



CHINA MAGNESIUM CORPORATION LIMITED

ACN 125 236 731

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10:00am (Singapore time/AWST)

DATE: 8 July 2020

PLACE: The Meeting Room @ Triple One Somerset, Level 3, 13 Triple One Somerset, 111 Somerset Road Singapore 238164

This Notice of General Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of General Meeting, please do not hesitate to contact the Company Secretary on **+61 7 3011 6355** or info@chinamagnesiumcorporation.com.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

A General Meeting of shareholders of China Magnesium Corporation Limited ACN 125 236 731 (ASX:CMC) (**Company** or **CMC**) to which this Notice of Meeting relates will be held at 10:00am (Singapore time/AWST) on **8 July 2020** at:

The Meeting Room @ Triple One Somerset, Level 3, 13 Triple One Somerset, 111 Somerset Road, Singapore 238164

IMPACTS OF COVID-19 ON THE MEETING

As at the date of this Notice, due to the restrictions applicable as a result of COVID-19, and more generally in the interest of public health, the Company strongly encourages all Shareholders not to attend the physical meeting and instead to lodge a directed proxy vote, appointing the Chairman as their proxy, prior to the cut-off time for proxy voting (which is set out below).

To lodge your proxy vote, please ensure you carefully follow the directions on your personalised proxy form which will be enclosed with the copy of this Notice.

The Company is happy to accept and answer questions prior to the close of proxy voting via email, such questions should be forwarded to info@chinamagnesiumcorporation.com.

Shareholders are invited to contact the Company Secretary, Peter Tay on +61 7 3011 6355 or info@chinamagnesiumcorporation.com if they have any queries in relation to this protocol.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- online at www.automicgroup.com.au;
- in person at Level 5, 126 Phillip Street, Sydney NSW 2000;
- by post to GPO Box 5193, Sydney NSW 2001;
- by facsimile to +61 2 8583 3040;
- by scan and email to hello@automicgroup.com.au; or
- by following the directions on the Proxy Form.

Please note that the Proxy Form must be received by the Company no later than **10:00am** (AWST) on **Monday 6 July 2020**.

Proxy Forms received later than this time will be invalid.

ENTITLEMENT TO VOTE

The Company may specify a time, not more than 48 hours before the General Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the General Meeting.

The Board has determined that all Shares that are quoted on ASX at **10:00am** (AWST) on **6 July 2020** shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

PROXIES

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative. An appointment of corporate representative form can be obtained by via the Company's share registry website – www.automicgroup.com.au.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Peter Tay on +61 7 3011 6335 or info@chinamagnesiumcorporation.com if they have any queries in respect of the matters set out in this document.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Shareholders of the Company will be held at **The Meeting Room @ Triple One Somerset, Level 3, 13 Triple One Somerset, 111 Somerset Road, Singapore 238164** commencing at 10:00am Singapore time/AWST on 8 July 2020 to consider, and if thought fit, to pass the Resolutions set out below:

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

Terms used in this Notice and accompanying Explanatory Statement are defined in the glossary to this document.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without amendment, each of the following Resolutions as **special resolutions**:

RESOLUTION 1 – REMOVAL FROM THE OFFICIAL LIST OF THE ASX

“That, subject to and conditional upon (i) the approval of the Removal by the ASX; (ii) the approval of the Listing by the SSX; and (iii) the passing of Resolutions 2 and 4, for the purposes of Listing Rule 17.11 and for all other purposes, Shareholders approve the Company’s removal from the Official List on 14 July 2020 (or such later date as is agreed with ASX), and that the Board be authorised to do all things reasonably necessary to give effect to the removal of the Company from the Official List.”

RESOLUTION 2 – ADOPTION OF NEW CONSTITUTION

“That, subject to and conditional on (i) the approval of the Listing by the SSX; (ii) the removal of the Company from the Official List of ASX; and (iii) the passing of Resolution 1, pursuant to section 136(2) of the Corporations Act, and for all other purposes, the Constitution submitted to this General Meeting and signed by the Chairman for the purpose of identification be adopted as the constitution of the Company in substitution for and to the exclusion of the existing Constitution, with such adoption to take effect on and from the date on which the last of the conditions of this Resolution 2 have been satisfied.”

RESOLUTION 3 – CHANGE OF NAME OF COMPANY

“That, subject to and conditional on the passing of Resolutions 1 and 2, pursuant to section 157(1)(a) of the Corporations Act, and for all other purposes, the name of the Company be changed from “China Magnesium Corporation Limited” to “Sovran White International Limited” with effect on and from the date on which ASIC alters the details of the Company’s registration.”

ORDINARY BUSINESS

To consider and, if thought fit, to pass, with or without amendment, each of the following Resolutions as an **ordinary resolution**:

RESOLUTION 4 – LISTING ON THE OFFICIAL LIST OF THE SSX

“That, subject to and conditional on (i) the passing of Resolutions 1 and 2; and (ii) the approval of the Listing by the SSX, for all purposes, Shareholders approve the Listing of the Company’s securities to official quotation on the official list of the SSX with effect on and from the date on which the SSX provides unconditional approval for the Listing.”

EXPLANATORY STATEMENT

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice.

Dated 8 June 2020

BY ORDER OF THE BOARD OF DIRECTORS

Peter Tay

Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be dealt with at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting preceding this Explanatory Statement.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of General Meeting, please contact the Company Secretary, your stockbroker or other professional adviser.

1 RESOLUTION 1 – REMOVAL FROM THE OFFICIAL LIST OF THE ASX

1.1 Background

On 1 July 2019, the ASX suspended the Company's securities from official quotation pursuant to Listing Rule 17.3, pending the result of further investigations (**Suspension**). As at the date of this Notice, the Suspension has not been lifted and the Company's securities have not been reinstated to official quotation.

Since that time, the Company has been in discussions with ASX with a view to voluntarily remove the Company from the Official List pursuant to ASX Listing Rule 17.11 (**Removal**). On 18 May 2020, the Company applied to the ASX to be removed from the Official List. The reasons for the Removal are set out more fully in paragraph 1.2 below.

In connection with the Removal, the Board has considered for the Company to list its securities on an alternative exchange (**Listing**). The Board has also been deliberating over a number of other Australian market operators and considers that the SSX is the most suitable for the current financial position of the Company. The Board has been in discussions with the SSX with regards to the process to facilitate the Listing. The Listing and the Board's reasons regarding the Listing are set out in paragraph 1.3 below.

The Removal is conditional on:

- approval of the Removal by the ASX;
- the approval of the Listing by the SSX; and
- the passing of Resolutions 2 and 4.

If the Removal is approved but the Company does not obtain approval for the Listing from the SSX, Resolution 1 (and any Resolution conditional on the passing of Resolution 1) will not be approved and the Company will remain listed on the ASX for the time being (and accordingly, the Company's securities will remain under Suspension). The Board will then need to reconsider which direction the Company will take.

It is intended for the Removal to occur, as far as practicable, contemporaneously with the Listing. Please see the timetable in paragraph 1.9.

1.2 **Reasons for Removal from the ASX**

As briefly described in an announcement to the market on 18 May 2020, the Board has determined that the Removal is in the best interests of the Company. The Board has undertaken to more comprehensively describe its reasoning supporting the Removal below:

(a) **Financial Position and Market Capitalisation**

Pursuant to the terms of a sale and purchase agreement dated on or about 6 August 2019, CMC has agreed to dispose of its interests in Shanxi Yushun Magnesium Co. Ltd (which owns a magnesium production facility located in Pingyao, China) subject to a number of conditions being met (**Sale**). For the purposes of Listing Rule 11.2, the Company obtained approval from the Shareholders by resolution which was passed at a general meeting held on 23 October 2019. As at the date of this Notice, the Sale has not yet completed.

Since that time, the Company has been exploring its options and is in discussions with various third parties regarding the acquisition of new projects. Over recent years, the Company has suffered losses that have resulted in a progressive diminution of the Company's net assets and working capital. As a result, the Board is of the view that the prospect of the Company meeting the requirements of the profit test in Listing Rule 1.2 or the assets test in Listing Rule 1.3 (in the event the Company is required to re-comply) are low. By way of example, under the profit test the Company will be required (among other things) to have an aggregated profit from continuing operations for the last 3 financial years of at least \$1,000,000 and a consolidated profit from continuing operations during the preceding 12 months of at least \$500,000. Under the assets test, the Company would need (among other things) to have net tangible assets of at least \$4,000,000 or a market capitalisation of at least \$15,000,000.

The costs associated with re-compliance with Chapters 1 and 2 of the Listing Rules are substantial and are akin to that of an initial public offering (including all requirements to issue a prospectus and requiring securities to be listing at a minimum of 20 cents in cash). The ASX has noted in Section 8.1 of ASX Guidance Note 12 that it treats any requirement to re-comply with the Listing Rules as a *de novo* application.

(b) **Costs of Re-compliance and Maintaining Listing on ASX**

Given the Company's current financial position, the Board considers that the costs associated with re-complying with Chapters 1 and 2 of the Listing Rules would be better and more effectively used to add shareholder's value through a listing on the SSX and growing the Company's business.

The Board also considers that the ongoing financial, administrative and compliance obligations and costs associated with maintaining its listing on the ASX need to be minimised on an on-going basis.

1.3 Reasons to List on the SSX

(a) SSX background

Like the ASX, the SSX is an ASIC regulated tier one licensed stock exchange which provides unique listed products in property, pooled investments and fixed interest investments. The SSX uses the same CHESS platform as the ASX with the same SRN and HIN structure and offers access to the same share registries as the ASX.

The SSX's governance policies represent a smooth, fast path for growth in the Australian market while maintaining a high level of accountability, disclosure and rigour. The SSX Listing Rules contain similar disclosure requirements to the ASX Listing Rules to ensure a fair and efficient market for security holders.

In the view of the Board, the SSX market represents a fresh and flexible alternative to the ASX market which may provide additional benefits in respect of diversifying the Company's opportunities in the marketplace.

(b) Financial Position and Market Capitalisation

The SSX's admission requirements, under SSX Listing Rule 4.29 requires prospective listees to have net tangible assets, or a market capitalisation, of at least \$2,000,000 together with a minimum working capital requirement of \$300,000. In contrast with ASX's thresholds, the Board is confident that the Company can meet these requirements in the short-term.

The fact that the Company can meet the monetary thresholds for the SSX but not the ASX, as canvassed in paragraph 1.2(a) is, in the Board's view, indicative that the Company's current market capitalisation is more suited to a market such as that provided on the SSX.

(c) Cost

The ongoing costs for maintaining quotation on the official list of the SSX are in the order of 30% less than the costs associated with maintaining its listing on the ASX. The Board has determined a number of benefits are derived from this reduction in cost including additional working capital for the Company and/or opportunities to add shareholder value.

(d) Avenue to re-commence trading

As the Shares are currently suspended from trade due to the imposition of the Suspension, by completing the Listing, Shareholders will be able to re-commence trading their Shares on the official list of the SSX.

1.4 Potential advantages and disadvantages of the Removal

(a) Advantages

The advantages in favour of the Removal, from the Company's perspective, are set out in paragraphs 1.2 and 1.3.

(b) **Disadvantages**

The Company considers that there are some potential disadvantages in respect of the Removal, including:

(i) **Shareholders' ability to sell their Shares may diminish**

If the Removal is successful, Shareholders will no longer be able to trade their Shares on the ASX, and instead will (subject to approval from the SSX and the passing of Resolution 4) be traded on the SSX. While the SSX is an ASIC regulated tier one exchange, it is not as widely known as the ASX, and as a result, the Shares may not have the level of liquidity they would have if CMC's securities were listed (and not suspended) on the Official List.

(ii) **If the Removal is successful, the Company will no longer be subject to the Listing Rules**

If the Removal is successful, the Company will no longer be subject to a number of requirements under the Listing Rules. However, if the Listing is successful and the Company lists its securities on the official list of the SSX, it will be subject to the SSX Listing Rules. The Board has not conducted a comprehensive comparison of the provisions of the Listing Rules against the SSX Listing Rules, but the Board considers that the Company's obligations under the SSX Listing Rules are not materially less onerous than its obligations under the Listing Rules.

1.5 Effect of Removal

If Resolution 1 is passed, the effect is that the Shareholders will no longer be able to trade their Shares on the ASX.

However, as mentioned above, the Shares are currently suspended from trading on the ASX, and for the reasons set out in paragraph 1.2, it is not viable for the Company to meet ASX's requirements to remove the Suspension and have its shares reinstated to official quotation on the ASX in the short-term.

As the Company will also seek to be listed on the SSX, the Company would not become an "unlisted disclosing entity" (as that term is defined under the Corporations Act) and would remain subject to continuous disclosure requirements under the SSX Listing Rules and the Corporations Act.

The Company does not intend to implement a formal share buy-back, sale facility or other similar arrangement which would enable the Shareholders to dispose of their Shares prior to the Removal and potential subsequent Listing on the SSX. Therefore, Shareholders will not be able to dispose of their holdings on-market on the ASX prior to the Removal.

1.6 Consequences if Removal not approved

If Resolution 1 is not passed, the Company may not be able to proceed with the Removal and as such, the Suspension will remain in place, a corollary of which is that the Shares will likely not be able to be traded on any marketplace in the near future.

As a result, the Board will need to consider other options with regards to the Company's future direction.

1.7 Regulatory requirement

Listing Rule 17.11 provides that the ASX may at any time remove an entity from the Official List at the request of the entity. Listing Rule 17.11 also provides that ASX is not required to act on the entity's request, or may require conditions to be satisfied before it will act on the request.

Guidance Note 33 provides that the ASX will usually require entities seeking to delist from the Official List under Listing Rule 17.11 to seek the approval of that entity's shareholders by special resolution.

ASX has advised that it intends to agree to the Company's request for Removal pursuant to Listing Rule 17.11 subject to the Removal being approved by a special resolution of Shareholders. Consequently, the Company is seeking Shareholder approval for the Removal by way of a special resolution. The Company will update the market via an ASX announcement if the ASX advises of any further conditions for the Removal.

Section 10 of Guidance Note 35 requires that all "listing rule resolutions" be decided by a poll rather than by a show of hands. This will apply to Resolution 1.

A special resolution requires approval of at least 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney, on in the case of a corporate shareholder, by a corporate representative).

1.8 Remedies for Shareholders

If Shareholders consider the Removal to:

- (a) be contrary to the interests of Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or a group of Shareholders, that Shareholder may be able to seek relief under Part 2F.1 of the Corporations Act (*Oppressive conduct of affairs*). The appropriate court may (or may not) make any order it considers appropriate under section 233 of the Corporations Act, including (among other things) that the Company be wound up or an order regulating the conduct of the Company's affairs in future; or
- (b) involve "unacceptable circumstances" (as that term is defined in the Corporations Act), it may be able to apply to the Takeovers Panel to seek a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act. Under section 657D of the Corporations Act, if the Takeovers Panel has declared that there are unacceptable circumstances, it may make any order it thinks appropriate to protect the rights or interests of those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

Prior to seeking the above remedies, Shareholders may wish to seek legal advice in respect of those remedies.

1.9 Timing

It is anticipated by the Board that events leading up to the Removal may occur in accordance with the table below. The Board notes that this timetable has been updated from the timetable set out in the Company's announcement made to ASX's market announcements platform on 18 May 2020.

Important Dates	
Notice of general meeting, explanatory memorandum and proxy forms to be provided to Shareholders	8 June 2020
General meeting of shareholders to obtain approval for Removal and other ancillary resolutions	8 July 2020
Announcement of results of general meeting released to market	8 July 2020
Removal from the ASX (subject to ASX approval)	14 July 2020

We note that, since the Company's shares are suspended from trading, ASX has advised that the Company will not need to comply with the usual condition that removal from the ASX will not take place any earlier than one month after shareholder approval has been obtained in respect of the Removal.

The timetable is indicative only and remains subject to change. Further updates will be provided to the market if required.

1.10 Board Recommendation

The Board recommends that for the reasons set out above, the Shareholders vote in favour of Resolution 1.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

2 RESOLUTION 2 – ADOPTION OF A NEW CONSTITUTION

2.1 Background

Pursuant to SSX Listing Rule 7.1, a company listing its securities for quotation to the official list of the SSX must have a constitution which is consistent with the requirements under the SSX Listing Rules and the SSX Listing Rules Procedures. Section 7 of the SSX Listing Rules Procedures enumerates the matters which the constitution of a prospective listee to the SSX must have.

Pursuant to SSX Listing Rule 4.22, a company listing its securities for quotation on the official list of the SSX requires a provision to the following effect to be adopted into its constitution:

"The following provisions apply whilst the applicant is granted admission to the official list of Sydney Stock Exchange:

- (a) *if the Rules require an act being done, no provision in this constitution prevents that act being done;*
- (b) *if the Rules require an act to be or not to be done, this constitution permits that act to be done or not to be done (as the case may be);*
- (c) *notwithstanding anything contained in this constitution, where the Rules prohibit an act being done, the act must not be done;*
- (d) *this constitution is deemed to contain any provision that the Rules require the constitution to contain;*
- (e) *this constitution is deemed not to contain any provision that the Rules require the constitution not to contain; and*
- (f) *this constitution is deemed not to contain a provision to the extent that it is inconsistent with any of the Rules.”*

The Company currently has a similar provision to the foregoing which the ASX required to be adopted in the Company's constitution pursuant to Listing Rules upon listing on the Official List. Therefore, only a small number of changes will need to be made to the Constitution in order to comply with the requirement under SSX Listing Rule 4.22.

2.2 Regulatory requirements

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by a special resolution of its shareholders.

A special resolution requires approval of at least 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney, on in the case of a corporate shareholder, by a corporate representative).

If Resolution 2 is passed, the new constitution will take effect immediately, subject to the conditions set out in Resolution 2 (which conditions include the removal of the Company from the Official List).

2.3 Key changes to the Constitution

The following changes are intended to be made to the Constitution under Resolution 2:

(a) Listing Rule definition

The word “ASX” will be replaced by the word “SSX” each time it appears in the definition of “Listing Rules” in clause 1.1 of the Constitution so that the definition now reads:

‘Listing Rules means the Listing Rules of the SSX and any other rules of the SSX which apply while the Company is admitted to the Official List of the SSX, as amended or replaced from time to time, except to the extent of any express written waiver by SSX’.

(b) **SSX definition**

The following definition will be inserted alphabetically in clause 1.1 of the Constitution:

‘**SSX** means the Sydney Stock Exchange Limited ACN 080 399 220’.

(c) **Consistency amendments**

The word “ASX” will be replaced with the word “SSX” each time it appears in clauses 8.4(c), 12.1(a) and 12.1(b) of the Constitution.

2.4 **Constitution**

A copy of the new Constitution will be made available in the ‘Investor Centre’ section of the Company’s website. For a copy please visit the Company’s website at: www.chinamagnesiumcorporation.com.

2.5 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 2.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

3 **RESOLUTION 3 – CHANGE OF NAME OF COMPANY**

3.1 **Background**

Resolution 3 seeks approval from the Shareholders to change the Company’s name from “China Magnesium Corporation Limited” to “Sovran White International Limited”.

In the Board’s view, the proposed change of name is appropriate and in the best interests of the Company in order rebrand itself, reflecting the significant changes that the Company has undertaken in connection with the Sale, the Removal and the Listing.

Furthermore, the Board considers that the change of name is appropriate as the Company continues to focus on trading opportunities and is not actively pursuing any magnesium based production.

If Shareholders approve Resolution 3, then subject to the passing of Resolutions 1 and 2, the change of name will take effect from the day on which ASIC alters the details of the Company’s registration.

3.2 **Regulatory requirements**

Section 157(1) of the Corporations Act provides that a company may change its name if the company passes a special resolution to adopt a new name.

A special resolution requires approval of at least 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney, on in the case of a corporate shareholder, by a corporate representative).

The proposed name has been reserved by the Company and if Resolution 3 is passed, then subject to passing of Resolutions 1 and 2, the Company will lodge a copy of the special resolution with ASIC on completion of the meeting in order to effect the change.

3.3 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 3.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

4 **RESOLUTION 4 – LISTING ON THE OFFICIAL LIST OF THE SSX**

4.1 **Background**

As mentioned in the Company's announcement to the market on 18 May 2020, the Company intends to, in connection with the Removal, complete a Listing of its securities on the official list of the SSX.

A number of the benefits associated with the Listing have been described in paragraphs 1.2 and 1.3 of this Explanatory Statement. At a very high level, the benefits of the Listing include:

- (a) **(new direction)**: the SSX market represents a fresh and flexible alternative to the ASX market, and may provide additional benefits in relation to diversifying the Company's opportunities in the marketplace.
- (b) **(suitability)**: the SSX market is more suited to the Company's current market capitalisation.
- (c) **(cost)**: the ongoing costs to maintain quotation on the SSX are in the order of 30% less than the costs associated with listing on the ASX.
- (d) **(recommence trading)**: the Board considers the Listing to be the most expeditious avenue for the Company's securities to recommence trading on a public exchange.

4.2 **Regulatory requirements**

While there is no express requirement for the Company to obtain Shareholder approval in respect of the Listing, the Board feels that it is important for Shareholder's to share the same views as the Board in respect of the future direction of the Company.

If Resolution 4 is passed, then subject to the passing of Resolutions 1 and 2 and the approval of the Listing by the SSX, the Company will complete the Listing and list its securities for quotation on the official list of the SSX.

4.3 **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

GLOSSARY

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691, or the financial market operated by it as the context requires.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Chairman means the chairman of the General Meeting.

Company or **CMC** means China Magnesium Corporation Limited ACN 125 236 731 (ASX:CMC).

Company Secretary means the company secretary of the Company.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting means the general meeting convened by this Notice of General Meeting.

Guidance Note means an ASX Listing Rules Guidance Note as amended from time to time.

Listing has the meaning given in paragraph 1.1 of the Explanatory Statement.

Listing Rules means the Listing Rules of ASX as amended from time to time.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement.

Official List means the official list of the ASX.

Proxy Form means the proxy form enclosed with this Notice.

Removal has the meaning given in paragraph 1.1 of the Explanatory Statement.

Resolutions means the resolutions set out in the Notice, and **Resolution** means any one of them, as the context requires.

Sale has the meaning given in paragraph 1.2(a) of the Explanatory Statement.

Shareholders means the holder of a Share or Shares.

Shares means the fully paid ordinary shares in the capital of the Company and **Share** means any one of them.

SSX means the Sydney Stock Exchange Limited ACN 080 399 220.

SSX Listing Rules means the Listing Rules of the SSX as amended from time to time.

SSX Listing Rules Procedures means the Listing Rules Procedures of the SSX as amended from time to time.

Suspension has the meaning given in paragraph 1.1 of the Explanatory Statement.

Holder Number:

Vote by Proxy: CMC

Your proxy voting instruction must be received by **10.00am (AWST/Singapore Time) on Monday, 6 July 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



