



13 October 2005

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

Dear Sirs,

RE: ALLOTMENT OF NEW SHARES

Please find attached the following:

- An announcement on the second and final allotment of Placement shares.
- Appendix 3B seeking quotation.
- Relief under S780A document.
- Appendix 3Y Change in Director's Interests.

Yours sincerely,

A handwritten signature in black ink, appearing to read "P.K. Nair", written in a cursive style.

P.K. Nair
COMPANY SECRETARY



Advanced Magnesium Limited
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ASX ANNOUNCEMENT – 12 October 2005

The Company announced its capital raising exercise on the 4 October 2005. Advanced Magnesium Limited (AML) has made the final allotment of 15,466,667 fully paid ordinary shares today which, combined with the allotment on 7 October of 17,086,332 fully paid ordinary shares, completes the capital raising exercise. These allotments were pursuant to Shareholders approval received on 4 October 2004. The total raised from the allotment of shares and the sale of AML shares held by Magtrust Pty Ltd amount to \$12.92 million before cost.

In addition, the Company also announces the following:

- The Company's securities are currently trading on a post consolidation basis under a new temporary ASX code "ANMDA". The deferred settlement should end on 18 October 2005 and the ASX code under which the Company's securities would trade will return to "ANM" on 19 October 2005.
- AML has sought quotation on today's allotment of 15,466,667 fully paid ordinary shares.
- The Shareholders on 4 October 2004 approved an Employee Share Option Plan and pursuant to this arrangement, AML has granted 2,645,650 options on a post consolidated basis to 21 employees including consultants. The exercise price of each option is \$0.31 and has a term of 60 months from the date of issue.

The main terms of the options are set out below:

1. Each option will entitle employee to subscribe for one fully paid ordinary share in the capital of Advanced Magnesium Limited upon payment of the exercise price.
2. Each share issued pursuant to the exercise of an option will rank equally in all respects with the shares then on issue.
3. If the Company goes through a capital reconstruction, the options would be adjusted in accordance with the Listing Rules.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Advanced Magnesium Limited

ABN

51 010 441 666

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | a) Ordinary Shares
b) Options over ordinary shares (unlisted) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 15,466,667
b) 2,645,650 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Fully paid ordinary shares, post 1 for 20 consolidation.
b) Employee options over ordinary shares post 1 for 20 consolidation, with exercise price \$0.31 per option, expires 12 October 2010. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>a) \$0.30 per share cash</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funding for continued operation of the business.</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 October 2005</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="706 1323 982 1375">Number</th> <th data-bbox="982 1323 1255 1375">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="706 1375 982 1459">1,058,994,616</td> <td data-bbox="982 1375 1255 1459">Ordinary Shares, pre-1 for 20 consolidation</td> </tr> <tr> <td data-bbox="706 1459 982 1581">32,552,999</td> <td data-bbox="982 1459 1255 1581">Ordinary Shares, post-1 for 20 consolidation</td> </tr> </tbody> </table>	Number	+Class	1,058,994,616	Ordinary Shares, pre-1 for 20 consolidation	32,552,999	Ordinary Shares, post-1 for 20 consolidation
Number	+Class						
1,058,994,616	Ordinary Shares, pre-1 for 20 consolidation						
32,552,999	Ordinary Shares, post-1 for 20 consolidation						

+ See chapter 19 for defined terms.

	Number	*Class								
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center;">3,000,000</td> <td>Unlisted options, pre-1 for 20 consolidation expiry 28 Feb 2007</td> </tr> <tr> <td style="text-align: center;">66,265,465</td> <td>Unlisted options, pre-1 for 20 consolidation expiry 29 Nov 2007</td> </tr> <tr> <td style="text-align: center;">400,000</td> <td>Unlisted options, post-1 for 20 consolidation expiry 7 Oct 2008</td> </tr> <tr> <td style="text-align: center;">2,645,650</td> <td>Unlisted employee options, post-1 for 20 consolidation expiry 12 Oct 2010</td> </tr> </table>	3,000,000	Unlisted options, pre-1 for 20 consolidation expiry 28 Feb 2007	66,265,465	Unlisted options, pre-1 for 20 consolidation expiry 29 Nov 2007	400,000	Unlisted options, post-1 for 20 consolidation expiry 7 Oct 2008	2,645,650	Unlisted employee options, post-1 for 20 consolidation expiry 12 Oct 2010
3,000,000	Unlisted options, pre-1 for 20 consolidation expiry 28 Feb 2007									
66,265,465	Unlisted options, pre-1 for 20 consolidation expiry 29 Nov 2007									
400,000	Unlisted options, post-1 for 20 consolidation expiry 7 Oct 2008									
2,645,650	Unlisted employee options, post-1 for 20 consolidation expiry 12 Oct 2010									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The new shares will rank pari passu to the existing post consolidated shares.								

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	-
12	Is the issue renounceable or non-renounceable?	-
13	Ratio in which the *securities will be offered	-
14	*Class of *securities to which the offer relates	-
15	*Record date to determine entitlements	-
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	-
17	Policy for deciding entitlements in relation to fractions	-

* See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with.	—
19	Closing date for receipt of acceptances or renunciations	—
20	Names of any underwriters	—
21	Amount of any underwriting fee or commission	—
22	Names of any brokers to the issue	—
23	Fee or commission payable to the broker to the issue	—
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	—
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	—
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	—
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	—
28	Date rights trading will begin (if applicable)	—
29	Date rights trading will end (if applicable)	—
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	—

+ See chapter 19 for defined terms.

-
- 31 How do ⁺security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 13 October 2005
(Director/Company secretary)

Print name: P.K. Nair

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+ See chapter 19 for defined terms.



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ASX ANNOUNCEMENT – 12 October 2005

RELIEF UNDER SECTION 780A(5)(e) OF THE CORPORATIONS ACT

On 4 October 2005, the Company's shareholders approved a placement of up to 50 million (post consolidated) fully paid ordinary shares. As part of this process, the Company has allotted the second and final batch of 15,466,667 new ordinary shares.

The Company relies on case 1 in Section 708A(5) of the Corporations Act ("Act") in respect of the issue of those shares

The Company gives notice under paragraph (5) (e) of Section 708A of the Act to confirm that:

1. The Company allotted the above shares without disclosure to the placees under Part 6D.2 of the Act.
2. As at the date of this notice, the Company has complied with:
 - (a) The provisions of Chapter 2M of the Act (as applicable to the Company); and
 - (b) Section 674 of the Act.
3. At the date of this notice there is no excluded information (as defined in paragraph (7) of sections 708A of the Act) which is required to be disclosed by the Company

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	ADVANCED MAGNESIUM LIMITED
ABN	51 010 441 666

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Ian David Hartnell
Date of last notice	17 November 2004

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Direct or indirect interest	Direct interest
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	13 October 2005
No. of securities held prior to change	Direct Interest: 182,000 Ordinary shares
Class	Ordinary shares
Number acquired	656,000 Employee options granted at an exercise price of \$0.31 each and expire on 12 October 2010.
Number disposed	
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	nil
No. of securities held after change	182,000 Ordinary shares (direct interest) 656,000 Employee options granted at an exercise price of \$0.31 each and expire on 12 October 2010.
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of Options pursuant to the Employee Share Option Plan approved by Shareholders on 4 October 2005.

Appendix 3Y
Change of Director's Interest Notice

Part 2 – Change of director's interests in contracts

Name of Director	Ian David Hartnell
Date of last notice	17 November 2004

Detail of contract	-
Nature of interest	-
Name of registered holder (if issued securities)	-
Date of change	-
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	-
Interest acquired	-
Interest disposed	-
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	-
Interest after change	-

DATE: Thursday, 13 October 2005