

# Latrobe Magnesium

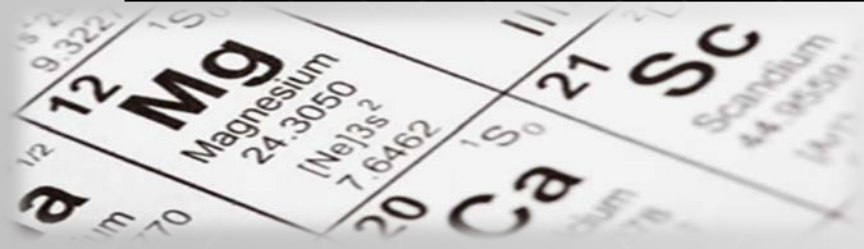
## AGM 2018 Presentation

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# 1. 2018 in review

- MoU with Yallourn for the supply of ash and successful test work carried out using an acid based process. Next stage is to complete a bankable feasibility study.
- On Wednesday this week, the Board announced that a bankable feasibility study will be conducted on Yallourn fly ash using proven automated horizontal smelter technology.
- At the same time, LMG will continue to investigate the use of FCR and vertical retorts. Net cost to date \$1M and estimated \$500/t operating benefit.



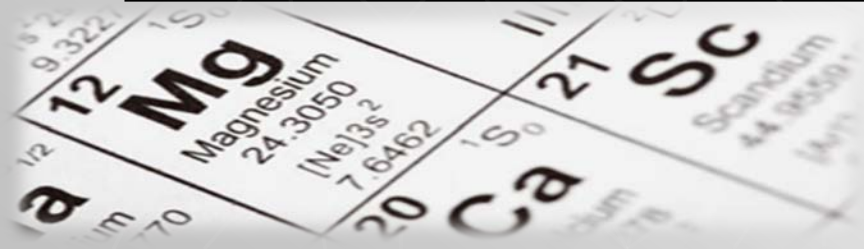
# 1. 2018 in review (cont'd)

- Term sheet signed with RWE Power for the development of a German magnesium plant and the successful testing of their fly ash. Next stage is testing of their SCM to EU standards and then a collaboration agreement.
- Initial discussions underway with another European brown coal fly ash producer.
- Hydromet patent granted for the EU in 2018. India is pending.
- Loss for 2018 of \$1.7M was slightly lower than 2017.







## 2. Magnesium Market

- Market grew by 100,000 tonnes in 2018 to 1,000,000 tonnes and is expected to double within the next 10 years
- Aluminium use is now 70% of market due to aluminum sheet for cars and increasing
- China produces 86% of world production and its 2030 car only usage projected at 1.5M tonnes
- Magnesium price currently US\$2,700 fob China - increase of 10% over 2017 even after the devaluation of the Yuan by the same amount



# 3. LMG site



-  Swop Line from Yallourn
-  Natural Gas Pipeline
-  Swop Line From Hazelwood
-  320 Tramway Site

# 3. LMG building



320 Tramway Site Building

# 4. Financial overview

Projected Funding	3,000 tonnes A\$M's
R&D Funding	16
Federal and Victorian Grants	12
LMG Equity	12
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Total Project Funding	40
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Capex for 3,000 tpa plant estimated at A\$37M with a working capital requirement of A\$3M. Total funding A\$40M.

EBITDA estimate in range between \$2.5M and \$3M.





## 5. Timetable

Tasks	Timing
➤ Complete Bankable Studies	Jun 2019
➤ Complete Funding & Permitting	Dec 2019
➤ Construction – Initial plant	Dec 2019
➤ Production - Initial plant	Dec 2020
➤ Expansion Stage 2	Jul 2021



# Disclaimer

- This presentation may contain forward looking statements that are subject to risk factors associated with the magnesium business.
- It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially including but not limited to: price fluctuations, actual demand, currency fluctuations, production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.
- Investors should undertake their own analysis and obtain independent advice before investing in LMG shares.
- All reference to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

