
Latrobe Magnesium to raise \$1.5m in Placement and Share Purchase Plan

Funds to assist completion of feasibility study and working capital

13 July 2016, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has raised \$1,000,000 in a placement to sophisticated investors at an issue price of \$0.026 per share. LMG will raise an additional \$500,000 via a Share Purchase Plan (SPP) for shareholders holding fully paid ordinary shares in LMG at the record date of 5pm EST 12 July 2016.

The SPP offer price will be the same as the placement of \$0.026 per share, a 20% discount to the volume weighted average closing price of LMG securities over the past five trading days.

Funds raised will be used for the bankable feasibility study for the Latrobe Valley Magnesium Project and working capital.

The Directors have indicated they will take up their SPP entitlements to an amount of \$60,000. The shares will be distributed under the SPP on a first come first served basis. Therefore, once the \$500,000 has been raised the Directors have the authority to close the issue and accept no further applications.

Under the SPP each shareholder can apply to purchase share parcels from a minimum of \$2,500 to any amount up to \$15,000.

LMG believes this offer will be appealing to shareholders with a steady stream of news expected leading up to the start of on-site construction of the LMG magnesium plant at the end of this year.

The shares recently hit a high for the year of 3.7 cents. The offer comes after LMG has secured magnesium offtake agreements with Japanese and American clients and secured a growth opportunity with the German-based RWE project.

Shares will be allocated soon after the closing date of 5pm EST 19 August 2016 and no later than 26 August 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 at the end 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 American 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.