

Latrobe Magnesium Limited



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15 June 2004

Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

Re : Share Acquisition Plan

Please be advised that Directors have approved the implementation of a Share Acquisition Plan.

This Plan provides for eligible participants to purchase shares in Latrobe Magnesium Limited tax effectively through salary sacrifice. Shares will be acquired on the Australian Stock Exchange at prevailing market prices on or about the first ASX trading day following the normal monthly pay day. The shares including transaction costs will be met by the pre-tax remuneration forgone by the Plan participant. Administration costs of the Plan will be met by the Company.

The minimum contribution under the Plan is \$2,400 per annum. Participants can allocate up to 100% of their gross remuneration.

The aim of the Plan is to encourage employees and directors to increase their shareholdings in Latrobe Magnesium, and thus their participation in its future performance. The Plan is therefore designed to align the interests of directors and employees with the interests of the shareholders.

Yours faithfully


DL Hughes
Secretary