

6 February, 2003

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

Dear Sirs,

RE **ANNOUNCEMENT**

Please find attached an Announcement in relation to:

Australian Magnesium appoints UME as Taiwan agent

Yours sincerely,



P.K. Nair
COMPANY SECRETARY

Australian Magnesium appoints UME as Taiwan agent

Australian Magnesium Corporation Limited (AMC) has appointed Taipei-based United Metal Enterprise Co Ltd (UME) to act as its agent and promote magnesium to the Taiwanese automotive die casting, consumer electronic and aluminium alloying sectors.

Taiwan's "3C" markets - namely computers, consumer electronics and communication - provides a direct opportunity for high-quality magnesium sales. AMC will look to UME to assist in this market and also broaden sales to automotive and bicycle die casters.

Taiwan imports approximately 10,000 tonnes a year of magnesium in purity and alloy form.

UME, specializes in promoting various grades of non-ferrous metals, steels, coal and equipment in the region on its own behalf and behalf of clients. It represents and handles products worth US\$180 million a year with companies such as Alcoa, WMC Resources, and a number of Chinese lead, zinc and tin smelters.

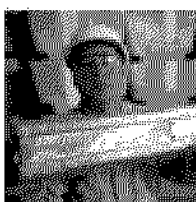
AMC Chief Executive Officer Rod Sharp said "this appointment is well ahead of the commissioning of the Stanwell magnesium plant through 2005, but is another example of our commitment to market development activities in the lead up to production."

"This agreement also shows our commitment to Asia and follows our recent alliance with Hong-Kong-based Lee Kee Group to look at opportunities for AMC's expertise in the Chinese die casting industry," he said.

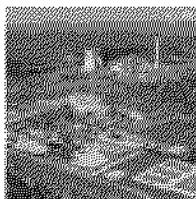
"AMC's marketing and technical support teams are broadening the Company's international reach and building a strong base for the Company for future years," he said.

"Our business is focused on supplying quality magnesium alloys to the auto sector and taking niche opportunities in other industry segments - such as consumer electronics and aluminum alloying."

UME, one of the most active traders of base metals in the region, has been servicing the metals industries since 1973.



With offices in Taiwan and China, UME's activities include sales, marketing, logistics and agency businesses. Its staff has expertise in all LME metals, flat-rolled products (aluminium and stainless steel), coal and magnesium. Its customer base ranges from automotive and electronic components to die casting and wire and cable.



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