

## LATROBE MAGNESIUM SELECTS MALAYSIA FOR ITS 100,000TPA MAGNESIUM PLANT

### Highlights:

- \* Latrobe Magnesium Board approved Samalaju, in the state of Sarawak in Malaysia, for the location of its 100,000tpa project.
- \* One of the main considerations was the availability of sufficient hydropower to meet LMG's energy needs, meaning its magnesium has the potential to be produced with zero net emissions on a life cycle analysis basis.
- \* Advanced discussions have been held with Ministry officials and authorities in Sarawak about securing suitable land for the project, close to port facilities and ferrosilicon producers.
- \* Latrobe Magnesium will commence the B phase of the Pre-Feasibility Study (PFS), with Bechtel, on the selected location.

**27 March 2023, Sydney Australia:** Latrobe Magnesium Limited (ASX: LMG) is pleased to announce that its Board has selected Samalaju Industrial Park, in the state of Sarawak, Malaysia, as the preferred location for its 100,000tpa project.



The Samalaju location has notable strengths comparative to the other two options that were being considered (Ras Al Khair, Saudi Arabia and Duqm, Oman):

- **Local production of ferrosilicon** – presence of the major ferrosilicon producers, one of our largest reagent requirements.
- **A substantial modern bulk handling port** to cater for both imports and export of LMG product – the port can move 7 Mtpa of bulk products and is planned to expand to 18 Mtpa.
- **Large workforce capability** – substantial industrial employment base already present in Samalaju Industrial Park and nearby.
- **Supporting services** – significant supporting industries located nearby in Bintulu, population of 300,000, that not only supports Samalaju but the Petronas LNG complex, one of the largest in the world.

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The most significant benefit to this location is the presence of hydroelectric power generation, meaning Latrobe Magnesium will potentially be able to **operate with 100% renewable power**, with the process plant operating with net zero emissions immediately after commissioning, as opposed to achieving this goal over a much longer period of time.

Discussions with Ministry officials and authorities in the Sarawak Government, particularly the Bintulu Development Authority, are sufficiently advanced to agree on a 40 hectare site location. Latrobe Magnesium will immediately commence the land application process to secure the land.

The proposed LMG location is identified in yellow in Figure 1.

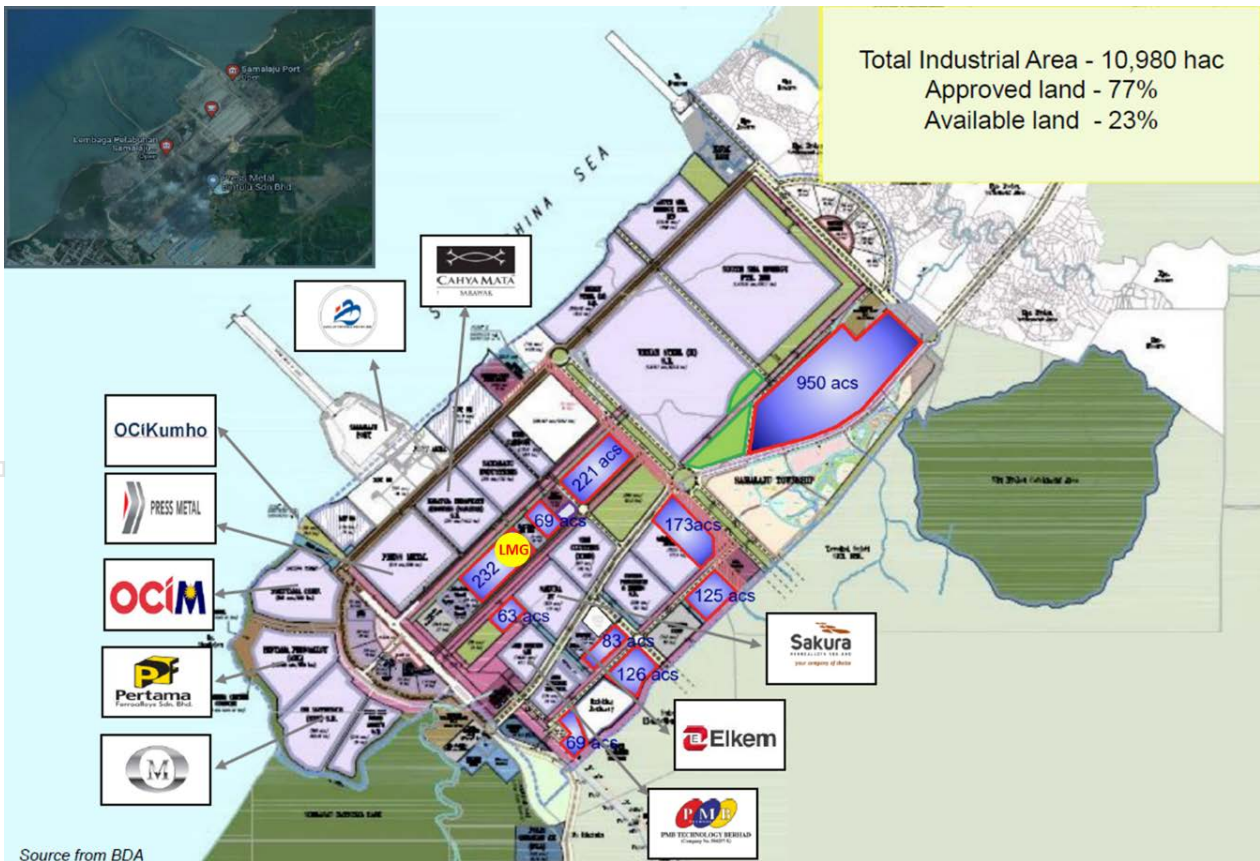


Figure 1 - Samalaju Industrial Park

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A thorough evaluation process was undertaken that assessed each location with respect to:

- **Technical** – access to power, particularly renewable, access to water, workforce, port facilities, access to raw materials, statutory regulations etc.
- **Financial** – financial return of the project
- **CAPEX** – capital cost of the project and ability to fund
- **Risk** – geopolitical, partners, operational, security
- **Investment scenario** – investment partners, funding arrangement, tax horizons/benefits.

Sarawak, Malaysia, was a clear leader in the majority of the above assessment criteria.

The PFS-B study will provide estimates of the financial return of the 100,000tpa plant based upon the revenues and costs for this location. LMG has received favourable reactions in discussions with financiers in relation to funding the project in Sarawak.

The selected location offers Latrobe Magnesium the opportunity to deliver a project that will offer significant returns to shareholders as well position Latrobe Magnesium to be the world's cleanest and largest magnesium producer, by volume.



**David Paterson**  
Chief Executive Officer

27 March 2023

### **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 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 Q3 2023. A commercial plant will then be developed, with a capacity of +10,000 tonne per annum magnesium, shortly thereafter. 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 landfill and is a low CO<sub>2</sub> emitter. LMG adopts the principles of an industrial ecology system.