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## LMG ENTERS INTO LEASING FINANCE AGREEMENT FOR DEMONSTRATION PLANT EQUIPMENT

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### Highlights

- **LMG to reduce its ongoing debt levels**
- **LMG to reduce its overall cost of funding**

**21 November 2023, Sydney Australia:** Latrobe Magnesium Limited (ASX:LMG) has signed an agreement to lease finance some \$10.4M of its demonstration plant equipment for the life of its project. There is no obligation to buy the equipment at the end of the lease.

The lease finance is projected to result in a reduction in LMG's ongoing debt levels to circa \$5.1M, from 1 January 2024, after taking into account repayment of debt of circa \$12.6M from LMG's R&D tax rebate, relating to the year ending 30 June 2023.

The lease finance has a lower effective cost of funds compared to the cost of LMG's existing project finance facility and other funding options LMG has considered.



**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 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 Q1 2024. A commercial plant will then be developed, with a capacity of +10,000 tonne per annum magnesium, shortly thereafter. 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 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 CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.