



## **NOTICE OF GENERAL MEETING**

Notice is given that a General Meeting of Members of China Magnesium Corporation Limited (the “Company”) will be at held at Park Regis North Quay, 293 North Quay, Brisbane, Queensland at 10am (Queensland time) on 25 January 2019.

### **ORDINARY BUSINESS**

#### **Resolution 1: Removal of Mr Peter Robertson as a director**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, pursuant to Article 20.9 of the Company Constitution, and for all other purposes, Mr Peter Robertson be removed as a Director of the Company effective upon passing of this resolution."

### **GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

### **BY ORDER OF THE BOARD**

William Bass

Director

21 December 2018

### **Entitlement to Vote**

Under regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Company's register of members at 7.00pm (Queensland time) on 23 January 2019.

### **Proxies**

In accordance with Section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company;
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with Section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes. Fractions are disregarded;
- If you wish to appoint a proxy and are entitled to do so, please complete and return the attached proxy form;
- A corporation may elect to appoint a representative rather than a proxy, in accordance with the *Corporations Act*. In this case, the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company prior to the meeting.

The instrument appointing the proxy must be received by the Company at Level 10, 12-14 Marine Parade, Southport QLD Australia 4215, at least 48 hours before the time notified for the Meeting.

## EXPLANATORY STATEMENT

This Explanatory Statement is provided to shareholders of **CHINA MAGNESIUM CORPORATION LIMITED ACN 125 236 731 (Company or CMC)** to explain the resolutions to be put to Shareholders at the General Meeting to be held at Park Regis North Quay, 293 North Quay, Brisbane, Queensland at 10am (Queensland time) on 25 January 2019.

The Directors recommend shareholders read the accompanying Notice of General Meeting (**Notice**) and this Explanatory Statement in full before making any decision in relation to the resolutions.

The Notice of Meeting sets out the details of the matter to be put to Shareholders comprising the following:

### Ordinary Business

- Resolution 1 - Removal of Mr Peter Robertson as a Director;

Specific comments relating to the Resolution are set out below.

### Resolution 1 – Removal of Mr Peter Robertson as a Director

This resolution has been proposed due to a breakdown in the working relationship between Mr Robertson and the other directors. This includes but is not limited to the events and circumstances surrounding the purported resignation of Mr Robertson (suffice to say that the Company's other directors and Mr Robertson have a difference of opinion in respect of the events and effectiveness of the purported resignation) and which lead to the retraction announcement made to ASX on 21 December 2018 (retracting prior statements made by the Company in respect of Mr Robertson's purported resignation).

Should this resolution be passed, the remaining directors will be:

- Mr William Bass, independent non-executive director since 15 February 2010 and Chair since 10 March 2010;
- Mr Thomas Blackhurst, managing director since 4 May 2007 and co-founder of CMC; and
- Mr Xinping Liang, executive director since 4 May 2007 and co-founder of CMC.

As an independent non-executive director since 3 July 2008, Mr Robertson is an Australian metallurgical engineer with more than 35 years of experience in mineral processing, smelting and rolling of aluminium and developing new technologies for the recycling of aluminium waste material. Mr Robertson has for decades been involved in the manufacture and supply of consumables and consulting services to the aluminium cast house industry through his role as General Manager of Leymont Pty Ltd.

Further information about the board, including the background and shareholdings of each current director, are set out in the 'Directors' Report' section of the Company's annual report for the year ended 30 June 2018.

The Company will consider the appointment of a new director in the new year potentially but, in any case, will ensure that it maintains the minimum requirement of three directors, at least two of whom must reside in Australia.

END OF EXPLANATORY STATEMENT



Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms and Certificates of appointments of Corporate Representatives (and any Power of Attorney under which the Proxy or Certificate form is signed) must be received by China Magnesium Corporation Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Email** info@chinamagnesiumcorporation.com

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