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## LMG MoU with EnergyAustralia Yallourn for fly ash supply to Latrobe Valley magnesium plant

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**16 January 2018, Sydney Australia:** Latrobe Magnesium Limited (ASX:LMG) and EnergyAustralia Yallourn Pty Ltd have signed a Memorandum of Understanding for Yallourn power station to supply its fly ash to LMG's proposed 3,000 tonnes per annum magnesium plant in the Latrobe Valley. The MoU allows for the expansion of the plant to 40,000 tonnes per annum.

Latrobe Magnesium's project is a world-first in developing a magnesium production plant from brown coal fly ash. It will use its patented hydromet extraction process and its own newly developed fast cycle vertical retort furnace (FCR).

The project involves four stages of development:

- Conduct testing of Yallourn fly ash using LMG hydromet process and Monash University's ash leaching and precipitation process
- Complete a feasibility study
- Construct a 3,000tpa magnesium plant
- Expand to a 40,000tpa magnesium plant.

From January to March 2018, LMG will conduct laboratory scale tests on Yallourn fly ash to determine whether its hydromet process or Monash University's process are best suited to produce magnesium, saleable iron product and supplementary cementitious material.

Upon the successful completion of this work, LMG will produce a large scale beneficiated sample of Yallourn fly ash to process through its FCR, currently being commissioned at CSIRO in Melbourne.

From the FCR test work LMG will then be in a position to complete a feasibility study using Yallourn fly ash.

Each stage of this project is conditional on the successful completion of the previous stage and the signing of formal agreements between the parties.

CEO David Paterson said, "The MoU with EnergyAustralia Yallourn removes one of our last hurdles in developing our Latrobe Valley magnesium plant. The results of our FCR test work with CSIRO is where our main focus is now directed. We should have the results of our tests on RWE fly ash by the end of February 2018."



**David Paterson**  
CEO

## **About Latrobe Magnesium**

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

LMG is currently finalising a bankable-feasibility study to validate its combined hydromet / thermal reduction process that extracts the metal. Construction is estimated to start on its initial 3,000 tonne per annum magnesium plant in July 2018 with production commencing 12 months later. The plant will then be expanded to 40,000 tonne per annum magnesium within the following 18 months. The plant will be in the heart of Victoria's coal power generation precinct, providing immediate access to feedstock, infrastructure and labour.

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

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

The LMG project is at the forefront of environmental benefit – by recycling power plant waste, avoiding landfill and being a low CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.