
LMG SHARE PURCHASE PLAN RAISED \$1.8M

8 August 2016 Sydney, Latrobe Magnesium Limited (ASX:LMG) has received very strong support from its shareholders in its recent Share Purchase Plan (SPP) raising \$1,829,200, and closed the issue ahead of time on Wednesday 3 August 2016.

While the SPP was only intended to raise \$500,000, the Directors have decided to accept the oversubscribed amount in full. That means that shareholders will receive the full number of shares they applied for.

These extra funds will be used to:

- Conduct the RWE Power ash test work
- Fund the tendering and contractual work for construction to begin on the Company's magnesium plant at its Morwell site
- Provide additional working capital especially for further preparations for the Latrobe Magnesium Project.

With the completion of the SPP and the placement, the Company has raised \$2.8 million since the beginning of July. This enables the Company to develop its project up to the construction phase.

The Company thanks its shareholders for supporting the SPP and looks forward to advising continuous progress with construction preparations of its first magnesium plant over the coming months.



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 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 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. LMG adopts the principles of an industrial ecology system.