

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 REMUNERATION OF AUDITORS

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Auditor of the parent entity				
Audit or review of the financial report	85,000	102,894	42,500	22,429
	85,000	102,894	42,500	22,429

The auditor of Advanced Magnesium Limited is Deloitte Touche Tohmatsu.

NOTE 7 CURRENT TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Trade receivables	140,444	7,445	—	—
Allowance for doubtful debts	—	—	—	—
	140,444	7,445	—	—
Intercompany receivable from AMT	—	—	—	577
Goods and services tax (GST) recoverable	18,535	58,056	944	9,707
Security deposits	50	339,802	50	334,307
CAST CRC R&D receivable	352,000	—	—	—
Project asset sales receivable	141,248	—	—	—
Interest receivable	204,251	36,043	186,925	19,301
Other	23,705	15,955	—	—
	739,789	449,856	187,919	363,892
Total receivables	880,233	457,301	187,919	363,892

NOTE 8 CURRENT INVENTORIES

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Metal alloy at cost	292,005	—	—	—
	292,005	—	—	—

NOTE 9 OTHER CURRENT ASSETS

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Prepayments	119,562	137,706	—	535
Other	—	1,663	—	—
	119,562	139,369	—	535

NOTE 10 NON-CURRENT ASSETS HELD FOR SALE

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Discontinued operations	—	937,800	—	—
	—	937,800	—	—

NOTE 11 OTHER NON-CURRENT FINANCIAL ASSETS

	CONSOLIDATED		PARENT ENTITY	
	30 June 2006	30 June 2005	30 June 2006	30 June 2005
	\$	\$	\$	\$
Shares in controlled entities – unlisted, at cost	—	—	71,767,721	128,555,243
Write down to recoverable amount	—	—	(68,875,631)	(128,555,243)
	—	—	2,892,090	—