
Bill Pender
Inquiry Secretary
House of Representatives Standing Committee
on Primary Industries
www.aph.gov.au/Committee/Submissions

26 February 2026

CRITICAL MINERALS IN AUSTRALIA

Dear Sir/Madam

Thank you for the invitation to make a submission to this new inquiry. This submission is made by Latrobe Magnesium Limited (LMG). We have broken this submission into the following areas:

1. Project
2. Engagement Practices
3. Strategic Economic Development and
4. Workforce Participation

1. Project

LMG is based in the Latrobe Valley in Victoria some 150 kms south-east of Melbourne. The Valley has one of the largest unemployment levels in Australia due to closing power stations, paper mills and both soft and hard timber logging. Unemployment is still and is expected to rise. Local Council is endeavoring to attract new business based upon its locality and infrastructure availability. Net Zero Economic Agency is looking to assist also.

LMG has developed a unique hydromet process to convert the brown coal fly ash into magnesium and saleable products whilst producing no waste. LMG has constructed a demonstration plant, costing \$75M to date, to show that the new process works.

Magnesium is a critical metal worldwide with 90% of supply from China and 6% from Russia. It is used as a lightweighting mineral for aluminum sheet, desulfurization of steel and in making titanium sponge. 75% of the world market is in aluminium and used in transport, electric and ICE vehicles as well as trains, planes and aerospace.

LMG has letters of support from the US EXIM Bank and the Australia Export Finance Australia for providing funding for our 10,000tpa plant estimated to cost in the order of \$250M. There is no producer of magnesium in the USA, EU, Japan, Middle East and Australia.

2. Engagement Practice

In order to obtain our social licence, we have instigated meetings, presentations and participation with local communities – there are some 6 green groups in the Valley that we discuss our project with. We hold community presentations on site with local representatives and all stakeholders so that they can get an understanding of the project and process.

We meet with Resources Victoria and Victorian Government officials when necessary.

3. Strategic Economic Development

LMG is cleaning up the legacy ash dams in the Valley which may otherwise have environmental consequences whilst at the same time making a critical mineral. The production of magnesium may also attract other industry to the Valley. The Valley wants to attract Air Mobility industries to the Valley. Magnesium is used in several airplane and drone applications.

Critical minerals at the moment are being used to strengthen supply chains in an ever-changing geopolitical landscape.

4. Workforce Participation

LMG has employed over 100 people in the installations and construction of its demonstration plant and in its operations some 35. All of these contractors have been from the Valley or its environs. LMG has spent to date \$75M of which some 85% has been spent within Victoria and Australia providing support for the economy.

LMG will spend up to \$250M of n its 10,000tpa plant in the Valley with most of the equipment being made in Australia. The local employment through construction will be in the order of 200 people and some 50 when it is in operation.

Owing to the size of most critical minerals plants and processes they are very beneficial to the local economies in which they are situated.

Should you require any additional information please do not hesitate to contact me.

Yours sincerely
David Paterson
CEO
Latrobe Magnesium Limited