

(iv) Share market risk

The Company 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

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 company as at 30 June 2024 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 2024 $	GROUP 2023 $
The following revenue and expense items are relevant in explaining the financial performance for the period.			
(i)	**Revenue**		
	Finance Income	262,823	26,336
	Other Income		
	Research and development tax rebate 2021-22	-	325,009
	Research and development tax rebate 2022-23	-	1,550,536
	Research and development tax rebate 2023-24	6,271,955	
	Rent Income	33,750	
	Gain on foreign exchange	15,860	33,965
		6,584,388	1,935,846
(ii)	**Expenses**		
	Depreciation – Office equipment & FFF	17,012	9,896
	Depreciation – Lease	24,667	45,389
	Research and evaluation expenses	366,807	1,014,886
	Directors and CEO fees	777,500	691,666

NOTE 4: INCOME TAX EXPENSE

	GROUP 2024 $	GROUP 2023 $
Income Tax Expense		
Current tax	2,587,089	-
Deferred tax – origination and reversal of temporary differences	2,821,802	-
	5,408,891	-
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	666,303	(2,438,497)
Prima facie tax expense/(benefit) on profit/(loss) from ordinary activities before income tax at 25% (2023: 30%)	(166,576)	731,549
Permanent differences relating to R&D claim	(3,958,415)	(959,094)
(Decrease) / increase in income tax benefit due to timing differences	(1,283,900)	620,870
Tax losses not brought to account as deferred tax asset	-	(393,325)
Recognition of tax losses as deferred tax asset	-	-
Income tax expense	(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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

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	
	2024	**2023**
	$	**$**
Benefit of unrecognised tax losses carried forward:		
Revenue losses	66,877	1,242,975
Capital losses	682,095	818,514
	748,972	2,061,489
Deferred tax asset		
Accrued expenses	22,500	-
Employee entitlements	27,085	-
Superannuation payable	15,283	-
Regional Victoria Grant	125,000	-
Capital raising costs	241,535	-
	431,403	-
Deferred tax liability		
Patent costs	10,668	-
Lease payments	983,736	-
Capitalised interest	604,715	-
Prepaid insurance	56,755	-
Prepaid Lease payments	1,597,331	-
	3,253,205	-
Net deferred tax liability	**2,821,802**	-

Deferred Tax Asset and Deferred Tax Liabilities is netted off in statement of financial position.

NOTE 5: CASH AND CASH EQUIVALENTS

	GROUP	
	2024	**2023**
	$	**$**
Cash at bank	565,150	6,891,733

NOTE 6: TRADE AND OTHER RECEIVABLES

	GROUP	
	2024	2023
CURRENT	$	$
R&D tax concession rebate	15,885,594	12,627,502
GST recoverable	325,241	1,187,670
Trade Debtor	1,068	-
Rent bond	14,600	30,000
Prepayment – Insurance	227,018	-
Share Subscription Receivable	7,654	-
Refundable prepayment	22,142	48,810
	16,483,317	13,893,982
NON-CURRENT		
Share Acquisition Plan	100,877	-
Rent and deposit bonds	94,977	94,977
	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	
	2024	2023
	$	$
Office equipment & FFF at cost	99,090	47,470
Accumulated depreciation	(36,333)	(19,321)
Total Office Equipment & FFF	62,757	28,149

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	
	2024	2023
	$	$
Balance at 1 July	28,149	13,753
Additions	51,620	24,292
Depreciation expense	(17,012)	(9,896)
Carrying amount at 30 June	62,757	28,149

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

NOTE 8: DEMONSTRATION PLANT

	GROUP	
	2024	**2023**
	$	**$**
Capitalised costs of the Demonstration Plant (i)	57,727,990	26,182,508
Crane equipment	2,881,000	2,881,000
Capitalised borrowing costs (ii)	10,507,843	2,376,008
Equipment Sale & Lease Back (iii)	(10,378,772)	-
	60,738,061	31,439,516

(i) Construction costs work of the initial 1,000 tpa magnesium plant have been capitalised as demonstration plant asset of $57,727,990.

(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 $2 million to $25 million on 26 April 2023. As at 30 June 2024, a total of $22 million has been drawn. The first loan repayment instalment is not due until 12 July 2024 with repayment permitted without penalty from 31 October 2023. The Company repaid the lender $9.4 million from the proceeds of sale of part of the demonstration plant in November 2023 and $12.8 million in May 2024 upon receipt of the FY23 R&D Tax Incentive rebate.

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 there remains a further $3M of the facility available to be drawn in the second half of the FY25 financial year.

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

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.

On 21 November 2023, the Company 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.

Capital Commitments

The Company has committed to $3.1 million of future capital expenditure on the Demonstration Plant at 30 June 2024.

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. Once the plant is constructed the deferred income will be reclassified as an offset against the non-current plant asset.

	GROUP	
	2024	**2023**
	$	**$**
R&D Tax Concession Refund	16,558,312	5,481,346
Plus R&D claim during the period	9,613,639	11,076,966
Regional Development VIC Grant	500,000	-
	26,671,951	16,558,312

NOTE 9: LEASING COMMITMENTS

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

	GROUP	
	2024	**2023**
	$	**$**
Right of Use Asset	10,452,772	74,000
Accumulated Depreciation	(3,220,006)	(39,055)
	7,232,766	34,945
Lease Liability – at lease commencement	10,452,772	74,000
Interest Expense - cumulative	1,614,464	4,062
Lease Payments - cumulative	(67,852)	(40,559)
Lease Liability at end of period	11,999,384	37,503
Current Lease Liability	5,434,749	26,090
Non Current Lease Liability	6,564,635	11,413
Total Lease Liability	11,999,384	37,503

Lease Commitments	**Clarence St**	**Equipment**	**Total**
	2021-24	2023-25	
Right of use of assets			
Value of Lease	74,000	10,378,772	10,452,772
Accumulated Depreciation	(63,722)	*(3,156,284)	(3,220,006)
	10,278	7,222,488	7,232,766
Lease Liability – at lease commencement	74,000	10,378,772	10,452,772
Interest Expense	5,184	*1,609,280	1,614,464
Lease Payment	(67,852)	-	(67,852)
	11,332	11,988,052	11,999,384
Current Liability	11,332	5,423,417	5,434,749
Non Current Liability**	-	6,564,635	6,564,635
	11,332	11,988,052	11,999,384

*Capitalised to demonstration plant
**Non-current lease liability includes $4,677,517 representing deferred unpaid lease instalments. Under the equipment lease agreement, if scheduled lease instalments are not paid when due they are deemed to be a separate debt with an amended due date of the end of the lease term, being 20 November 2025 and with the same interest rate continuing to apply.

- Sydney Lease - Administration Office
  Term: 1 December 2021 to 30 November 2024.
  Monthly rent $2,571 as at 1 January 2024.
  Rental increase 4% per annum
  Interest rate Incremental borrowing rate 4. 52% at 1 December 2021 to measure lease liability
- 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

NOTE 10: INTANGIBLE ASSETS

	GROUP	
	2024	**2023**
	$	**$**
Acquired in-process research and development, at cost	5,684,000	5,684,000
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	166,673	166,673
New patent applications	63,095	20,420
Total Intangible Assets	6,993,768	6,951,093

Since June 2023, the Company 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 Company 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) at 30 June 2024. The CGU has been determined to comprise the demonstration plant under construction of $60,738,061 set out in Note 8, the intangible assets of $6,993,768 set out above and the land and property of $3,132,239 set out in Note 11 and right of use asset of $7,232,766 set out in Note 7

The key assumptions underlying this impairment test have been based on data provided in the Company'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 tonnes;
- magnesium metal price of US$7,165 per tonne is used which represents approximately the upper end of the current USA market 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

NOTE 11 LAND AND PROPERTY

The purchase price together with capitalised costs are summarised below:

	GROUP	
	2024	**2023**
320 Tramway Road, Hazelwood North, VIC 3840	$	$
Land and property	2,119,000	2,119,000
Stamp duty	150,875	150,875
Administration building improvement	862,364	862,364
Total	3,132,239	3,132,239

On 16 December 2021, the Company 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 cranes valued at $2,881,000 were reconditioned and are now operational to assist in construction of the equipment and in the plant's operations, specifically to automate the loading and unloading of the smelters and plant maintenance. The land and property value was $2,119,000.

NOTE 12: TRADE AND OTHER PAYABLES

	GROUP	
	2024	**2023**
	$	**$**
Trade creditors and accrued expenses	6,529,030	4,169,370
Employee annual leave entitlements	91,409	63,190
Employee PAYG Withholding	50,382	-
Employee Superannuation	61,131	-
Employee Long Service Leave provision	16,933	-
Total	6,748,885	4,232,560

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

NOTE 13: BORROWINGS - SECURED

	GROUP	
	2024	**2023**
	$	**$**
Loan balance at 1 July	19,890,265	10,023,333
Loan Drawdown	2,000,000	10,000,000
Interest accrued	2,418,681	1,331,130
Loan repayment	(22,272,388)	(1,464,198)
Loan balance at 30 June	**2,036,558**	**19,890,265**
Less transaction costs	(5,580,858)	(5,580,858)
Plus transaction costs amortisation	5,178,514	1,021,545
Less Sale of Equipment	(52,933)	-
GST loan balance	279,888	-
Carrying value as at 30 June 2024	1,861,169	15,330,952
Current	1,861,169	12,627,502
Non-Current	-	2,703,450
	1,861,169	15,330,952

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

On 21 April 2023, the construction loan facility of $22 million was increased by $3 million to $25 million.

On 21 November 2023, $9.4 million received from the lease finance agreement on the demonstration plant equipment was used to repay part of the loan.

In May 2024, the Company received $12.8 million R&D Tax Rebate from ATO. This amount was utilized to repay the lender under the loan agreement.

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.
Loan Drawdown	$22 million has been drawn to 30 June 2024. A further $3M was advanced on 3 September 2024.
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 of $22.2 million made during FY24, unwinding of financing costs has been accelerated in tandem.
Loan Repayment	Loan principal and interest repayments are scheduled to start from 12 July 2024. 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.

NOTE 14 SHARE SUBSCRIPTION FUNDS

		GROUP 2024	2023
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	-
		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. (a) & (b) are subscribed by Directors, (c) 7,777,778 shares are subscribed by Directors and 3,333,333 shares are subscribed by an Associate of the Director

NOTE 15: ISSUED CAPITAL

		GROUP 2024	2023
		$	$
(a) Ordinary Shares Issued and Fully Paid			
Balance at beginning of reporting period		54,149,170	48,527,484
26-Sep -22	1,141,855 shares issued at $0.04 - exercise of listed options		45,674
16-Nov-22	8,373,199 shares issued at $0.03 - exercise of unlisted warrants		251,196
21-Nov-22	1,351,000 shares issued at $0.04 - exercise of listed options		54,040
11-Jan-23	539,000 shares issued at $0.04 - exercise of listed options		21,560
02-Feb-23	1,271,575 shares issued at $0.04 - exercise of listed options		50,863

26-Apr-23	15,000,000 shares issued at $0.07 for finance cost pursuant to amended lending agreement of 21 April 2023		1,050,000
23 May-23	1,491,250 shares issued at $0.04 - exercise of listed options		59,650
31-May-23	70,000,000 shares issued at $0.06 pursuant to a private placement		4,200,000
	Placement fees		(142,500)
	15,000,000 options issued for capital raising costs, valued by Black-Scholes		(417,097)
27-Jun-23	70,000 shares issued at $0.04 - exercise of listed options		2,800
30-Jun-23	14,850,000 shares issued at $0.03 - exercise of unlisted warrants		445,500
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	
		77,428,757	54,149,170

(b) Shares on Issue	**No.**	**No.**
Balance at beginning of reporting period	1,724,696,621	1,610,608,742
Share on Issues:		
• 26 September 2022		1,141,855
• 16 November 2022		8,373,199
• 21 November 2022		1,351,000
• 11 January 2023		539,000
• 2 February 2023		1,271,575
• 26 April 2023		15,000,000
• 23 May 2023		1,491,250
• 31 May 2023		70,000,000
• 27 Jun 2023		70,000
• 30 Jun 2023		14,850,000
• 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	
Balance at end of reporting period	2,191,822,930	1,724,696,621

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

There were no unissued shares under option.

Employee Share Plan Scheme

For information relating to the Latrobe Magnesium Limited Share Acquisition Plan, refer to Note 25: 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 FY2024, the Group:

- Completed capital raising by placements in December 2023, February 2024, March 2024 and June 2024 raising a total of $23 million to complete the construction of the magnesium plant.
- Negotiated a sale and lease back agreement of components of the plant equipment raising an amount of $10.4 million to reduce the debt level of the construction loan.
- 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 $500,000 was paid in August and November 2023.
- After lengthy examining of the magnesium project by ATO, the R&D tax rebate 2023 was approved in May 2024. The rebate of $12.8 million was paid by ATO and in turn repaid to the lender under the construction loan agreement. The R&D rebate for 2024 is calculated to be about $16 million which will enable the Company to repay the construction loan in full.
- In May 2024, LMG produced the first magnesium oxide (MgO) from brown coal fly ash, a waste resource from brown coal power generation from its magnesium demonstration plant.

NOTE 16 LISTED OPTIONS

In October and November 2021, the Company issued a total of 118,750,001 options at $0.04 per option with expiry date on 26 October 2023 detailed below. The proceeds received from the options exercised during the period July to October 2023 totaled $3.98 million.

Listed Options	
Total options outstanding at beginning of the period	111,002,137
Granted in the period	-
Exercised in the period	(99,500,000)
Lapsed in the period	(11,502,137)
Outstanding at the end of the period	-

NOTE 17: 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	31/03/25
8,888,889	$0.18	30/06/25
8,888,889	$0.18	30/09/25
8,888,889	$0.24	31/12/25
8,888,889	$0.24	31/03/26
8,888,889	$0.24	30/06/26
8,888,889	$0.30	30/09/26
8,888,889	$0.30	31/12/26
8,888,889	$0.30	30/06/27

listed 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

Warrant Reserve

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

NOTE 18. UNLISTED OPTIONS

On 24 May 2023, the Company issued 15,000,000 unlisted options at the exercise price of $0.10 expiring 23 May 2025 to the promoters of the 24 May 2023 private placement being part of the capital raising costs.

On 21 December 2023, the Company issued 3,000,000 unlisted options at the exercise price of $0.10 expiring 22 December 2025 to the advisers of the 21 December 2023 private placement being part of the capital raising costs.

Unlisted Options	
Total options outstanding at beginning of the period	15,000,000
Granted in the period	3,000,000
Exercised in the period	-
Lapsed in the period	-
Outstanding at the end of the period	18,000,000

Option Reserve

Calculated by Black-Scholes	Options	Value
Capital raising costs on 24 May 2023	15,000,000	417,096
Capital raising costs on 21 December 2023	3,000,000	38,961

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For the year ended 30 June 2024

NOTE 19: CASH FLOW INFORMATION

		GROUP 2024	GROUP 2023
		$	**$**
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	565,150	6,891,733
b.	**Reconciliation of cash flow from operating activities to operating loss after income tax:**		
	Net loss	(4,742,588)	(2,438,497)
	Profit / Loss Adjustment of non-cash items:		
	Depreciation of equipment & FFF	17,012	9,896
	Depreciation of leases	24,667	45,389
	Interest expense to measure lease liabilities	60,521	2,682
	Changes in Assets and Liabilities:		
	Decrease/(increase) in receivables and other assets	10,139,870	(1,342,910)
	Increase in trade and other payables	595,521	1,062,281
	Increase/(decrease) in tax payable	5,408,891	(1,647,756)
	Net Cash from/(used in) Operating Activities	11,503,894	(4,308,915)

c. Acquisition and Disposal of Entities

There was no disposal of controlled entities during the 2024 or 2023 financial years. On 19 May 2023, Latrobe Magnesium Sarawak Sdn Bhd, a 100% owned company, was registered in Malaysia.

d. Non-cash Financing and Investing Activities

2023-24		$
21-Dec-24	Options 3,000,000 unlisted options issued at exercise price of $0.10 to pay for capital raising costs, fair valued at $38,961, refer to Note 18	38,961
2022-23		
26-Apr-23	Fully Paid Ordinary Shares 15,000,000 shares issued at $0.07 to pay for financing costs • Increase in issued capital • Decrease in trade and other payables	1,050,000 (1,050,000)
24-May-23	Options 15,000,000 unlisted options issued at exercise price of $0.10 to pay for capital raising costs, fair valued at $417,097, refer to Note 18	417,096

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

NOTE 20: LOSS PER SHARE

			GROUP 2024	GROUP 2023
Reconciliation of loss to net loss:				
(a)	Basic and diluted loss per share	cents per share	(0.26)	(0.15)
(b)	Loss used in the calculation of LPS	$	(4,742,588)	(2,438,497)
(c)	Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted LPS	share	1,850,647,508	1,627,382,205

There were 80,000,001 unissued shares under warrants at 30 June 2024 (2023: 80,000,001) and 18,000,000 unissued shares under options at 30 June 2024 (2023: 126,002,137). The warrants and options issued have not been considered for the diluted LPS calculation as their effect would be anti-dilutive.

NOTE 21: CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned 2024	Percentage Owned 2023
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 22: 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 23: 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 2024	2023
		$	$
(i)	Director's fees were paid to J S Murray Pty Ltd of which J S Murray is a principal.	80,000	80,000
(iii)	Director's fees were paid to Stockholders Relation Pty Ltd of which J R Lee is a principal.	70,000	70.000
(iv)	Director's fees were paid to Wandmaker Consultants Pty Ltd of which M F Wandmaker is a principal	37,500	50,000

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 $1,277,771 (2023: $691,667).

NOTE 24: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets for the year ended 30 June 2024 (2023: Nil).

NOTE 25: 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 26: EVENTS SUBSEQUENT TO REPORTING DATE

i. A fully underwritten Non-renouncement Rights Issue was offered to eligible shareholders to raise $6 million. This offer opened on 12 June 2024 and closed on 10 July 2024. Acceptances of entitlements received from shareholders totalled 12,558,600 new shares raising $565,137, giving rise to a rights issue shortfall of $5,434,863, representing 120,774,733 new shares. The Underwriter is obliged to subscribe for 120,774,733 new shares, representing $5,434,863.

ii. In the Extraordinary General Meeting held on 7 August 2024, all 20 resolutions were carried out by way of a poll:

- Shareholder approval was sought to rectify the issue and allotment of the shares under placements:
  - Resolution 1 54,388,378 shares issued by placement on 12 December 2023
  - Resolution 9 17,020,000 shares issued by placement on 26 February 2024
  - Resolution 12 255,555,556 Shares issued by placement on 11 June 2024

  As a result of the ratification, the Company has the capacity to issue securities as follows:

  Under Listing Rule 7.1 346,826,375 security issue capacity
  Under Listing Rule 7.1A 234,592,500 security issue capacity

- Shareholder approval was sought in accordance with ASX Listing Rule 10.11 to issue shares to related parties of the Company in 3 placements:

- Resolutions 2-8, 10-11, 13-18, a total of 19,497,779 shares subscribed by Directors
- Resolution 19, 3,333,333 shares subscribed by an Associate of a Director.

- Resolution 20, shareholder approval was sought to issue 51,337,937 unlisted options to Underwriter, and it's nominated Sub-underwriters of the Entitlement Offer being capital raising costs in lieu of cash payment.

iii. On 26 August 2024, LMG increased the limit of its project finance facility by $3 million to $28 million to provide funds for operational working capital purposes. The lender advanced $3M under the facility on 3 September 2024, and there remains a further $3 million of the facility available to be drawn in the second half of the FY25 financial year.

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

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

NOTE 27: GOING CONCERN

For the year ended 30 June 2024, the Group reported a loss after tax of $4,472,588 (2023: $2,438,497) and net cash inflows from operating activities of $11,503,894 (2023: outflows $4,308,915).

Notwithstanding the loss for 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 on hand and the financial facilities available to the consolidated entity at balance date and post.

Subsequent to balance date, the Company has successfully negotiated an increase in the facility limit of its project finance facility by $3 million to $28 million of which $6m is unused and available at the increase date and extended the maturity date from 31 March 2027 to 31 December 2027, following an increase in expected R&D refundable offsets projected to be received by the Company.

The Company's tax return for 2024 Financial Year is expected to be an R&D refundable tax offset claim in the order of $15.8 million which LMG anticipates it will receive in October / November 2024. These funds will be used to pay a current tax liability of $2.6 million, with the remainder to be used to reduce secured moneys owed to the Lender, leaving an amount outstanding to the Lender of circa $5 million after that repayment.

The Group is able to pay its development plant costs and trade creditors from its cash on hand, further drawings from its undrawn loans, Regional Development Grant, GST refunds and an intended sale and leaseback of its property at 320 Tramway Road. A non-binding term sheet has been executed to obtain $16 million funding from the sale and leaseback, subject to due diligence now in process. In the event that the sale and leaseback transaction does not proceed, the Group can conserve cash by deferring the payment of directors' fees and/or reducing certain operating costs.

Once the demonstration plant is operating successfully the Group will consider either an equity raise or other alternative sources of funding. The Group has a number of funding options from both the State and Federal Governments, and potential strategic investors, as magnesium has critical minerals status and in relation to assisting with the development of its Stage 2 and Stage 3 projects.

NOTE 28: PARENT ENTITY INFORMATION

As at, and throughout, the financial year ended 30 June 2024 the parent entity of the Group was Latrobe Magnesium Limited.

	2024	2023
	$	$
Result of parent entity		
Loss for the period	(4,742,588)	(2,438,497)
Other comprehensive income	-	-
Total comprehensive income for the period	(4,742,588)	(2,438,497)
Financial position of the financial entity at year end		
Current assets	17,048,467	20,785,716
Non-current assets	78,355,445	41,680,920
Total assets	95,403,912	62,466,636
Current liabilities	17,717,891	16,886,153
Non-current liabilities	36,058,388	19,273,176
Total liabilities	53,776,279	36,159,329
Net Assets	41,627,632	26,307,307
Total equity of the parent entity comprising of		
Issued capital	77,428,757	54,149,170
Reserves	4,369,415	7,586,088
Accumulated Losses	(40,170,540)	(35,427,951)
Total equity	41,627,632	26,307,307

Parent entity contingencies

The parent entity has no material contingent liabilities.

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

The parent entity has has committed to $3.1 million of future capital expenditure on the Demonstration Plant at 30 June 2024.

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 29: 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	
	2024	**2023**
	$	$
Audit and Review of Financial Reports	130,777	68,000
Taxation and other services	22,395	10,000
	153,172	78,000

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 2024

Latrobe Magnesium Limited
Consolidated entity disclosure statement
As at 30 June 2024

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

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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 2024, 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 2024 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.

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.

Nexia Australia

Key audit matter	How our audit addressed the key audit matter
Latrobe Valley Magnesium Production Project • **Capitalised Development Costs $6,993,093 - Note 10** • **Capitalised Demonstration Plant Costs $60,738,061 - Note 8** • **Land and Property $3,132,240 - Note 11** • **Right of Use Asset $7,232,766- Note 7** *Refer to notes 7, 8, 10 and 11 to the financial statements.* Included in the Group's total assets are capitalised development costs of $6,993,093 in respect of the acquired in-process research and development cost in relation to extracting magnesium from fly ash, capitalised demonstration plant costs of $60,738,061, land and property of $3,132,240 and right of use assets of $7,232,766. 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). This is a key audit matter because: ▪ The carrying value of the above assets is highly material to the financial statements, representing approximately 81% of the total assets of the Group; and	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 at around balance date; and ▪ We assessed whether appropriate disclosure regarding significant areas of uncertainty has been made in the financial report.

- 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.

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 2024, 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: www.auasb.gov.au/admin/file/content102/c3/ar2_2020.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 18 to 20 of the directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Latrobe Magnesium Limited for the year ended 30 June 2024, 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 Limited

Stephen Fisher
Director

Dated: 30 September 2024
Sydney

ADDITIONAL INFORMATION

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

SHAREHOLDING

a. Distribution of Shareholders as at 20 September 2024.

Range	Total holders	Units	% Units
1 - 1,000	227	92,053	0.00
1,001 - 5,000	571	2,087,410	0.09
5,001 - 10,000	1,171	9,632,899	0.41
10,001 - 100,000	3,469	142,846,016	6.09
100,001 - 250,000	821	132,983,219	5.66
250,001 Over	1,036	2,051,354,778	87.75
Total	**7,295**	**2,347,987,375**	**100.00**

b. Unmarketable Parcels as at 20 September 2024.

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $0.0300 per unit	16,667	2,666	21,091,318

c. Substantial Shareholder as at 20 September 2024.

No.	Shareholder Name	Number of Fully Paid Ordinary Shares Held	Interest (%)
1	Rimotran Pty Ltd <DP Super A/C>	117,226,632	4.99
137	Rimotran Pty Ltd <DP Super A/C>	2,958,793	0.13
11	David Oliver Paterson	26,583,969	1.13
	Total	146,769,394	6.25

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 20 September 2024.

Rank	Top Shareholders	Number of Fully Paid Ordinary Shares Held	Holding %
1	Rimotran Pty Ltd <DP Super A/C>	117,226,632	4.99
2	Famallon Pty Ltd <Famallon No2 Super Fund A/C>	80,194,358	3.42
3	Contango Nominees Pty Limited	55,555,556	2.37
4	Gibbs Plumbing Services Pty Ltd <G Plumbing Ser PL SF A/C>	47,656,000	2.03
5	BNP Paribas Nominees Pty Ltd <Clearstream>	37,131,361	1.58
6	RnD Funding Pty Limited	35,566,940	1.51
7	HSBC Custody Nominees (Australia) Limited	35,207,492	1.50
8	Ableside Pty Ltd	29,776,638	1.27
9	CSH Engineering Pty Ltd	29,522,919	1.26
10	JJ Wolfe Holdings Pty Limited <Wolfe Super Fund A/C>	29,495,361	1.26
11	David Oliver Paterson	26,583,969	1.13
12	Citicorp Nominees Pty Limited	24,694,108	1.05
13	Telunapa Pty Ltd <Telunapa Capital A/C>	24,500,000	1.04
14	Beaglemoat Nominees Pty Limited	21,362,035	0.91
15	Murraysetter Pty Ltd	20,191,115	0.86
16	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	19,784,539	0.84
17	10 Bolivianos Pty Ltd	17,656,051	0.75
18	Mr Leslie Robert Knight + Mrs Heather Margery Knight + Mr Timothy Paul Knight <Knight Super Fund A/C>	17,000,000	0.72
19	Ossum Holdings Pty Ltd <Tanton Super Fund A/C>	15,287,074	0.65
20	Dr Jason Michael Spencer + Dr Carolyn Jean Nelson	15,068,388	0.64
Total		**699,460,536**	**29.79**

CORPORATE GOVERNANCE STATEMENT

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

651b610710ca842ae71f8f68_Corporate Governance Statement.pdf