



2 May 2007

Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs,

RE: CHANGES TO BOARD OF DIRECTORS

Please find attached announcement on changes made to the Board of Directors for Advanced Magnesium Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P.K. Nair". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

P.K. Nair
COMPANY SECRETARY



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ASX ANNOUNCEMENT - 2 May 2007

CHANGES TO BOARD OF DIRECTORS

This morning Advanced Magnesium Limited (**AML**) announced the settlement of all outstanding matters in relation to the Stanwell Magnesium Project. This allows the company to focus only on the commercialisation of AM-lite[®] at this time.

After consultation with significant shareholders of AML, the Board has appointed two new Directors proposed on behalf of those shareholders. They are Mr Stuart Fitton and Mr Gregory Ralph. Profiles of Mr Fitton and Mr Ralph, as provided by them, are attached.

The Non-Executive Directors of AML, Dr Chris Rawlings, Mr Ken Williams and Mr Denis Byrne, have decided that this is an appropriate time to bring a new perspective to the governance of the company so as to assist management to take the company's business forward.

Therefore, following the appointment of Mr Fitton and Mr Ralph, the existing Non-Executive Directors, Dr Rawlings, Mr Williams and Mr Byrne have resigned as Directors of the company.

Mr Ian Hartnell continues as the Managing Director of AML.

Profiles of New Directors

Stuart Fitton (Age 59), Independent Non-Executive Director

Stuart Fitton has had experience in global finance and corporate advisory roles in Australia, the UK and the United States. Stuart has been employed as a senior executive with Barclays Bank, Citibank, Bain & Co and GE Capital. He is also a former finance director of MIM Holdings. Stuart brings to Advanced Magnesium an understanding of global capital markets and a wealth of management experience. Stuart holds a Bachelor of Economics from University of Western Australia.

Gregory Ralph (Age 50), Independent Non-Executive Director

Greg Ralph is the Managing Partner of Gould Ralph & Company and is the Regional Director – Asia Pacific of Russell Bedford International, an international association of over 90 accounting firms across 65 countries. Greg has a broad range of experience, having audited and consulted to a number of public and large private companies in property development, manufacturing, medical, import/distribution, financial services, transport and mining industries. Greg holds Bachelor and Master Degrees in Commerce and is a Fellow of the Institute of Chartered Accountants in Australia.