
LMG WARRANT ISSUE FOR \$2.7 MILLION PROJECT FUNDING FACILITY CORRECTION

16 October 2019, Sydney Australia: This morning, Latrobe Magnesium Limited (ASX:LMG) announced that it had secured project funding for the next 12 months of \$2.7 million from RnD Funding Pty Ltd.

A term of this facility was stated in that announcement that “LMG will issue 1.33 warrants for every dollar drawn under the facility”. The warrants to be issued should have read “13.33 warrants for every dollar”. The actual number of warrant issued will be calculated based upon the proportion of the amount drawn under the loan as to the total loan. The warrants have an exercise price of 3 cents and are exercisable for a period up to 3 years post the drawdown dates.



David Paterson
Chief Executive Officer

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 first quarter of 2020 year with production commencing 18 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 CO₂ emitter. LMG adopts the principles of an industrial ecology system.