

20 October 2003

**AMC SHAREHOLDERS ARE ALERTED TO A LETTER FROM
NIMBUS MINES LIMITED**

Australian Magnesium Corporation Limited (AMC) has received numerous enquiries from shareholders (holders of ANM securities) regarding an approach by Nimbus Mines Limited to participate in a share lending/borrowing arrangement.

AMC states that it has not endorsed nor given any consent to Nimbus to despatch any information to AMC shareholders nor does it support their proposal. AMC has a number of concerns that it has conveyed to the regulator.

AMC strongly recommends that shareholders seek professional advice before acting on the Nimbus proposal.

Further details are available on the AMC website, www.austmg.com

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