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## LATROBE MAGNESIUM RECEIVES \$421K R&D TAX INCENTIVE AND DEBT RAISING

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- ***Also completes \$600k Platinum Road debt facility***

**16 October 2015, Sydney Australia:** Latrobe Magnesium Limited (ASX:LMG) has received an Australian R&D tax incentive of \$421,651 following its FY2015 tax return.

LMG wishes to advise the raising of \$600,000 of debt funding from Platinum Road to progress the development of its Latrobe Valley magnesium project. This funding will allow LMG to complete its vertical retort, hydromet and cement test work and also commence its design and engineering studies for its initial 5,000 tonnes per annum magnesium plant.

The Project is progressing well with advanced discussions taking place in Germany and Japan in the last month in relation to securing magnesium offtake agreements for its expanded 40,000 tonnes per annum plant.

LMG arranged the loan through Platinum Road. The key terms of the facility are:

Term	12 months to 16 October 2016
Repayment	Cash in full from the 2016 R&D tax rebate refund
Interest Rate	15% per annum
Conversion	The lenders have the right to convert any part of their loan at a share price of 1.5 cent during the term of their loan

“Latrobe Magnesium benefits from financial support developing its novel hydromet process to convert spent brown coal fly ash from power companies and turn it into valuable commodities,” said David Paterson, CEO of Latrobe Magnesium.

“Latrobe Magnesium’s process is a low CO<sub>2</sub> emitter being some 60% lower than the industry average.”



**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 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 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.

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 CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.