

LATROBE MAGNESIUM COMPLETES \$4.2M PLACEMENT

- * Placement to raise \$4.2M was completed by issuing 70 million shares at 6 cents.
- * Funds raised will be used to provide working capital for operating LMG's 1,000tpa magnesium demonstration plant in the Latrobe Valley.
- * Funds raised will also be used to carry out the GHD work necessary to determine a JORC reserve on the amount of fly ash that can safely be removed from the Yallourn landfill.
- * This resource calculation will determine LMG's ability to increase the scale of production of its expanded 10,000tpa plant.

24 May 2023, Sydney Australia: Latrobe Magnesium Limited (ASX: LMG) is pleased to announce that it has raised \$4.2M through a placement to sophisticated, professional and institutional investors. On 29 May 2023, the company will issue a total of 70 million ordinary shares to investors at an issue price 6 cents. These shares are issued within the company's existing capacity under the ASX Listing Rule 7.1.

Update on Funding Plan

LMG's current budget estimate for its 1,000tpa demonstration plant is \$41.7M. As at 23 May 2023, LMG has spent \$18.4M on the demonstration plant. The remaining cost of \$23.3M will be funded as follows:

Item	\$M's
Cash in Bank plus GST refund	6.4
May Equity Raising	4.2
Anticipated exercise of warrants	0.4
Anticipated exercise of options	4.5
Project Finance (being Research & Development Rebates & project finance) still to be drawn	9.0
Victorian State Grant	1.0
GST	2.1
Total	27.6

The surplus \$4.3M will be used for working capital purposes to operate LMG's demonstration plant and provide funding for the Geotech work required to be carried out by GHD on the Yallourn landfill. The results of this work will determine the annual production size of the expanded plant. The funding will also allow LMG to start the planning and approval processes for the expanded plant.

LMG believes that Yallourn will produce sufficient fly ash from now until closure in 2028 to operate a 10,000 tpa magnesium plant for 20 years.

Most of the equipment is expected to be on site by the 30 June 2023 with dry commissioning completed. Wet commissioning followed by load commissioning and then full commissioning will be completed in the 3rd quarter, finishing on 30 September 2023.

Should you have any queries in relation to this announcement please do not hesitate to contact the CEO on 042 1234 688.



David Paterson
Chief Executive Officer

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 started on site in July 2021 on its initial 1,000 tonne per annum magnesium plant and production is expected by 30 September 2023. The plant will then be expanded to 10,000 tonne per annum magnesium shortly thereafter with production expected 15 months later. Further plant capacity expansion will be determined once a body of Geotech works has been carried out later this year.

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.