

## LATROBE MAGNESIUM COMPLETES OVERSUBSCRIBED \$3M PLACEMENT

### Funds to fast-track completion of design and engineering services for initial magnesium plant in Latrobe Valley

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#### Highlights:

- Oversubscribed placement completed to raise \$3M (before costs) from professional, sophisticated and institutional investors.
- As an ESG-credentialed clean metals producer & the only ASX listed company with exposure to magnesium, LMG is extremely well positioned to become a low-cost CO2 producer and supplier of magnesium.
- Funds raised will be used to finish the design and engineering services being conducted by Mincore Pty Ltd, LMG's EPCM contractor, for its initial magnesium plant in the Latrobe Valley.
- In addition, the Placement will allow LMG to complete its early works program at Tramway Road and allow Mincore to prepare the major equipment packages for tender in the first quarter of 2022.

**19 October 2021, Sydney Australia:** Latrobe Magnesium Limited (ASX: LMG) is pleased to announce that it has raised \$3m through an oversubscribed placement to sophisticated, professional and institutional investors. On 26 October 2021, the company will issue a total of 120 million ordinary shares to investors at an issue price 2.5 cents and 60 million attaching options exercisable at 4 cents within the next two years. These shares and options are issued within the company's existing capacity under the ASX Listing Rule 7.1

The Placement was joint led by leading Melbourne boutique Peak Asset Management together with Fresh Equities

#### Update on Funding Plan

LMG will provide both magnesium and supplementary cementitious materials samples produced from the Yallourn fly ash to **two potential cornerstone investors** within the next month so that they can finalise their investment in LMG by January 2022. LMG also has a grant application with the Victorian State Government which is currently being assessed.

LMG estimates that the current cost of the first stage of the initial plant will be in the order of \$45 million and the company is extremely confident of securing cornerstone, together with government funding over coming months.

To date there has been some \$2.5 million has been spent on the initial plant. The remaining cost of \$42.5 million will be funded as follows:

Item	\$M's
Cornerstone Investors and State Government grant	14
Current equity raising	3
Anticipated exercise of options in 2023	2.4
Project Funding (being Research & Development Rebates & project finance)	23.1
<b>Total</b>	<b>42.5</b>

The company is excited on its next stage of growth and looks forward to updating investors in due course

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 first quarter of 2022 with production commencing up to 12 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 CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.

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