



DISPATCH OF RIGHTS ISSUE PROSPECTUS

Highlights:

Dispatch of rights issue prospectus with entitlement and acceptance forms.

China Magnesium Corporation Limited ABN 14 125 236 731

ASX Code: CMC

Level 10, 12 -14 Marine Pde
Southport QLD 4215

P +61 7 5531 1808

F +61 7 5591 1059

info@chinamagnesiumcorporation.com

PO Box 3767
Australia Fair, QLD 4215

Issued Capital:

Quoted:

314,897,034 fully paid shares

Unquoted:

Nil

Directors:

William Bass

(Non-Executive Chairman)

Tom Blackhurst

(Managing Director)

Xinping Liang

(Chief Operating Officer)

Peter Robertson

(Non-Executive Director)

Substantial shareholders:

Mr Tom Blackhurst 14.7%

Shanxi Pingyao Fengyan

Group 11.1%

Mr Xinping Liang 10.9%

Mr Guicheng Jia 5.4%

China Magnesium Corporation Limited (ASX: CMC; "CMC" or "the Company") advises that the prospectus (together with personalised entitlement and acceptance forms, a template for which accompanies this announcement) for the pro-rata non-renounceable rights issue (announced on 18 October 2018) has been dispatched today.

ENDS

ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:

LEVEL 10 SEABANK BUILDING
12-14 MARINE PARADE
SOUTHPORT QLD 4215
AUSTRALIA

CHINA MAGNESIUM CORPORATION LIMITED

ACN: 125 236 731

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO Box 52
Collins Street West VIC 8007



«Post_zone»

«Company_code» «Sequence_number»

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code:

CMC

Holder Number:

«Holder_number»

Eligible Holding as at 5.00pm WST
on 25 October 2018:

«Securities»

Entitlement to Securities 1:2:

«Entitlement»

Amount payable on acceptance
@ \$0.05 per Security:

«Amount_payable»

NON-RENOUCEABLE SHARE OFFER CLOSING AT 7.00PM EST ON 12 NOVEMBER 2018
ISSUE PRICE OF \$0.05 CENTS PER SHARE WITH 1 FREE ATTACHING OPTION
(EXPIRING 15 FEBRUARY 2019 @ \$0.10) FOR EVERY 1 SHARE ISSUED.

(1) I/We the above named being registered at 7.00pm EST on the 25 October 2018 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR			AMOUNT ENCLOSED @ \$0.05 PER SHARE			
Entitlement or Part Thereof	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$	<input type="text"/>	<input type="text"/>	<input type="text"/>
Additional new Shares *	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL	<input type="text"/>	<input type="text"/>	<input type="text"/>	TOTAL \$	<input type="text"/>	<input type="text"/>	<input type="text"/>

(* refer to section 1.4 (b) of the Prospectus)

(2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).

(3) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted.

Any decision of the Directors as to whether to accept this form, and how to construe, amend, correct or complete it shall be final.

(4) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.

(5) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format and that I/we have read the Prospectus and this Entitlement and Acceptance form (including the reverse page) in their entirety.


(6) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

EMAIL ADDRESS

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.



Biller code: 159483
Ref: «EFT_reference_number»

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account. More info: www.bpay.com.au

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **CHINA MAGNESIUM CORPORATION LIMITED** and crossed "Not Negotiable".

REGISTRY DATE STAMP

E & O.E.

Your BPAY reference number is unique to this offer and is not to be used for any other offer.

BPAY PAYMENT OR THE RETURN OF THIS FORM WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

You do not need to return this form if you have made payment via BPAY.

LODGEMENT INSTRUCTIONS

PAYMENT INFORMATION



Biller code: 159483

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.
More info: www.bpay.com.au

Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY® applications may only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

ALTERNATIVE ACCEPTANCE/PAYMENT METHODS

The Company may, in special circumstances and in its absolute discretion, allow acceptances/payments to be submitted by other forms such as email and electronic funds transfer (EFT). Please contact the Company's share registry at the contact details below if you would like to request alternative acceptance/payment methods.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Applications must be received by Security Transfer Australia Pty Ltd no later than 7.00pm EST on the closing date (12 November 2018 unless extended).

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.

This application form relates to the offer of shares in the Company pursuant to the prospectus dated 18 October 2018. This form must not be handed to any person unless it is attached to or accompanied by the prospectus and (if applicable) any relevant supplementary prospectus.

Persons receiving or accessing this form, or applying for securities, from outside Australia must specifically read section 5.4 of the prospectus. The return of a completed application form from such persons will be taken by the Company to constitute a representation

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Australia Pty Ltd

PO Box 52, Collins Street West, VIC, 8007

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.