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ASX ANNOUNCEMENT - 2 May 2007

AML finalises last outstanding item from the Stanwell Magnesium Project

The Joint Lead Managers (JLMs) who arranged the Distribution Entitled Securities funding for Advanced Magnesium Limited (AML) in 2001 have agreed to waive their rights under the Selling Agreement as disclosed in the Company's last Annual report.

This is an improvement of the position of existing shareholders in that the removal of the entitlement to the issue of 205,592 ordinary shares in the Company in lieu of selling fees, with the contractual obligation increasing at a rate of 20% per annum to the JLMs being extinguished.

The Board regards all outstanding matters in relation to the Stanwell Magnesium Project have now been settled.

This allows the Company to focus only on the commercialisation of AM-lite[®] at this time.