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2 July 2010

Advanced Magnesium Limited

ASX Code: ANM

Securities Purchase Plan

The Directors of Advanced Magnesium Limited are happy to announce the successful conclusion of the Securities Purchase Plan (SPP) announced by the Company on 1 June 2010. The SPP officially closed on 30 June 2010. However, the Company will accept late applications to the close of business Monday 5 July 2010.

As at close of business on 30 June 2010 an amount of \$2,203,020 had been collected under SPP applications. Additionally, one of the Company's major institutional shareholders has indicated its preparedness to invest in a private placement to restore its shares in the Company to the level which prevailed prior to the SPP. Consistent with the proceeds raised as at 30 June 2010 under the SPP, the private placement is expected to raise a minimum of \$473,113. This may increase depending upon

- the final amount raised under the SPP as at 5 July; and
- possible participation in the private placement by other existing institutional shareholders.

In terms of the timetable for the SPP shareholders will be allotted shares on Monday 12 July 2010.

The Company's Executive Chairman is about to undertake a trip to China and Europe. He will provide an update to shareholders upon concluding that business.

A handwritten signature in black ink, appearing to read "John Talbot", written in a cursive style.

John Talbot
Company Secretary
Advanced Magnesium Limited