## LATROBE MAGNESIUM AWARDS PRE-FEASIBILITY STUDY FOR 100,000 TPA PLANT

## **Highlights:**

- \* Latrobe Magnesium has awarded a Pre-Feasibility Study (PFS) for its 100,000 tpa magnesium plant to Bechtel, a global engineering, construction, and project management company.
- \* Upon completion of the PFS, Latrobe Magnesium will hold discussions with potential joint venture partners who wish to participate in its project.
- \* The PFS will evaluate strategic options to leverage and develop the 100,000tpa plant at an overseas location, to be selected during the PFS.
- \* The project is expected to generate in order of \$1B in revenue and an EBITDA is estimated to be in the order of \$600M whilst generating net-zero CO<sub>2</sub> emissions using LMG's unique technology and a renewable energy source.

**7 July 2022, Sydney Australia:** Latrobe Magnesium Limited (ASX: LMG) is pleased to announce the commencement of a Pre-Feasibility Study (PFS) for its 100,000tpa magnesium plant using ferronickel slag as its feedstock.

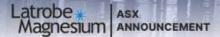
LMG has finalised discussions with a ferro-nickel producer for the supply of 12 million tonnes of ferronickel slag over 20 years to feed this plant. LMG expects to sign a binding MoU with this supplier in July 2022. The major terms and conditions have already been agreed between the parties and is now awaiting Board approval.

The study has been awarded to Bechtel, a noted global engineering, construction and project management company, who will support a two-part study to firstly evaluate strategic investment options to maximise value and then secondly to further define the selected option to assist LMG in developing a business case and forward work plan for the Feasibility Study (FS) phase.

Upon its completion later this year, the PFS will be disclosed to potential joint venture partners to confirm their interest to participate in the project.

LMG has appointed Jasper Consult DMMC, an international consulting firm based in London and Dubai, to identify and assist LMG in making the approach to appropriate potential partners. This appointment has commenced.

The PFS study is expected to be completed, in full, by the end of the year.



## **EPCM Company**

Bechtel is a global engineering, construction, and project management company with over 70 years of mining, metals, and minerals processing experience, which encompasses over 160 major projects and 1,300 studies covering all aspects of the ferrous, nonferrous, precious metals, and energy minerals industries. In the past ten years alone, Bechtel's Mining & Metals global business unit has completed over 60 PFS/ FS studies and over 30 EPC/ EPCM projects globally.

Bechtel's worldwide project delivery expertise will bring tangible benefits to the PFS to support the decision-making process for the strategic options. Bechtel's wealth of experience in delivering projects around the globe has allowed the development of long-standing relationships within the supply chain and industry synergies supporting this study and LMG.

We look forward to working with Bechtel and continuing to update the market on the progress of this project with the view of opening opportunities across the globe.

**David Paterson** 

Chief Executive Officer

7 July 2022

## **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 materialfrom 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 2023. A commercial plant will then be developed, with a capacity of +10,000 tonne per annum magnesium, shortly thereafter. Further plant capacity expansion will be considered once the 10,000 tonne per annum is operating successfully. 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 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 landfilland is a low CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.