

## QUARTERLY ACTIVITIES REPORT

30 June 2019

---

# LATROBE MAGNESIUM PROJECT

---

### **1. Feasibility Study**

On 28 November 2018, Latrobe Magnesium Limited's (ASX:LMG) Board announced that it will finalise a feasibility study for its 3,000 tonnes per annum magnesium plant in the Latrobe Valley based upon Yallourn feed stock and an automated horizontal retort smelter.

In this last quarter, LMG has been finalising the production flowsheet for its new acid hydromet process for the treatment of Yallourn fly ash and testing each step in this flowsheet with laboratory results. Mincore, our design engineers, has been making progress in completing the feasibility study by seeking supplier quotes for the main items of capital equipment, updating equipment quotes from the previous studies, completing more detailed engineering on the automation of the smelter and calculating operational inputs and costs.

Further detailed work is required to comply with feasibility standards of +20% / -10%. The engineers advised that this work will be completed in the first few weeks of August. LMG will release these results when they come to hand and provide a development timetable soon thereafter.

### **2. CRC-P Round 7**

LMG, CSIRO and Mincore have applied for a \$900,000 CRC grant under Round 7 of the Advanced Manufacturer's CRC program. The application was submitted on 28 March 2019 and it is waiting to hear back from the Federal Government which is expected in the next quarter. LMG has to provide \$250,000 to the project.

### **3. Hambach Project (Germany)**

LMG has produced a large sample of supplementary cementitious material from its beneficiated RWE fly ash that is being tested locally.

The second sample will be produced by the end of July and this sample will be sent to Germany so that the Verein Deutscher Zementwerke e.V (German Cement Institute) in Düsseldorf may analyse the product to ensure it meets EU Standards. This confirmatory work will take about 3 months to complete.

### **3. Funding**

The Company has \$402,000 cash at bank as at 30 June 2019 which is sufficient for it to fund its activities in the next quarter. The Company is waiting upon the results of the feasibility study before finalising its ongoing funding requirements.



David Paterson  
Chief Executive Officer

18 July 2019

### **About Latrobe Magnesium**

Latrobe Magnesium is developing a magnesium production plant in Victoria's Latrobe Valley and another plant near Cologne in Germany 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 preliminary feasibility study validating 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 the fourth quarter of 2019 year with production commencing 12 months later. The plant will then be expanded to 40,000 tonne per annum magnesium 18 months later. 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 and overseas 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 is a low CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.