



14 October 2003

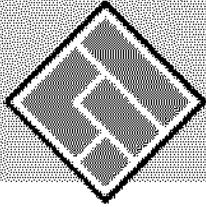
SHAREHOLDER UPDATE

Australian Magnesium Corporation Limited notes the release made by ASIC on Monday, 13 October 2003. A copy of the release is attached.

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M a g n e s i u m



ASIC

Australian Securities & Investments Commission

Media and information releases

03-324 ASIC finalises investigation into AMC

Monday 13 October 2003

The Australian Securities and Investments Commission (ASIC) today announced that it has finalised its investigation into Australian Magnesium Corporation's (AMC) market disclosure, including its disclosures made, in April 2003.

ASIC's investigation followed a referral by the Australian Stock Exchange (ASX) in relation to market announcements made by AMC on 17 and 23 April 2003.

The investigation focused on AMC's disclosure of the fact and extent of increased capital costs associated with its Stanwell Magnesium Plant, as referred to in the announcements.

ASIC found there was no breach of the continuous disclosure rules by AMC prior to the announcements on 17 and 23 April 2003.

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ASIC Website www.asic.gov.au