

FORM 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Australian Magnesium Corporation Limited ("AMC")

ACN/ARSN 010 441 666

1. Details of substantial holder (1)

Name Newmont Mining Corporation ("Newmont") and each of its Associates

ACN/ARSN (if applicable) ARBN 099 065 997

There was a change in the interests of the substantial holder on 08 / 12 / 03

The previous notice was given to company on 05 / 12 / 03

The previous notice was dated 05 / 12 / 03

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous Notice		Present Notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	282,542,078	26.7%	72,602,150	6.9%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in the voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
8 Dec 2003	Newmont and its Associates by operation of the Corporations Act.	Sale pursuant to Share Sale Agreement between Magtrust Pty Ltd, Australian Magnesium Corporation Ltd and Newmont Chile Holdings dated 8 December 2003.	AUD1.00	209,939,928 ordinary shares	Newmont and its Associates

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Newmont and its Associates	Newmont Chile Holdings	Newmont Chile Holdings	Beneficial holder and owner of the shares	72,602,150 ordinary shares	Newmont Chile Holdings

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN	Nature of association
N/A	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Newmont Mining Corporation and its Associates	C/- 1700 Lincoln Street, Denver, Colorado 80203, USA
Newmont Chile Holdings	C/- Close Brothers (Cayman) Ltd, 103 South Church Street, Grand Cayman, Cayman Islands
Magtrust Pty Ltd	Level 5, 30 Little Cribb Street, Milton, Queensland

Signature

print name	David Wayne Godfrey	capacity	Local Agent
sign here		date	09 / 12 / 03

**MAGTRUST PTY LTD
AUSTRALIAN MAGNESIUM CORPORATION
LIMITED
NEWMONT CHILE HOLDINGS**

SHARE SALE DEED

CORRS CHAMBERS WESTGARTH

Lawyers
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000
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Ref: CAJ/767703

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THIS DEED is made on **8** December 2003

BETWEEN **MAGTRUST PTY LTD** ACN 107 123 973 of Level 5, 30 Little Cribb Street, Milton, Queensland ("**Purchaser**")

AND **AUSTRALIAN MAGNESIUM CORPORATION LIMITED** ABN 51 010 441 666 of Level 5, 30 Little Cribb Street, Milton, Queensland ("**AMC**")

AND **NEWMONT CHILE HOLDINGS** of Close Brothers (Cayman) Ltd, 103 South Church Street, Grand Cayman, Cayman Islands ("**Newmont**")

RECITALS

- A** The parties acknowledge that Newmont has advised AMC that, for its own corporate objectives, Newmont wishes to sell the Shares held by it, and that Newmont is prepared to sell those Shares to facilitate the introduction of a new investor in AMC who is supportive of the objectives of AMC to develop a magnesium business. The parties have agreed to enter into this document to facilitate those objectives.
- B** Newmont has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from Newmont, the Shares on the terms set out in this document.
- C** The Purchaser has agreed with AMC that upon transfer of the Shares to the Purchaser, the Purchaser will hold the Net Proceeds of sale of the Shares on trust for AMC on the terms set out in this document.

IT IS AGREED

1 INTERPRETATION

1.1 Definitions

In this document:

"**Additional Shares**" means 72,602,150 of the Shares.

"**ASIC**" means the Australian Securities and Investments Commission.

"**Base Shares**" means 209,939,928 of the Shares.

"**Business Day**" means a day which is not a Saturday, Sunday or bank or public holiday in Brisbane.

"**Corporations Act**" means the Corporations Act 2001 (C'th).

"**Encumbrance**" means any mortgage, pledge, lien, charge, assignment, option, security interest, title retention or other security agreement or arrangement.

"**Information**" has the meaning given in section 1042A of the Corporations Act.

"**Listing Rules**" means the official listing rules of Australian Stock Exchange Limited with any waivers in their application to AMC that may be granted.

"Net Proceeds" means the total net proceeds of sale of any Shares pursuant to clause 4.4(a), (b) or (c) after deducting the total cost of the sale, including all transaction taxes and duties.

"Purchase Consideration" means \$1.00 payable on completion of the sale and purchase of the Base Shares and \$1.00 payable on completion of the sale and purchase of the Additional Shares.

"Related Body Corporate" has the meaning given to it in the Corporations Act, and to avoid any doubt includes Newmont Mining Corporation, any corporation controlled directly or indirectly in any manner whatsoever by Newmont Mining Corporation and any partnership in which Newmont (or Related Body Corporate) has an interest.

"Shares" means the 282,542,078 fully paid ordinary Shares in the capital of AMC held by Newmont on the date of this document.

"Trust" means the trust declared under clause 3.3.

"Trust Fund" means the Net Proceeds.

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
 - (iv) time is to local time in Brisbane;
 - (v) "\$" or "dollars" is a reference to Australian currency;
 - (vi) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
 - (vii) a clause is a reference to a clause of this document;
- (f) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day.

1.3 Headings

Headings do not affect the interpretation of this document.

2 AGREEMENT TO BUY AND SELL SHARES

2.1 Sale and purchase

Newmont agrees, in reliance on the provisions of this Deed including without limitation clauses 3.2 and 3.3, to sell to the Purchaser, and the Purchaser agrees to purchase from Newmont, the Shares free from any Encumbrance for the Purchase Consideration, subject to the terms of this document.

2.2 Conditional agreement

- (a) The agreement under clause 2.1 to sell and purchase the Additional Shares is conditional on ASIC granting an exemption under section 655A of the Corporations Act in respect of the acquisition by any person of a relevant interest in the Additional Shares as a result of:
 - (i) the sale and purchase of the Additional Shares under clause 2; or
 - (ii) the declaration of trust under clause 3.3.
- (b) If the condition referred to in clause 2.2(a) is not fulfilled on or before 18 December 2003, then the agreement to sell and purchase the Additional Shares is at an end. AMC must use reasonable endeavours to ensure that the condition is fulfilled on or before that date, and Newmont must provide any information reasonably required by AMC for this purpose.

2.3 Completion

- (a) Completion of the sale and purchase of the Base Shares is to occur immediately after this Deed is executed by the parties hereto. On completion, Newmont must deliver to the Purchaser a registrable transfer (other than execution by the Purchaser of the transfer and any stamping requirements) of the Base Shares and the certificates for the Base Shares or, if the Base Shares are held in an uncertificated form, procure the transfer of the Base Shares pursuant to any computerised or electronic system for the purpose of facilitating dealings in the Base Shares. Simultaneously with delivery by Newmont of the registrable transfer of the Base Shares, the Purchaser must pay Newmont \$1.00.
- (b) Completion of the sale and purchase of the Additional Shares is to occur, subject to fulfilment of the condition referred to in clause 2.2(a), within 1 Business Days after fulfilment of the condition referred to in clause 2.2(a) but in any event by no later than 18 December 2003. On completion, Newmont must deliver to the Purchaser a registrable transfer (other than execution by the Purchaser of the transfer and any stamping requirements) of the Additional Shares and the certificates for the Additional Shares or, if the Additional Shares are held in an uncertificated form, procure the transfer of the Additional Shares pursuant to any computerised or electronic system for the purpose of facilitating dealings in the Additional Shares. Simultaneously with delivery by Newmont of the registrable transfer of the Additional Shares, the Purchaser must pay Newmont \$1.00.

- (c) Completion is to take place at the offices of Newmont Australia Limited, 100 Hutt Street, Adelaide during normal business hours.

3 WARRANTIES

3.1 Newmont's warranties

Newmont represents and warrants to the Purchaser, and it is a condition of this document, that:

- (a) Newmont is the legal and beneficial owner of the Shares held by it free of all Encumbrances and third party rights;
- (b) Newmont is able to transfer to the Purchaser good legal and equitable title to the Shares held by it free of all Encumbrances and third party rights;
- (c) the execution and delivery of this document has been properly authorised by all necessary corporate action of Newmont;
- (d) Newmont has full corporate power and lawful authority to execute and deliver this document and to consummate and perform its obligations under this document;
- (e) subject to stamping, equitable remedies and laws effecting creditors rights generally, this document is a valid and binding obligation of Newmont enforceable in accordance with its terms by appropriate legal remedy;
- (f) neither the execution nor the performance of this document by Newmont conflicts with or results in a breach of or default under any provision of the constitution of Newmont or any material term or provision of any agreement or deed or any writ, order or injunction or judgment to which it is a party or is subject or by which it is bound.

3.2 Purchaser's warranties

The Purchaser represents and warrants to Newmont, and it is a condition of this document, that:

- (a) the Purchaser is aware of all Information of which, at the date of this Deed, AMC, or any director of AMC, is aware that a reasonable person, if such Information was generally available, would expect to have a material effect on the price or value of AMC securities;
- (b) AMC does not have the capacity to determine the outcome of decisions about the Purchaser's financial and operating policies;
- (c) the execution and delivery of this document has been properly authorised by all necessary corporate action of the Purchaser;
- (d) the Purchaser has full corporate power and lawful authority to execute and deliver this document and to consummate and perform its obligations under this document;

- (e) subject to stamping, equitable remedies and laws affecting creditors rights generally, this document is a valid and binding obligation of the Purchaser enforceable in accordance with its terms by appropriate legal remedy;
- (f) neither the execution nor the performance of this document by the Purchaser will conflict with or result in a breach of or default under any provision of the constitution of the Purchaser or any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound.

3.3 AMC Warranties

AMC represents and warrants to Newmont, and it is a condition of this document that, it does not have the capacity to determine the outcome of decisions about the Purchaser's financial and operating policies.

4 DEALINGS IN THE SHARES

4.1 Newmont does not control sale of Shares

Upon transfer of any Shares to the Purchaser, Newmont acknowledges and agrees that it does not have any interest in the Shares nor any power to control the exercise of the power of the Purchaser to sell the Shares, including without limitation any power to control the identity of the person to whom the Shares are disposed of or the terms on which the Shares are disposed of.

4.2 No exercise of right to vote

The Purchaser undertakes to AMC that upon transfer of any Shares to the Purchaser the Purchaser will not exercise, and will not allow any other person to exercise, a right to vote attached to the Shares.

4.3 Declaration of Trust

The Purchaser declares that, upon sale of any Shares by the Purchaser, the Purchaser holds the Trust Fund upon trust for AMC, subject to the provisions of this document and, in particular, the following terms:

- (a) following any sale of the Shares pursuant to, and subject to prior compliance by the Purchaser with, **clause 4.4**, the Purchaser shall take all necessary steps to wind-up the Trust;
- (b) except as otherwise provided in this document, the Purchaser may exercise all powers conferred on trustees by law in respect of the performance of the Trust, all powers necessary or incidental to the performance of the Trust and such other powers as the parties agree on in writing;
- (c) the Purchaser is entitled to be indemnified out of the Trust Fund against all claims, damages, losses, actions, liabilities, debts, obligations, costs, expenses, fees and taxes incurred by the Purchaser in relation to the performance of the Trust and powers and discretions of the Purchaser under this document or by law, except to the extent arising from the Purchaser's fraud, negligence or wilful default;

- (d) the Purchaser's liability to AMC as a beneficiary of the Trust is limited to the Trust Fund vested in the Purchaser, except in the case of the Purchaser's fraud, negligence or wilful default; and
- (e) the Purchaser will not be entitled to any remuneration for acting as trustee of the Trust.

4.4 Future sale of Shares

- (a) The Purchaser undertakes to AMC that, following transfer of any Shares to the Purchaser, the Purchaser shall use all reasonable endeavours to sell the Shares by either of the following means:
 - (i) to a person (other than Newmont or any of its Related Bodies Corporate) who, in the opinion of AMC, is supportive of the objectives of AMC to develop a magnesium business, subject to any approval of shareholders of AMC required by the Corporations Act or the Listing Rules; or
 - (ii) to another person or persons (other than Newmont or any of its Related Bodies Corporate), subject to the consent of AMC and subject to any requirements of the Corporations Act and the Listing Rules.
- (b) In the event of a takeover bid (within the meaning of the Corporations Act) that extends to any Shares, and under takeover bid the bidder obtains voting power (within the meaning of the Corporations Act) of at least 35% in respect of AMC and the takeover bid:
 - (i) is or becomes unconditional; or
 - (ii) is recommended by the board of directors of AMC,then the Purchaser undertakes to AMC that it will accept the offer made under the takeover bid in respect of the Shares.
- (c) If, within 12 months from the date of this Deed, the Purchaser has not sold the Shares in accordance with clause 4.4(a) or (b), then the Purchaser undertakes to AMC that it will immediately use all reasonable endeavours to sell the Shares to AMC pursuant to a selective share buy-back in accordance with and subject to any requirements of the Corporations Act and the Listing Rules.
- (d) To avoid any doubt, the Purchaser undertakes to AMC that it will not dispose of the Shares except as provided in clause 4.4(a), (b) or (c).

5 GENERAL

5.1 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

5.2 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

5.3 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Queensland.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Queensland and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

5.4 Assignment

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other parties, not to be unreasonably withheld or delayed.
- (b) Any purported dealing in breach of this clause is of no effect.

5.5 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document. Counterparts of this deed may be executed by facsimile, provided the original signed counterpart is exchanged as soon as practicable.

5.6 Costs

Newmont must pay and if paid by AMC reimburse AMC its legal and other costs (including any fees payable to ASIC) of AMC and the Purchaser in negotiating, preparing, executing and performing this document, up to \$20,000. Except as stated in this clause, each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing this document.

5.7 Stamp Duty

The Purchaser must bear all stamp duty payable or assessed in connection with this Deed and the transfer of the Sale Shares to the Purchaser.

5.8 No merger

The warranties, undertakings and covenants in this Deed do not merge on completion.

5.9 Entire understanding

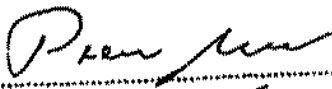
- (a) This document contains the entire understanding between the parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are


merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.

- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the parties.


EXECUTED as a deed in Queensland.

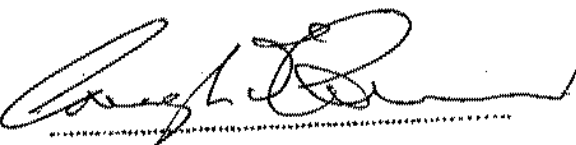
EXECUTED by MAGTRUST PTY LTD)


.....
Company Secretary/Director
P. K. NAIR
.....
Name of Company Secretary/Director (print)



.....
Director
KENNETH G. WILLIAMS
.....
Name of Director (print)

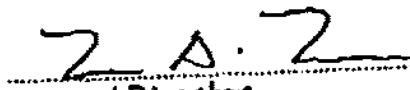
EXECUTED by AUSTRALIAN)
MAGNESIUM CORPORATION)
LIMITED)


.....
Company Secretary/Director
P. K. NAIR
.....
Name of Company Secretary/Director (print)


.....
Director
F. C. H. O' CONNOR
.....
Name of Director (print)

EXECUTED by NEWMONT CHILE)
HOLDINGS by the party's attorney)
pursuant to power of attorney)
dated 4 Dec 03 who states that no)
notice of revocation of the power of)
attorney has been received in the presence)
of:)


.....
Witness
Glenda M. Hajar
.....
Name of Witness (print)


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Attorney / Director
Britt D. Banks
.....
Name of Attorney (print)

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