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

Dear Sirs,

**Joint Venture - Advanced Magnesium Limited and Henan Keweier Alloy Materials Co., Ltd**

On 16 June 2009 Advanced Magnesium Limited (AML) announced its intention to invest in a joint venture in China with Henan Keweier Alloy Materials Co., Ltd (HNKWE). The joint venture will operate a magnesium alloy production facility in Henan province. At AML's Annual General Meeting on 31 August 2009 shareholders approved the investment of RMB15,000,000 in the joint venture vehicle.

The Directors have pleasure in announcing that the joint venture documents were signed today.

A proving up and commissioning of production facilities was completed during the month ended 31 October 2009. The facility is producing certifiable AZ91 magnesium ingots.

A marketing and sales programme has been developed with production volumes at a rate consistent with emerging sales. An immediate sales opportunity in Europe is being pursued while we aggressively seek sales opportunities in China.

John Talbot  
Company Secretary  
Advanced Magnesium Limited