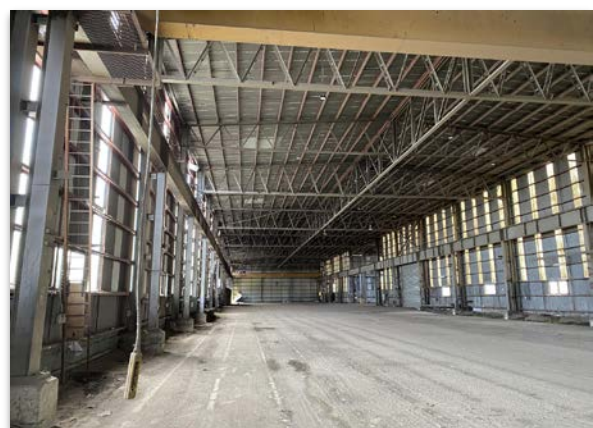


LATROBE MAGNESIUM EXERCISES OPTION TO BUY 320 TRAMWAY ROAD, HAZELWOOD NORTH

13 December 2021, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has exercised its option to buy 320 Tramway Road from DG & J Di Fabrizio Steel Fabrications Pty Ltd for its fixed price of \$4.5M in its 3 year lease. The Di Fabrizio family has accepted that the purchase consideration will be paid \$2.25M in cash and \$2.25M in LMG shares at 10 cents being 22.5 million LMG shares.

The timing for the issue of the shares will be subject to LMG refreshing its issuing capacity at its upcoming AGM in January 2022.

LMG thanks the Di Fabrizio family for their patience and support during the last nine years required to develop the Latrobe Magnesium project.



320 Tramway Road property contains 14,000m² of buildings in the form of an administration building and a number of large industrial buildings which are 12 metres high. These buildings are ideal to house LMG's initial plant and its expanded plants.

The site is close to rail, freeway, gas and water pipelines. In addition, the site is near to a new solar power development which has been passed by the Latrobe City Council and which is in the permitting stage with the Victorian State Government. Given LMG can connect to this solar power development, its magnesium and other products will produce zero or very little CO² emissions.

The purchase of the site allows the company to plan its future expansions, obtain appropriate business insurance, save rent through the construction phase and benefit from its own site improvements.

Should you have any queries in relation to this announcement please do not hesitate to contact the CEO on 042 1234 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 1,000 tonne per annum magnesium plant in first quarter of 2022 with production commencing up to 12 months later in fourth quarter of 2022. The plant will then be expanded to 10,000 tonne per annum magnesium shortly thereafter. Further plant capacity expansion will be considered once the 10,000 tonne per annum is operating successfully. The plant will be in the heart of Victoria's coal power generation precinct, providing immediate access to feedstock, infrastructure, and labour.

LMG will also be starting a pre-feasibility study for its 100,000 tpa magnesium plant using ferro-nickel slag in 2022.

LMG plans to sell the refined magnesium under long-term contracts to 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.