
LMG SECURES \$2.15 MILLION DEBT FUNDING

24 September 2018, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has secured combined project funding for the next 12 months of \$2.15 million from RnD Funding Pty Ltd.

The total amount is to be delivered in two facilities. The first facility is secured against LMG's expected 2019 research and development tax rebate and the second facility is a project funding facility. These facilities can be drawn in tranches so that the loan amounts can match the progress of the two LMG projects.

In 2019 LMG will seek to develop its Latrobe Valley project using Yallourn fly ash and also its German project with RWE Power.

Following the successful completion of its fast cycle retort furnace work, LMG will proceed with:

- Finalising the Yallourn test work, completing an economic analysis of the project, conducting pilot scale test work using Yallourn fly ash and completing a feasibility study for its 3,000 tonne per annum plant
- Completing a feasibility study for the 30,000 tonne per annum German magnesium project and finalising a cooperation agreement with RWE Power
- Obtaining the necessary approvals for the development of the Tramway Road site
- Negotiating the funding required to build the initial 3,000 tonnes per annum plant in the Latrobe Valley.

LMG is endeavouring to complete the two feasibility studies on its projects by June 2019 with the commencement of construction in the Latrobe Valley later in 2019.



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 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 CO₂ emitter. LMG adopts the principles of an industrial ecology system.