Australian Magnesium Corporation Ltd
ABN 51 010 441 666

Brisbane Office
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7 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:

Conversion of partly paid securities to fully paid

Yours sincerely,

P.K. Nair
COMPANY SECRETARY

Friday 7 February 2003

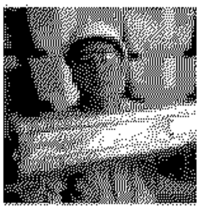
Conversion of partly paid securities to fully paid

The Final Instalment on Distribution Entitled Securities (DES) in Australian Magnesium Corporation Limited (AMC) was due on Friday 31st January.

AMC will today dispatch holding statements to security holders whose Final Instalment was received and cleared by close of business on Wednesday 5 February 2003. A total of 635,934,379 partly paid DES have today been converted to fully paid. The new fully paid DES (ASX code ANMNA) will commence trading on a normal (T+3) basis from Monday 10 February 2003.

The remaining partly paid DES will be progressively converted to fully paid DES as outstanding payments are received and processed.

Enquiries from investors regarding the status of their Final Instalment payment or current holding should be directed to Douglas Heck & Burrell Registries on +61 7 3228 4219.



Investor Relations & Media Comment
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Joel Forwood - Manager - Investor Relations
Simon Jemison - General Manager - Public Affairs

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