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

Dear Sirs,

RE **ANNOUNCEMENT**

Pursuant to ASX Listing Rule 3.13.3, please find attached the Chairman's and CEO's address to shareholders at the Annual General Meeting held today at the Novotel Hotel, 200 Creek Street, Brisbane commencing at 9.00am. We also enclosed Presentation Slides that were displayed at this AGM.

The information in the address insofar as it relates to ore or mineralisation is based on information compiled by a person who is an associate member of the Australasian Institute of Mining and Metallurgy and who has had a minimum of five years' experience in the field of activity being reported on. This address accurately reflects the information compiled by that member and has been prepared in accordance with ASX Listing Requirement 5.10.

Yours sincerely,

P.K. Nair
COMPANY SECRETARY

Annual General Meeting
Chairman's Address and CEO's Address

Chairman's Address - J Roland Williams CBE

Ladies and Gentleman, I would now like to give my review of the year, and within this, touch on some issues I know are of importance to all Shareholders, in particular; the processes and procedures of a maturing company, the development of our major project and the international magnesium market, corporate governance, remuneration and people performance, and some remarks on the behavior of AMC's share price.

Following my review, Rod Sharp, our CEO will also make a presentation, which will enter into greater depth on some of these aspects. It is pleasing for us to welcome so many shareholders to this Annual General Meeting. You as shareholders are our greatest interest and everything we do is directed at enhancing the value of your holding in AMC.

On behalf of your board and management I am pleased to report the past 12 months has been a most active period for your Company. AMC is a rather unique company. It combines the application of exciting new technology with the aim of taking a global leadership role in an emerging industry that has great prospects. To do this, it is developing a world class project for Australia from the platform of a small organisation.

It is hard to convey all that this entails, without being face to face and answering your questions. The Annual General Meeting provides the opportunity to do just this. The 2001-02 year was a year in which we delivered on our promises. If I look at all that is being achieved on so many fronts, this conclusion is inevitable. Much of the important work has been behind the scenes, away from the glare of public spotlight or share price recognition.

A great deal of activity has been taken up building a world class company from the inside. Now with over 2 years in the position of Chairman, I know very well that at AMC we have an excellent core team with skills ranging across all the sectors we need; science and technology, operational, engineering, and commerce.

As AMC's development processes move forward we are now supplementing this with operational and systems expertise in preparation to manage the Stanwell Magnesium Project and stimulate and support the growth of the magnesium market.

AMC is however still a young company maturing in its systems, processes and procedures. This growing maturity is first reflected in the priority industrial safety has been given by management and staff in recent years and I am pleased to report profound improvements in performance have been achieved. We can now justifiably claim a company-wide ethic and deep commitment, backed by performance, to environmental protection and to personal safety.

The safety performance at our Gladstone demonstration plant has been exemplary throughout its operating life and this has been sustained in the past year. There has not been a lost time injury at Gladstone for more than three and a half years. At our Queensland Magnesia (QMAG) operation at Parkhurst in Rockhampton, serious gains in safety performance have been made more recently. The lost time injury frequency rate is down by a factor of 8 times compared to 2 years ago and the performance is now well under the Australian industry average.

To their merit, I am glad to report they are not satisfied with this and will not be until all injuries have been eliminated. Clean, safe places to work in are efficient and profitable operations and QMAG is starting to show all the signs of conforming to this well known maxim.

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In line with expectations, AMC reported a loss of almost $15 million for 2001-02 which reflects the activities of QMAG, the project development at Stanwell and a writedown on the Flamemag business. Our major activity is the building of the Stanwell Magnesium Project and this will not generate any income until after the plant comes on stream in late 2004.

The restructuring of QMAG's hedge book and borrowings in November last year were significant. It has provided a platform for a viable and vibrant QMAG business which will be supplemented by the opportunities in mine development activities at Kunwarara once the Stanwell Magnesium plant comes on line. The central goal for QMAG is quite straightforward - efficient capital management, continued cash generation and reduced borrowings. QMAG's outlook for the year ahead is much the same as in 2001-02. A modest operating loss but positive cash flow will be set towards further debt reduction.

There is still much to achieve in earnings generation, but as you will gather from my remarks earlier, we are increasingly pleased with developments at QMAG. The plant is running well and developing new product opportunities in calcined, deadburned and electrofused magnesia. At the Kunwarara deposit, QMAG recently purchased the magnesite processing plant at KG2 from a contractor which had been operating it on QMAG's behalf for the past two years.

QMAG will be making further investments in the KG2 plant over the next 12 months to reduce costs and prepare for operations for the Stanwell development. The mine itself is a world class ore body across 63sqkms of the Kunwarara plain with the opportunity for many decades of potential production for QMAG and Stanwell. However, in order to provide additional assurance on this score, exploration drilling has also been undertaken on the contiguous Oldman South areas and an assessment of reserves and resources in that location is being made. In the coming months we expect to announce the magnitude of an increase in the magnesite reserves owned by our Company.

At AMC the development of the Stanwell Magnesium Project is our central goal and I am pleased to report significant progress. More than a third of the project has been engineered and over 80 per cent of specified equipment items have either been awarded or at least priced through tender. Basic earthwork is nearing completion and the pouring of concrete footings started this week and we remain on schedule for first metal in the December quarter of 2004.

The Stanwell site is already impressive, all the more so when one considers it is spread across no less than 3 sqkms. This is something like 4 times the area of Suncorp stadium. Shareholders will be aware, that earlier in the year AMC selected Leighton Contractors as Principal Contractor. This gives Leighton responsibility for about 80 per cent of the project development under an engineering, procurement and construction (EPC) contract.

Leighton and AMC have been working closely since February. This is the combination of a large internationally-focused Australian contracting company working with a project owner sharing in the same international aspirations, albeit in its own magnesium industry. Below Leighton there is a constellation of engineering and construction companies, all specialists in their respective fields. They include; Kvaerner, Worley, Clough and GHD in Australia and SNC Lavalin and IMS in Canada. Outside the Leighton scope of work, AMC has in the past two months awarded some $110 million in lump sum turn key contracts for ancillary plant and equipment including the acid plant and the supply and installation of plant-wide instrumentation and control systems. Combining this with Leighton's appointment means all the major project contracts have now been let.

The engineering, procurement and construction work being undertaken by Leighton follows two phases. Work currently being done is on a reimbursable basis. This will then switch to a fixed lump sum contract next year when the majority of engineering and procurement has been completed. As part of this approach, AMC has received from Leighton an interim estimate of the work it will undertake. As previously announced in May, Leighton and AMC agreed a target price of $987 million before contingency. With the significant progress that has been made to date on engineering and procurement within the project, Leighton has re-estimated this figure at $1,155 million. This figure is before potential cost saving opportunities identified by AMC of $20 to $40 million.

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Taking this and other project activities into account such as the lump sum turn key contracts recently awarded, AMC consider the project capital cost before contingency remains within its funding arrangements. The amount of contingency now seen as necessary is being reviewed and negotiated between Leighton and AMC to ensure it is reflective of the level of certainty that will exist within the project at the time of contract conversion in mid-2003. If following the review process additional contingency is considered necessary, AMC will make appropriate arrangements.

The analysis by Leighton and AMC reaffirms the project remains on schedule to produce metal in the December quarter 2004. The Stanwell project is large scale and complex and frequent monitoring of cost and schedule will continue to be a central activity until full production is attained. This process will, as it should, identify increases and decreases from time to time.

It is our purpose to ensure that this project of great opportunity is built with requisite skill, planning and attention. AMC is confident it is well on the way, and progress in planning is now being matched by accelerating activity on site. The current complement of contractors on site is 100. This will become 400 by March as we move to peak construction activity pitched at about a 1000 in a year's time.

Concentrated planning and activities are underway to ensure a smooth transition in the training of our operating staff heading towards the effective commissioning of the Stanwell plant which in turn is linked to our sales programme. As an example, in 12 months time before Xmas 2003 we will have completed construction of the Stanwell foundry and begun pre-commissioning the casting line to produce alloy ingots. This schedule affords us the opportunity to extend the experience of our operating staff before the remainder of the project is started-up.

Further, it should enable us to seek pre-qualification of our metal quality and our logistics procedures with our international customers some 9 to 12 months in advance of commissioning the chemical dehydration plant at Stanwell. Underlying all of this is that, as every day passes, we move that much closer to operation and therefore proper recognition of the value inherent in our project.

Our work in developing the magnesium market is the most important parallel activity occurring at AMC. Shareholders will recall AMC has the benefit of a 10 year take-or-pay contract for half of Stanwell's output with the Ford Motor Company of the USA. I am pleased to report that progress in marketing the other half of our product is going even better than we might have expected.

In recent months AMC has announced a sales contract for 15,000 tonnes of pure magnesium to a European metals group and several alliances in developing automotive applications. The major reason for these alliances is our fundamental approach to magnesium marketing based upon meeting the needs of our clients with technical and design expertise in a range of locations in North America and Europe and soon in Asia.

In this regard we do not sell a product, we market a concept. This concept is working together collaboratively with automakers and their component makers around the world, helping them to optimize the functionality of lightweight magnesium components in their cars. This emphasis on supporting magnesium applications, is best evidenced by the release in Germany two months ago of the 3 cylinder magnesium engine block using an AMC patented alloy, called AMC-SC1.

This is a fabulous example of collaborative endeavour, great Australian science, and long term planning. In the past some observers have expressed apprehension at AMC's ability to compete with China's magnesium production. To the contrary, we have come to see this as an opportunity and I am glad to advise you we have today issued an announcement on our first achievement in this area. Our CEO Rod Sharp will expand on this and our other marketing initiatives in his address.

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With such a high pace of project and marketing activity being undertaken by a small company, it is vital that good corporate governance be sustained and in particular that employee values are completely aligned to those of shareholders. To begin with, I can confidently assure shareholders that our staff are outstanding supporters of the potential of your Company, and have seen it through many challenging times. For three years all staff took a total wage freeze, and in some locations such as the Gladstone demonstration plant our people worked on week to week contracts until successful financing of the Stanwell Magnesium Project was achieved.

Now the project is well underway, we need to ensure our staff remuneration policies are sound and responsible allowing us to attract the highest calibre candidates to grow our enterprise. With this in mind, AMC has two share-based incentive schemes - a General Employee Share Plan (GESP) in which 219 employees are eligible to participate and an Executive Share Plan which has 13 senior managers participating. The GESP was approved by shareholders earlier in the year. This plan is designed to embrace everybody across the Company. Seventy one per cent of eligible employees have opted to participate.

Most importantly for shareholders, the share plan can only be activated this year if 3 specific performance hurdles have been achieved – they relate to safety, project performance and internal cash management. The important thing to note about these plans is that AMC does not issue options to staff, executives or Directors. The Company's approach is to offer only share-based incentive schemes. I should also point out Non-Executive directors cannot participate in these share incentive schemes.

On matters relating to the Board, today shareholders are being asked to vote on the election of quite a significant number of Directors who have joined the board in the past 12 months, or who are seeking re-election. Some shareholders have recently written to me to comment on the number of Directors. I welcome such communication. While the Board may appear large for the size of the Company, of the ten Directors, 3 are executives, and 3 are provided by Newmont at no fee.

The size allows for strong participation in board meetings and in our four Board sub-committees, they being a Project committee, Finance Audit & Compliance committee, Remuneration & Appointments committee and the Health, Safety & Environment committee. I believe the Board is a well balanced team and appropriate for the scale and nature of the large project development and international magnesium market activities being undertaken.

Many of the project funding elements outlined in AMC's prospectus last year are now being finalised. In the coming weeks AMC will issue a call notice to Newmont Mining to subscribe for $100 million in new equity at 60c per share - as part of its significant commitments to AMC.

AMC also expects to finalise a subordinated loan with the ANZ to be supported by a $100 million guarantee pledged last year by the Commonwealth government. AMC had reported in the annual report it expected this to be arranged by late October, we now anticipate this will be concluded in the coming weeks.

Both the Commonwealth and State Governments were instrumental in AMC's birth a decade ago when a research group was formed and were vital again last year in AMC's fund raising and Stanwell development programme. We thank them for their very significant support and encouragement and their belief in the potential of the light metals industry in Australia.

Another very important funding activity, will occur in early December, when AMC sends a call notice to security holders for the final payment of 30 cents on their securities. This payment is due on the 31st of January 2003 and will inject approximately $195 million into AMC. These are all important funding steps in our lead up to senior debt draw down next year.

Let me now turn to the issue of AMC's share price. Shareholders will have noted my introductory remark to the effect that everything we do is focused on value creation and my previous comments about aligning employee interests with those of shareholders.

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AMC is privileged to have some 28,000 shareholders, about 23,000 of whom invested in the DES securities a year ago at 50 cents and will have received 6.4 cents in distributions by early next week. I must presume DES holders are anything but content with market valuations of these securities which currently have them trading around 17 cents. As a DES holder myself I have exactly this reaction. Much the same can be said for ordinary shareholders and the value of their shares which has been towed down by the fall in the DES units.

According to analysts who follow our stock, they regard both securities as significantly undervalued. As we should, we expend considerable effort to understand stock price movements and the attitudes of major institutions to purchasing our equity. What we have learnt from this interface is that a number of investors will wait until AMC is closer to production. They are willing to leave 'value on the table' notwithstanding the inherent value in AMC. Reasons of market capitalisation, liquidity, or the earnings lead time, clearly inhibit some new buyers.

It is for this time-value reason that AMC specifically designed the DES security last year to pay distributions in the lead up to production and earnings from Stanwell. We see this approach as relevant now as a year ago in providing the means of a capital return until the time Stanwell begins operation and earnings generation.

In the order of 30 per cent of the Distribution Entitled Securities on issue are held by institutional investors, the majority of which have a bias towards 'value' investing. This provides us with a great opportunity to attract institutions not yet on the register. Our analysis of AMC's share price movements emphasises that we are a thinly traded stock. This makes AMC vulnerable to selling on occasions when day traders seek to move in and out of the stock in the lead up to and payment of a distribution. Recent negative sentiment in the equity markets in general towards partly paid shares, has also had an impact.

It is heartening that so many share and security holders have stayed with us. This reinforces our view that they too are taking a medium to long term view of AMC. Further evidence of this faith is that 42 per cent of DES holders participate in the DRP scheme and reinvest in the company.

Your management and staff are also voting with their feet, 71 per cent of eligible staff have participated in the General Employee Share Plan. As we build the Stanwell project and highlight our positive marketing initiatives, more and more value will be built into the business, which with time should not go unrecognised.

I thank you for your attention, I would now like to introduce AMC CEO Rod Sharp to provide an overview of our project and marketing activities. In so doing I want to put on record my thanks to him and all our staff for the contribution they are making to building this exciting, innovative company. I also extend my thanks and those of the Board and staff to all our stakeholders – at Federal, State and community level.

I would also like to thank both Newmont Mining who have taken on the Normandy responsibilities so smoothly and constructively and our magnesium research and development partners for their continued output of leading edge work. Most importantly, I would like to thank you, our shareholders, for your ongoing support.

Thank you.

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Chief Executive Officer - Rod Sharp

Our Chairman has reflected on the progress made by AMC over the past twelve months; I am pleased to be able to share with you our view as to what lies ahead, particularly relating to the Stanwell Project and our progress in developing the market for the 97,000 tonnes of magnesium AMC will be producing following achievement of First Metal in the fourth quarter of 2004.

Before I do, however, I would like to briefly detail several aspects of our progress over the past year. The slide shown here reflects our continued progress in providing a safe and healthy work environment for our employees and contractors. Our Lost Time Injury Frequency Rate, which measures the number of injuries per million hours worked, has fallen to 0.8, against a minerals industry average of 8. This outcome is the result of operational leadership and commitment; our task is now to ensure the culture and performance it reflects is retained as we further develop our Company.

Secondly, I would like to recognise the improved performance at our Magnesia operations at Parkhurst and our magnesite mine at Kunwarara. With revenues now approaching $90 million and an improved unit cost performance, QMAG was cash positive for the year. More importantly it has set a solid foundation to strategically address both new market opportunities and its industry positioning as a world scale producer of magnesia products in the refractory, metallurgical and agricultural markets.

Thirdly, let me say I am also pleased with the progress we are making building our enterprise. I will speak shortly about our Stanwell Project. However both its construction and ultimate production capability are a means to an end; our purpose is to build a valuable business for the owners of AMC. The intangible assets of capable people, sound processes and systems, and strong customer relationships are every bit as critical to this purpose as is the concrete and steel we are now putting in place.

Let me now turn to the Stanwell Project, where things are literally starting to take shape. As the Chairman alluded, our first concrete pour for the cast house foundations took place this week. The cast house is where we turn the molten magnesium into alloyed ingots for sale. This time next year we will start the commissioning of this important facility. Reaching this milestone has required the accomplishment of much work since last November. Some examples:

All major contracts are now awarded. These comprise: Principal Contractor, Leighton Contractors, Area 20 Leach Plant Design Engineer, Worley Pty Ltd, Area 30 Dehydration Plant Design Engineer, Kvaerner/Worley JV, Area 40 Cell House Design Engineer, SNC Lavalin Ltd, Area 50 Foundry Design Engineer, IMS Ltd General Site Engineering, GH & D (formerly Egis) , Plant Wide Control Systems, Yokogawa Australia Pty Ltd Chlor Alkali Plant, Simon Engineering Australia, Acid Plant, Simon Engineering Australia.

In total over 750 project, engineering, construction and pre-operations staff are directly engaged on the Project, with hundreds of others in various vendor and supplier organisations. I would note that 80% of the funds to be expended on the Project will be directed to Australian sourced services and equipment, a high percentage for a project such as this, and consistent with our commitments to the Queensland and Federal Governments and our Australian shareholder base which have supported us so generously.

Design engineering has now advanced to 30 per cent complete, and of the $304 million to be expended on engineered equipment, $250 million has been either committed or priced, representing around 80 per cent of the total to be procured. With excavation and site works essentially complete, construction will shortly move into high gear with concrete and steel dramatically changing the profile of the site in the new year. A few statistics illustrate what lies ahead: (a) Area 30, the Dehydration facilities pictured in this engineered 3D graphic, will cover an area approximately equivalent to three Brisbane Cricket Grounds. (b) At 60 metres, the calciner structures seen in this graphic are the height of a 15-storey building. (c) Around 40,000 cubic meters of concrete will be poured and over 7,000 tonnes of steel erected. (d) The Plant will incorporate 175,000 metres of pipe, and over 1 million metres of cable.

Earlier this week, in accordance with our contract, we received an interim estimate from Leighton updating the initial target price of $987 million. This re-estimate indicated an interim target price of $1,155 million before ongoing cost saving opportunities and levels of contingencies are taken into account. Our task over the coming months will be work with Leighton to optimise capital costs prior to agreeing the Definitive Cost Estimate planned to be finalised in June quarter next year, at which time Project capital responsibility will essentially transfer to Leighton. In this interim period we will monitor and analyse cost saving opportunities, negotiate required levels of contingency, and address any consequent impact on funding arrangements.

Importantly, with the work completed to date, we now have a detailed Schedule for the Project which confirms we remain on track for the production of First Metal in Decvmber quarter 2004. Every bit as important as the design and physical construction of the Stanwell plant is the planning and implementation of the process for commissioning and ramping up the facilities. Here AMC has a great asset, derived from the investment in our Demonstration Plant over the past 4 years. That asset is our operations team led, by Ian Beaumont; 60 seasoned staff who have stepped up to the many challenges thrown their way and who will now form the core of the operations team for the Stanwell plant. A major exercise is currently underway in pre-operations planning where the team is preparing its structure, systems and training requirements. I am confident we will have an elite team "chaffing at the bit" to take control of the Plant from the Project team following formal systems handover as pre-commissioning is progressively completed through 2004.

Let me now turn to the Market for magnesium. AMC is developing the Stanwell Project because it believes magnesium will increasingly become a material of choice in the automotive industry. Bob Eaton, Chairman of Chrysler, stated in 1998: *"In the 20th century, the automobile changed society. In the 21st century society will change the automobile."* By this he meant that society's demand of the automotive industry for environmental stewardship would require a reversal of the trend of increasingly larger, fuel inefficient vehicles. In fact in 2002, the average fuel efficiency of vehicles in North America was less than it was 20 years ago, because despite improvements in engine and related technologies the cars people choose to drive today are heavier on average than in 1980.

So why magnesium? Magnesium's attributes, its lightness, castability, and strength to weight ratio hold the potential to provide lightweight solutions to meet the demand for safer and more fuel efficient vehicles that also retain the creature comforts we have all come to appreciate and demand. One signpost to magnesium's opportunity comes from the auto industry's adoption of what in the middle of last century was for it a new metal: aluminium. Aluminium's penetration has grown from 25 kg per vehicle when introduced in the 1960s to a forecast 160 kg per vehicle by 2005.

Magnesium, by comparison, currently averages around 4 kg per vehicle. This low base provides us with the opportunity to take advantage of magnesium's unique attributes in a vast industry that produces around 55 million units annually. So how will AMC address this embryonic market? By a knowledge-based approach to marketing. By this we mean leveraging both our knowledge and that of our technology partners to stimulate demand for AMC's metal throughout the automotive value chain. This implies: Investing in R & D to create both new processes and new alloys, Growing our expertise to develop new applications that provide solutions to the auto industry. Developing efficient production technologies. And, most importantly, by providing 'know how' and technical support along with our physical product, to an automotive supply chain with a limited background in how to utilise and optimise the metal's special attributes.

Some people are surprised to know that AMC has had an active market development program in progress for nearly a decade, albeit one that has accelerated in the past two years. Phase One of this program culminated in 1997 with the signing of our contract with Ford, which provides AMC with a 10 year take or pay revenue stream in excess of $2 billion. Phase Two, which was critical, included a long-term investment in R & D to develop new magnesium applications, a clear differentiator. We are just now starting to benefit from this early commitment. In fact, AMC became a foundation member of the light metals Cooperative Research Centre, known as CAST in 1993.

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This world recognised research group specialises in developing applications and technologies relating to light metals. Our 10 year relationship with CAST was renewed earlier this year with an Alliance Agreement providing for AMC to invest $2 million per annum in R & D over the next 3 years. To use the words of CAST's CEO, David St John, who is with us today: "...this Alliance ensures Australian researchers will stay at the forefront of light metals technology." I will speak more of the success of this relationship shortly.

Phase 3 of our strategy was the assembly of a 'Global Support Team' of technical experts to work with our customer base to develop demand for our product and assist them in their understanding of the opportunities and methods to apply this 21st century metal. This team, which includes Professor Gordon Dunlop, the former CEO of CAST and a world recognised expert in magnesium, is deployed throughout Europe and North America, and has team members ensconced in the development arms of several manufacturers, working to create demand for AMC's production.

The current phase of our strategy will see us developing and crystallising, over the next two years, formal alliances and sales contracts to ensure that our non-Ford production will find a home that strategically contributes to future demand. So how are we progressing with the implementation of this plan? With the first non-Ford sales not scheduled until mid-2005, I can report we are very pleased with the progress of our team to date. By way of example, In September this year we signed a 3 year frame contract with a major European metal company to supply 15,000 tonnes of pure magnesium. This initiative was driven by the purchaser's desire to secure Western supply for the period 2005 going forward, and is in line with AMC's plan to sell a percentage of its output as pure magnesium.

In October, an important alliance was signed with a major European Tier 1 auto supplier, Wagon Plc, to jointly develop magnesium components for the European auto industry. Wagon's customer-base includes companies such as Volvo, Volkswagen, Mercedes, BMW, Jaguar and Audi. AMC will work with Wagon to help design structural components to market to its automotive customer base. In early October at a German engine show, AMC and its European research partners rolled out a new 3 cylinder engine block made of a patented magnesium alloy jointly developed by CAST and AMC. We will now work with our partners to commercialise this technology to enable its adoption by manufacturers in the second half of this decade.

You can see the prototype block in front of me. The development of this alloy, known incidentally as AMC-SC1, is an important breakthrough for AMC as the magnesium engine offers a significant weight save over both iron and aluminium, the latter having already made inroads into the engine block market.

Finally, we are announcing today an important new alliance as part of our pro-active strategy to address opportunities created by the emergence of China as a potential force in automotive production. We have signed an agreement with the Hong Kong based Lee Kee Group Ltd, a significant metal trading house with roots in both China and Australia, trading metals such as zinc and aluminium. Lee Kee is also involved in diecasting and recycling. Our objective is to develop partnership opportunities within China to grow magnesium demand, initially by focussing on supporting China's fledgling magnesium automotive die casting industry. Lee Kee will assist AMC in developing a market for its products in China by: Identifying diecasters with which to form technical and commercial relationships, providing logistical support through its existing warehousing and distribution facilities., establishing a magnesium alloy scrap recycling service.

AMC will in turn provide: High quality diecasting alloys capable of meeting stringent international requirements, specialist advice to customers to develop processes, products and systems and access to AMC's global network of researchers and technical specialists.

Once AMC's Stanwell Magnesium Project is in full production, Australia and China will be two of the world's largest magnesium producers, and it is prudent to consider how the relative strengths of each could give rise to opportunities. As with the Stanwell Project we do not underestimate the challenges presented by creating a global market for our product.

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However building on over 10 years of market research and development, our agreement with Ford, our R & D alliances with CAST and CSIRO, and our emerging relationships with the automotive supply chain in Europe, North America and Asia, we are confident we have adopted the right strategy in pursuing our "knowledge based marketing" approach.

We believe we are on track to realise the potential of magnesium to help meet the needs of the automotive industry as it addresses its challenge of matching cost and performance to environment stewardship and safety. Let me conclude by saying that while we are several years away from being able to report to you on our production and revenue performance in the magnesium industry we are in a period of enormous importance relative to the value being built into your Company.

It has been a long road to reach this stage - over 15 years in fact - as we have moved through the various phases of development. We are no longer a resource company; we are a company grounded in technology and with a strong market focus. But now is when the rubber meets the road, when value is truly being created, by the development of our Project, by the development of our market, and by the implementation of a strategy that can secure for us a leading industry position through the application of our technology.

I want to emphasise this point – we are intent on creating a leading industry position. At all stages it has been hard, and fraught with challenge; and no less so now. You do not seek to both enter a nascent industry as a dominant player and, at the same time, create a new industry in Australia, without some risk.

Finally, let me again acknowledge the critically important roles played by several of our key stakeholders: the State and Federal Governments, the CSIRO, Stanwell Corporation and our cornerstone shareholder and sponsor, Newmont. I can assure you we will remain resilient and seek at every point to both create the value in the AMC you expect and seek to have that value realised as we face and overcome each new challenge.

Our management team is all here today, and after the meeting I would encourage you to engage them over tea and biscuits. I know you will find both belief in and commitment to our purpose; to create a new industry for Australia and a valuable business for our stakeholders. Thank you.

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