

LATROBE MAGNESIUM AWARDS EPCM CONTRACT TO MINCORE

28 June 2021, Sydney Australia: Latrobe Magnesium Limited (ASX:LMG) has awarded an Engineering Procurement & Construction Management (EPCM) contract to Mincore Pty Ltd (Mincore) for Latrobe Magnesium's development of its 3,000 tpa Magnesium Demonstration Plant which will be built in Hazelwood North, Victoria. The plant will produce magnesium metal from a fly ash resource – a waste stream from brown coal power generation - to demonstrate LMG's process.

Latrobe Magnesium (LMG) has invested in several years of research and development to produce a patented process for extracting magnesium from magnesium rich resources. Using this process, the magnesium will be extracted from the fly ash using a world-first hydrometallurgical extraction / thermal reduction process which includes the production of valuable by-products and minimises wastage. The current annual demand for magnesium is approximately one (1) million tpa and is projected to double over the next few years.

Mincore has worked with LMG through several stages of feasibility studies to take the project to a stage where a demonstration plant of 3,000 tpa is now viable. Following commissioning of the 3,000 tpa demonstration plant, LMG will seek to gain economies of scale by moving towards a commercial scale operation and producing up to 40,000 tpa for the growing world magnesium market.

Mincore has already completed a number of tasks for LMG being:

- surveying of the site and the tendering of some early works for fencing, administration block improvements and electrical works;
- tendering of the plant's long lead time equipment item (the spray roaster) worldwide; and
- completing a value engineering exercise by conducting some 30 individual studies.

Mincore will be in the position by the middle of July to finalise its process design work including production flowsheet and mass balances. Further detailed engineering of the demonstration plant will be able to commence at this time.

LMG will provide both magnesium and supplementary cementitious materials samples produced from the Yallourn fly ash to two potential cornerstone investors. LMG has grant applications with both the State and Federal Government which are currently being assessed. LMG expects to conclude the funding arrangements in the next quarter.

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



David Paterson

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 is estimated to start on site on its initial 3,000 tonne per annum magnesium plant in second quarter of 2021 with production commencing up to 15 months later in fourth quarter of 2022. The plant will then be expanded up to 40,000 tonne per annum magnesium 12 months later. 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 Australian, 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.