



\$1.5M RIGHTS ISSUE OF SHARES AND LISTED OPTIONS – REMINDER

Highlights:

- Rights issue closes at 7pm (EST) on Tuesday, 30 September 2014.
- \$0.04 per share plus one free listed option (exercisable at \$0.07 on or before 30 September 2016) for every new share offered, to raise up to \$1.5 million.
- Total underwritings and firm commitments of \$724,214 from Directors and major shareholders - almost half the offer.
- For those eligible shareholders wishing to participate it is your responsibility to ensure your acceptance/payment is received by CMC's share registrar (not CMC itself) by the closing time.

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Limited ABN 14 125 236 731

ASX Code: CMC

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Issued Capital:

Shares - Quoted:

170,125,516 fully paid shares

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 15.8%

Mr Feng Wang 12.0%

Mr Xinping Liang 8.6%

Mr Guicheng Jia 7.1%

Mr Ming Li 7.1%

China Magnesium Corporation Limited (ASX: CMC; "CMC" or "the Company") reminds eligible shareholders that its pro-rata non-renounceable rights issue of shares (plus free listed options) is currently scheduled to close at 7pm (EST) on Tuesday, 30 September 2014.

The shares are being offered at \$0.04 each (a 34% discount to the closing market price of 6.1 cents per share on Thursday, 28 August 2014 the day prior to announcing the offer), together with one free listed option (exercisable at \$0.07 on or before 30 September 2016) for every new share offered, raising up to approximately \$1,500,000 (before expenses of the offer).

The Company has received separate firm commitment undertakings from each Director and major shareholder Mr Wang Feng (on behalf of Shanxi Pingyao Fengyan Coal & Coke Group Company Limited) that they will each subscribe (or procure the subscription for) for the full entitlements offered in relation to their relevant interests in the Company. Certain Directors of CMC have also agreed to partially underwrite any shortfall to the offer up to a maximum of \$152,000. The total underwriting and firm commitment amounts add up to \$724,214 – almost half of the \$1,500,000 offer amount.

Eligible shareholders wishing to participate in the rights issue are reminded that to accept all or part of your entitlement, you must:

- complete the entitlement and acceptance form accompanying the prospectus and forward the completed form, together with payment for the amount due in respect of new shares applied for; or
- pay the amount due in respect of new shares applied for, calculated at (\$0.04) per new share, by BPAY®.

in accordance with the instructions set out on the entitlement and acceptance form (unless alternative arrangements are made and agreed to by the Company).

Please note that it is your responsibility to ensure that payment for your entitlement (and, if paying by other than BPAY®, your completed entitlement and acceptance form) is received by the Company's share registrars – Security Transfer Registrars Pty Ltd (located in Perth) – no later than 7pm EST (5pm Perth time) on Tuesday, 30 September 2014.

Payments/acceptances initiated or sent prior to the closing time but received by the share registrar after the closing time may be rejected. Note that your financial institution may have cut off times for the processing of BPAY and other payments.

Further details on the amount of your entitlement and how to accept your entitlement are set out in the personalised entitlement and acceptance form posted to you on 9 September 2014.

The primary purpose of the offer is to (and the funds raised from the offer are intended to be used to) provide the Company with additional general working capital and flexibility to further its existing magnesium and semi-coking business and, if thought fit, to put it in a stronger position to build capacity and acquire assets in industries which leverage the Company's strengths and advantages.

CMC wishes to thank those eligible shareholders who have already participated in the rights issue for their continued support.

ENDS