

## Latrobe Magnesium Secures Brownfield Site in Latrobe Valley for Future Magnesium Plant

**23 October 2013, Sydney Australia:** Latrobe Magnesium Limited (ASX:LMG) has secured a site for its 40,000 tonnes per annum magnesium plant in the Latrobe Valley in eastern Victoria.

LMG has finalised documentation with the vendor Di Fabrizio family for securing the site at 320 Tramway Road Morwell. The site contains over 14,000 m<sup>2</sup> of office and factory buildings that are 8 to 10 metres high. These buildings are on approximately 13% of the 10.95 hectares of land.

This site has historically been used for major infrastructure projects being the Loy Yang Power Station, Eastern Stand of the MCG and the Eastlink bridge beams.

The existing buildings are more than sufficient to accommodate LMG's initial 5,000 tonne per annum magnesium plant and allows sufficient room for expansion.

The site is ideally situated close to existing gas and water pipelines and local infrastructure.

LMG has secured an option for twelve months to enter into a three year lease over the site at fixed rentals and a right to buy the property at a fixed price during this period. The twelve month option period should be sufficient for LMG to complete its bankable feasibility study for its magnesium project.

LMG is working towards commencing its bankable feasibility study. It is negotiating its fly ash agreements with local suppliers and has entered into negotiations with potential key suppliers and customers to the project.

LMG is currently completing optimisation test work to finalise its process flowsheet before preparing a 500kg material sample to be sent to and processed in China in commercial retorts in October. Upon successful completion of this work, LMG will conduct its final cementitious test work.

LMG will then tender the design and engineering for its plant in the last quarter of this financial year. The company expects to be in production in the third quarter of the 2015 calendar year.



**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 cement products from industrial fly ash, which is currently a waste stream from brown coal power generation.

LMG recently completed a pre-feasibility and an adjustment study validating its combined hydromet / thermal reduction process that extracts the metal. Production from the initial 5,000 tonne per annum magnesium plant is due to start in September 2015. 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 it 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.