
Victorian Government's Regional Jobs Fund Support - Latrobe Magnesium Limited

20 September 2022, Latrobe Magnesium Limited (ASX:LMG) announces that it is investing \$39 million to establish Stage 1 of a magnesium production facility at their Tramway Road facility in Morwell which will create 43 new Full Time Equivalent (FTE) jobs.

The Stage 1 magnesium production facility will treat brown coal fly ash from the Yallourn Power Station. The facility is expected to be constructed by June 2023 and then undergo commissioning.

LMG is establishing a 1,000tpa magnesium plant as a demonstration of the LMG unique patented hydromet process to extract magnesium and other saleable products from the brown coal fly ash. LMG's process allows for 100% recycling of the fly ash.

LMG's plant is expected to emit less than half of the average CO₂ emissions per tonne of magnesium from the rest of the world's producers.

LMG are presently completing a body of work with GHD to determine what will be the capacity of the expanded facility. LMG has announced that upon successful commissioning of the demonstration plant it plans to expand the plant to 10,000tpa of magnesium. The current production of Yallourn fly ash until it closes in 2028, is sufficient to provide feedstock for a 10,000tpa plant for 20 years. The mining of the Yallourn landfill could increase the size of the expanded plant. This next expansion will be decided by the end of 2023.

LMG is committed to providing local jobs and contractors work in the Latrobe Valley from both its Stage 1 and expanded plants and acknowledges the support provided from the Regional Jobs Fund.



David Paterson
Chief Executive Officer

20 September 2022

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 resource from Yallourn brown coal power generation.

LMG has completed a feasibility study validating its combined hydrometallurgical / thermal reduction process that extracts the metal. Construction has commenced on its initial 1,000 tonne per annum magnesium plant with commissioning targeted to commence end of Q2 2023. A commercial plant will then be developed, with a capacity of +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 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.