
Latrobe Magnesium improves Feasibility Study Results to \$6.5M

31 October 2019, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has successfully carried out further test work since the announcement of its Feasibility Study results in September 2019. The results of this work show a reduction in the strength of the hydrochloric acid (HCl) required to dissolve the Yallourn ash.

As a result of this reduction in HCl strength, the process requires less energy.

The energy savings have the effect of increasing the estimated EBITDA from \$5.6 million to \$6.5 million.

MIncore Pty Ltd, our independent consulting engineers, has confirmed these savings in a revised Metsim model.

LMG has recently announced the signing of its Ash Supply Agreement with Energy Australia Yallourn Pty Ltd.

LMG will be making its final investment decision in February 2020 once, it has:

- obtained the necessary development approval for its Tramway Road site; and
- secured funding from its project funders, equity providers, and government grants.



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 ash, which is currently a waste stream from brown coal power generation.

LMG has completed a feasibility study validating its combined hydromet / thermal reduction process that extracts the metal. Production from its initial 3,000 tonne per annum magnesium plant is due to start in the middle of 2021. 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 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 CO₂ emitter.