
LATROBE MAGNESIUM EXERCISES OPTION TO LEASE 320 TRAMWAY ROAD, HAZELWOOD NORTH

7 April 2021, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has exercised its option to lease 320 Tramway Road from DG & J Di Fabrizio Steel Fabrications Pty Ltd for a period of 3 years from 1 April 2021.

During this lease period LMG has the option to acquire the property at a fixed price.

LMG thanks the Di Fabrizio family for their patience and support during the time it required to develop its project.

LMG has carried out surveys of the site and will be looking to tender the early works to upgrade the site within the next few months.

LMG has already tendered its long lead time equipment item (spray roaster) worldwide and will be in a position to award that tender once it has reached financial close. LMG has been working with Mincore to complete its value engineering exercises, process design work and further detailed engineering of its initial plant.

LMG is currently in due diligence discussions with three cornerstone investors to raise \$15 million in equity. LMG is looking to close these negotiations as soon as possible. It currently has some \$4.5 million in the bank.

Should you have any queries in relation to this announcement please do not hesitate to contact the CEO on 0421 234 688.



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 the Yallourn brown coal power generation.

LMG has completed a feasibility study validating its combined hydromet / thermal reduction process that extracts the metal. Construction is estimated to start on site on its initial 3,000 tonne per annum magnesium plant in second quarter of 2021 with production commencing up to 15 months later in fourth quarter of 2022. The plant will then be expanded up to 40,000 tonne per annum magnesium 12 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, USA and Japanese 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.