

Latrobe Magnesium Limited

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9 March 2005

Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
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Dear Sirs,

Please find attached for release to the market, a news release concerning the appointment of David Stewart to oversee the Latrobe Magnesium project evaluation study.

Yours faithfully

D L Hughes
Secretary

Latrobe Magnesium Limited

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NEWS RELEASE

9 March 2005

Latrobe Magnesium appoints David Stewart to oversee project evaluation study

-- Latrobe Valley magnesium project reaches key stage

Latrobe Magnesium (ASX Code: LMG) has appointed Mr David Stewart to oversee the key evaluation stage of its project to process fly ash into magnesium in Victoria's Latrobe Valley.

Mr Stewart, managing director of Pasmenco from 1995 to 2001, will manage the preparation of the evaluation report that will include the successful process test work results and plant operation and design from the Russian Institute of Titanium and Magnesium. Latrobe plans to use Worley Engineers, based in Sydney, to coordinate the overall plant design and provide the capital and operating costs estimates.

Latrobe Magnesium plans to use proven low cost and efficient Russian technology to extract magnesium from fly ash, while cleaning up the extensive ash ponds from the Latrobe Valley's brown coal industry. The technology has been developed over the past 50 years with four Russian operations currently producing 80,000 tonnes of magnesium a year.

Worley Engineers will also be responsible for producing the overall plant engineering flow chart and providing detailed engineering and capital costs.

The full evaluation of the Russian technology is expected to be completed by July 2005. The Federal government will contribute half the cost of this study. Following a successful outcome of the study, Latrobe Magnesium has set a 2007 deadline to complete the bankable feasibility study and 2011 to be in full production.

Mr Stewart, a chemical engineer by profession, brings a wide range of experience to this advisory role. He was Executive General Manager (metals) for Pasmenco between 1992 and 1995 before his time as Managing Director. Before Pasmenco he was Vice President and General Manager at the US glass maker Libbey Owens Ford, and from 1974 to 1988 held various positions with ACI in Australia and Asia.

In addition to his executive appointments, Mr Stewart was president of the Minerals Council of Australia from 1999 to 2001, a member of the Business Council of Australia from 1995 to 2001 and a non-executive director of the manufacturing company GUD Holdings from 1994 to 1997.

The chairman of Latrobe Magnesium, Dr John Keniry, said: "We are delighted to get someone of Mr Stewart's calibre to oversee the study. The evaluation study is a key stage in the development of the project and to have Mr Stewart manage it is a real vote of confidence in the project proceeding to the next stage of the bankable feasibility study.

"It is critical that an independent appraisal of the Russian technology, the plant operation and design, and the Worley assessment of the operating and capital costs, is undertaken and in Mr Stewart the Board is convinced we have the right person to do this."

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Dr Keniry said Mr Stewart would also been involved in briefing stakeholders, such as investors and government, about the project.

Mr Stewart said: "I see the Latrobe Magnesium project as a fascinating and farsighted proposal that has definite potential.

"My role as an adviser to the Board will be to critically assess it. I guess you could say I'm the one who won't be looking at it through rose coloured glasses, but with an objective eye to ensure all assumptions and assertions that the Russian technology owner and Worley give to the Board stack up.

"I've been involved in start-ups in the past. It's crucial to ask the difficult questions, and that's what I'll be doing at Latrobe Magnesium," he said.

For further details please call -
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