



PROPOSED ON-MARKET SHARE BUY BACK

Highlights:

- On market buy-back of up to 10% of the Company's shares.
- Part of an effective capital management program to maximise shareholder value.

China Magnesium Corporation Limited ABN 14 125 236 731

ASX Code: CMC

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PO Box 3767
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Issued Capital:

Quoted:

195,381,670 fully paid shares

25,256,154 opts (7c; 30/9/16)

Unquoted:

N/A

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 16.7%

Mr Feng Wang 12.8%

Mr Xinping Liang 10.5%

Mr Guicheng Jia 6.1%

Mr Ming Li 6.1%

China Magnesium Corporation Limited (ASX: CMC; "CMC" or "the Company"), which is on its way to become a large, low cost, vertically integrated producer of magnesium, semi coke, tar oil and other value-added industrial products, advises that it intends to conduct an on-market share buyback of up to 10% of its issued shares as part of an effective capital management program to maximise shareholder value and returns.

The buyback period will commence on 11 November 2014 (14 days from the date of this announcement) and will last for up to 12 months.

The Board considers that the current share price does not accurately reflect the current cash position, underlying asset value or the prospective value of the Company's business and having the buy-back program in place will provide the Company with an opportunity to add value to the remaining shares on issue.

ENDS