

# MAGNESIUM INTERNATIONAL

L I M I T E D

28 February 2005

## Magnesium International appoints AIM advisers

Magnesium International Limited (MIL) is pleased to announce the appointment of advisers to assist the Company's intended application for a listing of its shares on the Alternative Investment Market (AIM) of the London Stock Exchange.

Evolution Securities Limited has been appointed as broker, with Nabarro Wells & Co. Limited as Nominated Adviser and Faegre Benson LLP as legal counsel in London. MIL has also appointed Computershare Investor Services, Bristol to provide settlement services for trading on AIM through the electronic system CREST. In Australia, Addisons is providing legal counsel and KPMG is the reporting accountant.

MIL will make an Announcement in accordance with Schedule One and its supplement of the AIM rules for the listing. MIL expects to be listed as soon as the necessary documentation is processed, and MIL shares will then be tradeable on the ASX in Australia, AIM in London and the Frankfurt and Xetra exchanges in Germany.

MIL's Managing Director, Mr Gordon Galt, said today "Listing on AIM, one of the world's major equity markets, will provide access to a significant international pool of investors and facilitate the raising of equity capital for our Egyptian magnesium smelter project later in 2005. We believe that MIL will represent a unique opportunity for investors to gain exposure to the rapidly growing magnesium alloy industry via a primary producer using proven technology developed by Dow Chemical. We have selected a strong team to help us with the AIM listing process and future fundraising."

Mr Galt added that "The appointment of Evolution Securities as our broker was based on their ability to undertake the AIM listing, provide support for the company with investors through the Bankable Feasibility Study stage of our Egyptian magnesium smelter project and play the major role in the final equity capital raising. Evolution was the AIM broker of the year in 2004 and has demonstrated that it has significant placing power with 16 flotations and numerous secondary equity raisings. Evolution has a strong market position in the resources sector in research, sales and trading."

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“Our other London based advisers, Nabarro Wells & Co. Limited and Faegre & Benson LLP, were chosen because of their extensive experience in AIM flotations and listings with demonstrated knowledge of the international resources sector.”

## ABOUT MAGNESIUM INTERNATIONAL LIMITED (MIL)

MIL is the sole and exclusive worldwide licence holder of Dow magnesium smelting technology, which is the world’s most proven process for the electrolytic smelting of magnesium metal. MIL purchased this licence from Dow Chemical in 1999.

Following an extensive search in Australia and a number of offshore sites, MIL selected the Port of Sokhna on the west coast of the Gulf of Suez in Egypt for the establishment of the smelter in December 2004. This site takes advantage of significant cost benefits which MIL believes will enable the smelter to become the world’s lowest cost producer of magnesium metal and magnesium alloys.

MIL intends to construct a smelter with production capacity of 88,000 tonnes per year of pure magnesium metal. Most of the metal produced will be transformed into high quality magnesium alloys at the site. The smelter will be constructed in two modules, with the first module having a capacity of 43,000 tonnes per year and an expected construction time of two years. The second module is scheduled for completion three years after commissioning of the first module commences.

MIL’s smelter project is supported by a 15 year Metal Sales Agreement with ThyssenKrupp Metallurgie (TKM), a subsidiary of ThyssenKrupp GmbH. Under the terms of the Agreement, TKM will purchase 100% of the smelter’s output for on-sale to the automotive industry and others. The high quality magnesium alloy market is growing strongly as auto manufacturers seek lightweight solutions to comply with increasingly stringent greenhouse gas emission and fuel consumption regulations.

For further information please contact

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