



## RIGHTS ISSUE RESULT AND SHORTFALL

### Highlights:

- Rights issue subscriptions to total over \$1 million (pre costs).
- All Directors and major shareholder Wang Feng followed their rights and Directors will subscribe for a further \$162,000 of the shortfall.
- Directors and Wang Feng have subscribed or will subscribe for \$724,214 - almost half the offer amount.

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**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 (pre rights):**

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") today advises that under the terms of the rights issue announced 29 August 2014, shareholders were offered the opportunity to subscribe for one (1) new CMC share at \$0.04 each for every 4.53668 shares held, together with one free listed option (exercisable at \$0.07 on or before 30 September 2016) for every new share offered, with 37,500,000 new shares and 37,500,000 new options offered to raise up to \$1,500,000 before costs and before exercising of the options.

Eligible shareholders have taken up 19,417,979 shares under the rights issue (52% of the shares offered), raising \$776,719 and leaving a shortfall of 18,082,021 shares (the "Shortfall").

Subject to ASX listing rules, the Directors reserve the right to issue the Shortfall at their discretion.

The Company has already received applications for the Shortfall amounting to 1,788,175 shares (\$71,527).

In addition to the above Shortfall applications, the Shortfall has been partly underwritten by Directors to a maximum of \$162,000, so that the total to be raised will (if all shortfall applications received to date are accepted) be at least \$1,010,246 (before costs) by the issue of 25,256,154 shares (67% of the shares offered).

All Directors and major shareholder Mr Wang Feng (on behalf of Shanxi Pingyao Fengyan Coal & Coke Group Company Limited) followed their rights and Messrs Xinping Liang, William Bass and Peter Robertson (directors of the Company) will subscribe for \$110,000, \$30,000 and \$22,000 (respectively) of the shortfall pursuant to their underwriting commitments.

Directors have subscribed or will subscribe for a total of \$544,214. Adding Wang Feng's subscriptions, total subscriptions by Directors and substantial shareholders will amount to \$724,214.

The Directors wish to thank shareholders for their continued support of the Company and advises that holder statements in relation to accepted entitlements will be issued on or around 8 October 2014.

**ENDS**