



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:

195,022,849 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 16.9%

Shanxi Pingyao Fengyan

Group 12.8%

Mr Xinping Liang 10.7%

Mr Guicheng Jia 6.2%

Mr Ming Li 6.2%

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 28 October 2016) 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

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

T: +61 3 9628 2200 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 7.00pm EST
on 4 November 2016:

Entitlement to Securities 1:2.4378:

Amount payable on acceptance
@ \$0.025 per Security:

**NON-RENOUCEABLE SHARE AND LISTED OPTION OFFER CLOSING AT 7.00PM EST ON 23 NOVEMBER 2016
ISSUE PRICE OF \$0.025 CENTS PER SHARE WITH ONE (1) FREE ATTACHING OPTION
(EXPIRING 8 DECEMBER 2017 @ \$0.05) FOR EVERY TWO (2) SHARES ISSUED.**

(1) I/We the above named being registered at 7.00pm EST on the 4 November 2016 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.025 PER SHARE
Entitlement or Part Thereof	<input type="text"/> , <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"/> . <input type="text"/>
TOTAL	<input type="text"/> , <input type="text"/> , <input type="text"/>	TOTAL \$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

(* refer to the 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

@

**BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT 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.**

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.		REGISTRY DATE STAMP
	Biller code: 159483 Ref: <input type="text"/>	
CHEQUE / MONEY ORDER All cheques (expressed in Australian currency) are to be made payable to CHINA MAGNESIUM CORPORATION LIMITED and crossed "Not Negotiable".		
BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to this offer and is not to be used for any other offer.		E & O.E.



LODGEMENT INSTRUCTIONS

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 (23 November 2016 unless extended).

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.

This application form relates to the offer of shares in the Company pursuant to the prospectus dated 28 October 2016. 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 5.5 of the prospectus. The return of a completed application form from such persons will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained and that the Company may legally offer and issue the securities to you.

PAYMENT INFORMATION



Billers code: 159483

BPAY® this payment via internet or phone banking. 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.

DIRECT DEPOSIT

Acceptances from foreign shareholders may be faxed/emailed and payment deposited directly to China Magnesium Corporation Bank Account as indicated on the enclosed (for foreign shareholders only) payment information instructions.

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.

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 +61 3 9628 2200

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.

