



MANAGEMENT SERVICES AGREEMENT COMPLETED

China Magnesium Corporation Limited
ABN 14 125 236 731

ASX Code: CMC

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PO Box 3767
Australia Fair, QLD 4215

Issued Capital:

Quoted:

412,438,556 fully paid shares

Directors:

William Bass

(Non-Executive Chairman)

Jason Teoh

(Chief Executive Officer)

Xinping Liang

(Chief Operating Officer)

Marcelo Mora

(Non-Executive Director)

Substantial shareholders:

Mr Tom Blackhurst	11.2%
Shanxi Pingyao Fengyan Group	8.5%
Mr Xinping Liang	8.3%

China Magnesium Corporation Limited (ASX: **CMC**; "**CMC**" or "the **Company**") is pleased to announce that it has completed all due diligence pursuant to its ASX announcement of 29 October 2018, and has subsequently signed an Agreement to acquire 21.43% of Sovran White (Shandong) International Logistics Company Limited (SWS).

Under the Agreement CMC will acquire a 21.43% interest in SWS in consideration for \$2M and the issue of 50 million fully paid ordinary shares to Sovran White International Pte. Ltd. (SWI) at \$0.05 per share. SWI is a Singapore investment enterprise with interests in new-age farm and ecotourism resort development in China

SWS has been awarded contracts in relation to the Yiyuan County Growers Co-operative, an agricultural co-operative based in Yiyuan County, Zibo City, Shandong Province, China. for :

(a) providing management services for the packaging, storage, logistics and distribution of the co-operatives produce both domestically and internationally

(b) the exclusive rights to export the co-operatives products

CMC shall also provide minor professional services to SWS for providing logistics and export services expertise, which leverages existing networks of CMC.

The co-operative produced over 800,000 tonnes of produce during the 2018 season across approximately 400km² of land located in Yiyuan County, Shandong Province.

The co-operative prior to this Agreement has not had facilities to export its produce. The Agreement does not have a termination date.

Chief Executive Officer Mr. Jason Teoh noted that "this Agreement provides a value-adding opportunity which also uses CMC's skills and expertise in China, whilst allowing CMC to remain focused on its core magnesium business."

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