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The Manager
Company Announcements
ASX Limited
20 Bridge Street
Sydney 2000

11 September 2009

Dear Sirs

1 FOR 1 NON RENOUNCEABLE RIGHTS ISSUE

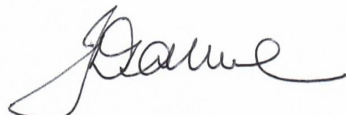
Advanced Magnesium Limited (ASX: ANM) announced on 30 June 2009 a one for one non renounceable rights issue at \$0.04 per share.

1. The rights issue closed on 3 September 2009 with shareholders applying for 69,254,803 ordinary fully paid shares amounting to \$2,770,192.12. The Company has today allotted and issued 69,254,803 shares in respect of valid applications.
2. Following allotment, the issued capital of the company is as follows.

	Number	Class
Number and class of all securities quoted on ASX	175,229,756	Fully paid up ordinary shares
Number and class of all securities not quoted on ASX	100,000	Options having an exercise price of \$0.31 expiring on 13 October 2010

The attached Appendix 3B reflects the issue of those shares.

In due course a further 36,242,098 shares amounting to \$1,449,683.92 will be issued to the underwriter of the rights issue bringing the total amount raised from the rights issue to \$4,219,876.04.



John Talbot
Company Secretary

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, 24/10/2005.

Name of entity

Advanced Magnesium Limited

ABN

510 1044 1666

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 | Fully paid up ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 69,254,803 |
| 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) | Issued under a non renounceable 1 for 1 rights issue at \$0.04 per share |

+ See chapter 19 for defined terms.

<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>\$0.04 per share</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund</p> <ul style="list-style-type: none"> ➤ an investment of \$2,830,189 in Henan Keweier Alloy Materials Co. and ➤ provision of working capital \$1,408,809 				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>11 September 2009</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="779 1323 1063 1354">Number</th> <th data-bbox="1063 1323 1334 1354">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="779 1354 1063 1566">175,229,756</td> <td data-bbox="1063 1354 1334 1566">Fully paid up ordinary shares</td> </tr> </tbody> </table>	Number	+Class	175,229,756	Fully paid up ordinary shares
Number	+Class				
175,229,756	Fully paid up ordinary shares				

+ 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)	Options having an exercise price of \$0.31 expiring on 13 October 2010
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy exists

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non renounceable
13	Ratio in which the +securities will be offered	1 share for each share held
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	27 July 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	3 September 2009

+ See chapter 19 for defined terms.

20	Names of any underwriters	KWE (HK) Investment Development Co Limited
21	Amount of any underwriting fee or commission	None
22	Names of any brokers to the issue	None
23	Fee or commission payable to the broker to the issue	None
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	None
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus or PDS has been issued. Offer document and Entitlement Form dispatched on 31 July 2009
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	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

- 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 NOT APPLICABLE

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.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

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

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 (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

Quotation agreement

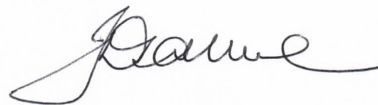
- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 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.
 - 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: 11 September 2009

(Director/Company secretary)

Print name: John Talbot Company Secretary

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