



**Advanced  
Magnesium  
Limited**

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1 September 2011

### **Advanced Magnesium Limited**

ASX Code: ANM

### **Securities Purchase Plan**

The Directors of Advanced Magnesium Limited are pleased to announce the successful conclusion of the Securities Purchase Plan (SPP).

Conducted over the last five weeks, the SPP formally concluded on 31 August 2011.

In spite of the worst market conditions for many years AML shareholders have continued to provide strong support to the Company, endorsing the strategy outlined to investors over the last two years.

As at close of business on 1 September 2011 an amount of \$1,635,206 had been collected under SPP applications. Additionally, the institutional shareholders that have provided a partial underwriting of the SPP will, based on subscriptions of \$1,635,206 from the general shareholder base, subscribe a further \$1,342,986 (The issue of shares to the underwriters will require the approval of shareholders at the Company's next Annual General Meeting.) Therefore, the total amount raised in respect of the SPP is \$2,978,192. This amount may increase marginally depending upon the acceptance of late applications.

In line with the announcement of the SPP on 21 July 2011, at least \$650,000 of this raising will be used to pay down debt owing to the vendors of Magontec. The balance will be allocated to

- recovery of direct and indirect costs associated with the acquisition of the Magontec group (approximately \$200,000);
- working capital requirements of AML (\$1,500,000); and
- the residual maintained as a cash reserve.

As a result of the extension of the SPP closure date to 31 August 2011, shareholders who have subscribed to the SPP will be allotted shares on Tuesday 6 September 2011.

Nicholas Andrews  
Executive Chairman  
Advanced Magnesium Limited