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## LATROBE MAGNESIUM RECEIVES \$396K R&D TAX INCENTIVE

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### *Also rolls over \$400k Platinum Road debt facility*

**17 October 2014, Sydney Australia:** Latrobe Magnesium Limited (ASX:LMG) has received an Australian R&D tax incentive of \$396,000 following its FY2014 tax return.

LMG wishes to advise the raising of \$400,000 of debt funding from Platinum Road to progress the development of its Latrobe Valley magnesium project. This funding will allow LMG to complete the tasks necessary to commercially demonstrate its process over the next few months.

The initial tasks involve the processing and commercial testing of the bulk sample currently being carried out in China followed by the cementitious material testing.

LMG arranged the loan through Platinum Road. The key terms of the facility are:

- Term : 12 months to 15 October 2015
- Repayment : Cash in full from the 2015 R&D tax rebate refund
- Interest Rate : 15% per annum
- Conversion : The lenders have the right to convert any part of their loan to LMG shares at 1 cent during the term of the loan

“Latrobe Magnesium benefits from financial support developing its novel hydromet process with the endeavour to be the first company worldwide to harvest spent fly ash from power companies and turn it into valuable commodities,” said David Paterson, executive chairman of Latrobe Magnesium.

“We are only 1-2 years from first production and we envisage then it will be a win for the Latrobe Valley in Victoria, for the environment, power companies, magnesium users and our shareholders.”



**David Paterson**  
Chairman

## **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 brown coal power generation.

LMG has completed a pre-feasibility and an adjustment study validating its combined hydromet / thermal reduction process that extracts the metal. Production from its initial 5,000 tonne per annum magnesium plant is due to start in the second quarter of 2016. The plant will be in the heart of Victoria's coal power generation precinct, providing immediate access to feedstock.

LMG plans to sell the refined magnesium under long-term contracts to Australian and American users. Currently, Australia imports 100% of the 10,000 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<sup>2</sup> emitter.