

LATROBE MAGNESIUM GRANTED CHINA PATENT FOR ITS UNIQUE HYDROMET PROCESS

17 November 2015, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has been granted a China, USA and Australia patent for its unique hydromet process.

The Australian patent was granted on 26 September 2013 for 20 years starting from 27 August 2010. The process involves the treatment of the spent fly ash from brown coal-powered electricity generation using chemicals to reduce sulphur, iron and silicon to acceptable levels so that the beneficiated material can be used as a feedstock in the thermal reduction process.

The result is an efficient and novel means of magnesium and supplementary cementitious material production extracted from voluminous tailings of industrial fly ash from some of the world's brown coal electricity generators.

The process is owned 50% each by Ecoengineers Pty Ltd and Magnesium Investments Pty Ltd, a 100% owned subsidiary of LMG. LMG has the exclusive worldwide marketing rights for the commercialisation of this technology.

Patent applications were lodged in March 2013 for additional international territories being all countries within the European Union, India and Indonesia. All these countries are known to have large lignite / brown coal deposits. To date LMG has concentrated its activities on the Latrobe Valley and Germany.

The progress of the patent applications in each of these countries is summarised in the table below:

Country/Region	Number	Status	Expected date of grant
Australia	2011293107	Granted	26 September 2013
United States	9139892 (13/818788)	Granted	22 September 2015
China	201180040099.2	Granted	23 September 2015
Europe	11819208.7	Response filed to Search Opinion	By end 2016
India	577/MUMNP2013	Examination requested	By end 2016
Indonesia	W00201300844	Examination requested	By end 2016



David Paterson
Chief Executive Officer

About Latrobe Magnesium

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

LMG has completed a pre-feasibility and an adjustment study validating its combined hydromet / thermal reduction process that extracts the metal. Production from its initial 5,000 tonne per annum magnesium plant is due to start in the middle of 2017. The plant will be in the heart of Victoria's coal power generation precinct, providing immediate access to feedstock.

LMG plans to sell the refined magnesium under long-term contracts to Australian and overseas users. Currently, Australia imports 100% of the 10,000 tonnes annually consumed.

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

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