



# QUARTERLY CASHFLOW - APPENDIX 4C

for the Period Ended 30 June 2008

## ACTIONS IN THE QUARTER ENDED 30 JUNE 2008

The gross cash spend in the quarter to 30 June 2008 was \$799,355 (refer row 6 in the table below). Eliminating non operating cash out resulted in quarterly operating expenditure of \$776,982 (row 1 in table below).

Cash receipts (rows 7 to 11 in table below) resulted in net cash spend of \$680,784.

	<b>Quarter Ended 30 June 2008</b>	<b>Quarter Ended 31 March 08</b>
<b>Cash Out</b>		
1 Regular operating expenditure	(\$776,982)	(\$817,789)
2 Capital expenditure associated with relocation to Sydney	(\$16,713)	(\$12,722)
3 Extraordinary expenditure on revenue account associated with relocation to Sydney	(\$5,660)	(\$19,834)
4 Redundancy payments		(\$200,000)
5 Stock purchases		(\$19,678)
6 <b>Total Cash Out</b>	(\$799,355)	(\$1,070,023)
<b>Cash In</b>		
7 Interest	\$41,912	\$98,891
Lease assignment of residual term on premises at Milton		
8 Qld		\$275,000
9 Tax - paid and rebated	(\$11,076)	\$2,673
10 Product Sales	\$80,310	\$25,204
11 Sub lease rent	\$7,425	\$7,408
<b>Total Cash In</b>	\$118,570	\$409,176
12 <b>Total net cash out</b>	(\$680,784)	(\$660,847)

Average net operating cash spend per month in the quarter to 30 June 2008 was \$227,551.

The quarter was one in which some real progress was made with commercialising all of our suite of alloys and cover gas and melt technology A comprehensive report will be provided in August with the release of the annual result.



## Advanced Magnesium Limited

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Sydney, NSW 2000 Australia

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**Fax:** +61 2 9233 7265  
**Website:** [www.am-technologies.com.au](http://www.am-technologies.com.au)  
**Email:** [corporate@am-technologies.com.au](mailto:corporate@am-technologies.com.au)

### Independent Directors (as at 30 June 2008)

Greg Ralph  
*Non-Executive Director*

Nicholas Andrews  
*Non-Executive Director*

Michael Brown  
*Non-Executive Director*

### Management Team

Stuart Fitton  
*Executive Chairman*

Gordon Dunlop  
*Chief Operating Officer*

John Talbot  
*Chief Financial Officer*

Christian Kettler  
*General Manager (Europe)*

Steve Erickson  
*General Manager (North America)*

### Company Secretaries

Stuart Fitton  
John Talbot

### Issued Capital (as at 30 June 2008)

Ordinary Shares (ASX Code ANM)  
89,239,103 fully paid Ordinary shares on issue

### Unlisted Securities

Unlisted Options	Number	Grant Date	Expiry Date	Exercise Price \$
Employee Share Option Plan	2,570,650	13 Oct 2005	13 Oct 2010	\$0.31
Pegasus Corporate Finance	400,000	7 Oct 2005	7 Oct 2008	\$0.25

### Substantial Shareholders (holding more than 5.0%)

Major Shareholders	No. of shares	Percent
Citicorp Nominees Pty Limited	19,368,718	21.70%

### Share Registry Services

Link Market Services  
Level 12, 300 Queen Street  
Brisbane, QLD 4000

**Postal:**  
Locked Bag A14,  
Sydney South, NSW 1235

**Tel:** 1300 554 474 or  
**International:** +61 2 8280 7111  
**Fax:** +61 2 9287 0309  
**Website:** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

The current share price can be obtained from the ASX Website: [www.asx.com.au](http://www.asx.com.au)

# Appendix 4C

## Quarterly Report

Introduced 31/3/2000. Amended 30/9/2001.

Name of entity

Advanced Magnesium Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

30-June-08

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (12 months)
		\$A	\$A
1.1	Receipts from sales and related debtors excl. GST	\$80,310	\$201,468
1.2	Payments for (a) Marketing & Sales	(\$127,063)	(\$867,789)
	(b) Production Process unit	(\$296,845)	(\$1,306,591)
	(c) Finance, accounting and regulatory	(\$208,847)	(\$647,245)
	(d) Patents and licence protection	(\$33,915)	(\$191,822)
	(e) Premises, telecoms & other administration	(\$102,217)	(\$333,536)
	(f) Cost of sales and inventory	(\$22,502)	(\$22,502)
	(g) Prior year incurred expenses		(\$171,411)
	(h) Retrenchments and termination		(\$526,356)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	\$41,912	\$316,323
1.5	Interest and other costs of finance paid		
1.6	Foreign income tax & GST effects	(\$11,076)	(\$22,533)
1.7	Sublet rental income	\$7,425	\$32,288
1.8	Foreign Exchange differences	(\$7,965)	(\$28,926)
	<b>Net operating cash flows</b>	<b>(\$680,784)</b>	<b>(\$3,568,632)</b>

+ See chapter 19 for defined terms

		Current quarter \$A	Year to date (9 months) \$A
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of fixed assets	\$5,139	\$5,139
1.9	Proceeds from disposal of fixed assets	—	—
1.10	Loans to other entities	—	—
1.11	Loans repaid by other entities	—	—
1.12	Other	—	—
<b>Net investing cash flows</b>		<b>\$5,139</b>	<b>\$5,139</b>
<b>Cash flows related to financing activities</b>			
1.13	Net proceeds from issues of shares, options, etc.	—	—
1.14	Proceeds from borrowings	—	—
1.15	Repayment of borrowings	—	—
1.16	Other	—	—
<b>Net financing cash flows</b>		<b>—</b>	<b>—</b>
<b>Net increase (decrease) in cash held</b>		<b>(\$680,784)</b>	<b>(\$3,568,632)</b>
1.17	Cash at beginning of quarter/year to date	\$3,676,910	\$6,564,759
1.18	<b>Cash at end of quarter/year to date</b>	<b>\$2,996,126</b>	<b>\$2,996,126</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.19	Aggregate amount of payments to the parties included in item 1.2	\$30,321
1.20	Aggregate amount of loans to the parties included in item 1.10	-

1.21 Explanation necessary for an understanding of the transactions

+ See chapter 19 for defined terms

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions in the quarter which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

NIL
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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest.

NIL
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### Financing facilities available

		Amount available \$A	Amount used \$A
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A	Previous quarter \$A
4.1	Cash on hand and at bank	\$640,277	\$303,920
4.2	Deposits at call	\$105,850	\$622,991
4.3	Bank overdraft	—	—
4.4	Other – Bank bills & Term deposits	\$2,250,000	\$2,750,000
<b>Total: cash at end of quarter (item 1.19)</b>		<b>\$2,996,127</b>	<b>\$3,676,910</b>

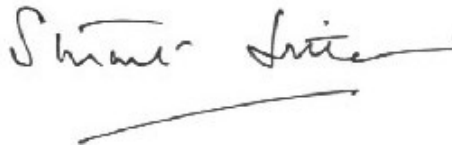
### Acquisitions and disposals of business entities

		Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1	Name of entity	NIL	NIL
5.2	Place of incorporation or registration	NIL	NIL
5.3	Consideration for acquisition or disposal	NIL	NIL
5.4	Total net assets	NIL	NIL
5.5	Nature of business	NIL	NIL

+ See chapter 19 for defined terms

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

Date: 31 July 2008  
Chief Executive  
Advanced Magnesium Limited

Print name: Mr Stuart Fitton

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
- Aus20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 39 - 42 - itemised disclosure relating to acquisitions and disposals
  - 48 - 52 - disclosure of restrictions on use of cash
- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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