



## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Members of China Magnesium Corporation Limited ("**Company**" or "**CMC**") will be held at Park Regis North Quay, 293 North Quay, Brisbane, Queensland (Australia) at 10am (Queensland time) on Thursday 26 November 2015.

### ORDINARY BUSINESS

#### **Financial statements and reports**

To receive and consider the Company's financial report, the directors' report and the auditor's report for the year ended 30 June 2015.

#### **Resolution 1: Re-election of Mr William Bass**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr William Bass, a director who retires in accordance with Listing Rule 14.4 and the Company's Constitution, being eligible and having offered himself for re-election, be re-elected as a director of the Company."

#### **Resolution 2: Remuneration Report**

To consider and, if thought fit, pass the following advisory resolution:

"That, the section of the report of the directors' contained in the 2015 Annual Report dealing with the remuneration of the Company's Directors and Senior Executives ('Remuneration Report') be adopted."

*Under Section 250R(3) of the Corporations Act, this resolution is advisory only and does not bind the Directors of the Company*

#### **Resolution 3: Removal of auditor**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That BDO Audit Pty Ltd be removed as auditor of the Company."

#### **Resolution 4: Appointment of auditor**

To consider and, if thought fit, pass the following resolution as a special resolution:

"That, subject to the passing of Resolution 3, ShineWing Australia be appointed as auditor of the Company."

### GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

### BY ORDER OF THE BOARD

Damien Kelly  
Company Secretary  
21 October 2015

### **Entitlement to vote**

Under regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the Company's register of members at 10.00am (Queensland time) on Tuesday 24 November 2015.

### **Proxies and Body Corporate Representatives**

In accordance with Section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company;
- a Shareholder who is 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. If no proportion or number is specified, then in accordance with Section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes. Fractions are disregarded;
- If you wish to appoint a proxy and are entitled to do so, please complete and return the attached proxy form;
- A corporation may elect to appoint a representative rather than a proxy, in accordance with the *Corporations Act*. In this case, the Company will require written proof of the representative's appointment.

**The instrument appointing the proxy or corporate representative must be received by the Company at Level 10, Seabank Building, 12-14 Marine Parade, Southport QLD Australia 4215, at least 48 hours before the time notified for the Meeting** (proxy forms can lodged by facsimile on +61 7 5591 1059).

### **Voting exclusion statements**

**Resolution 2** – A vote must not be cast (in any capacity) on resolution 2 by or on behalf of a member of the China Magnesium Corporation's Group key management personnel ("KMP"), details of whose remuneration is included in the Remuneration Report, or their closely related parties, whether as a shareholder or as a proxy. However a vote may be cast on resolution 2 by a KMP, or a closely related party of a KMP, if the vote is not cast on behalf of such a person and either:

- It is cast as a proxy for a person who is entitled to vote, and who has specified in writing how the proxy is to vote on resolution 2; or
- It is cast by the Chairman as a proxy for a person who is entitled to vote and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

## EXPLANATORY STATEMENT

This Explanatory Statement is provided to shareholders of **CHINA MAGNESIUM CORPORATION LIMITED ACN 125 236 731** (“**Company**” or “**CMC**”) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Park Regis North Quay, 293 North Quay, Brisbane, Queensland (Australia) at 10am (Queensland time) on Thursday 26 November 2015.

The Directors recommend shareholders read the accompanying Notice of Annual General Meeting (“**Notice**”) and this Explanatory Statement in full before making any decision in relation to the resolutions. The Notice of Meeting sets out the agenda of the matters to be put to Shareholders

Specific comments relating to the agenda items are set out below.

### **Financial statements and reports**

The *Corporations Act 2001* requires the Company’s financial report, the directors’ report and the auditor’s report to be tabled at the Annual General Meeting of the Company. In addition, the Company’s Constitution provides for such reports and statements to be received and considered at the meeting.

Apart from the matters involving remuneration of directors which are required to be voted upon, neither the *Corporations Act* nor the Company’s Constitution requires a vote of members at the Annual General Meeting on such reports. However, members are given the opportunity to raise questions with respect to these reports and statements at the meeting.

The financial report, directors’ report and the auditor’s report may be found in the annual report for the Company, which has previously been sent to members who requested a copy and is also available on the Company’s website [www.chinamagnesiumcorporation.com](http://www.chinamagnesiumcorporation.com).

Members may submit a written question to the auditor no less than 5 business days prior to the Annual General Meeting which relates to the content of the auditor’s report or to the conduct of the audit in relation to the financial report to be considered at the meeting.

The auditor will be attending the Annual General Meeting and will answer written questions submitted prior to the meeting.

### **Resolution 1 – Re-election of Mr William Bass as a Director**

Mr William Bass retires in accordance with Listing Rule 14.4 and the Company’s Constitution and, being eligible, offers himself for re-election.

Mr Bass has been an independent non-executive director since 15 February 2010 and Chair since 10 March 2010. Mr Bass brings extensive experience in commercial and financial management with a range of leading Australian and international public companies.

*The Directors recommend that you vote in favour of this resolution.*

### **Resolution 2 – Remuneration Report**

Section 250R of the *Corporations Act 2001* requires that the section of the directors’ report dealing with the remuneration of directors and specified executives of the company be put to the members for adoption by way of a non-binding vote.

The vote of the members is advisory only and does not bind the Directors of the Company.

The remuneration report may be found in the 2015 annual financial report which has been sent to members who have requested a copy and the report is also available on the Company’s website [www.chinamagnesiumcorporation.com](http://www.chinamagnesiumcorporation.com)

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

*The Directors recommend that you vote in favour of this resolution.*

### **Resolutions 3 and 4 – Removal and appointment of auditors**

Under Section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting where the necessary notice of intention to remove the auditor has been given. The Company has received such a notice.

Resolution 3 is an ordinary resolution and as such requires a simple majority of votes cast for it to pass. If Resolution 3 is passed, BDO Audit Pty Ltd will cease to be auditors of the Company. If Resolution 3 is not passed, BDO Audit Pty Ltd will remain the auditors of the Company.

Under section 327D of the Corporations Act, the Company at the same general meeting may appoint another auditor to replace an auditor removed under section 329 of the Corporations Act.

If BDO Audit Pty Ltd is removed under Resolution 3, the directors propose that ShineWing Australia be appointed as the Company's auditor.

In accordance with Section 328B of the Corporations Act the Company has obtained a nomination from a Shareholder for ShineWing Australia to be appointed as auditor of the Company and a copy of this nomination is attached with this explanatory statement at Annexure A.

In accordance with Section 328A(1) of the Corporations Act, ShineWing Australia has provided the Directors with written notification of its consent to act as auditor.

Resolution 4 is conditional on the passing of Resolution 3. Resolution 4 is a special resolution and as such requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting (by proxy, attorney or otherwise).

If both Resolutions 3 and 4 are passed, ShineWing Australia will be appointed as auditors of the Company.

*The Directors recommend that you vote in favour of Resolution 3 and Resolution 4.*

### **Annexure A – Copy of Nomination of Auditor**

Attention: Company Secretary  
China Magnesium Corporation Limited  
Level 10, Seabank Building, 12-14 Marine Parade, Southport QLD 4215

15 October 2015

Dear sir

#### **Nomination of Auditor – China Magnesium Corporation Limited**

I, Damien Kelly, being a member of China Magnesium Corporation Limited ("Company"), hereby nominate ShineWing Australia for appointment as auditor of the Company.

Yours faithfully



Damien Kelly  
PO Box 243, Floreat Forum WA 6014

**END OF EXPLANATORY STATEMENT**

PROXY 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.

CHINA MAGNESIUM CORPORATION LIMITED

REGISTERED OFFICE:  
12-14 Marine Parade  
Southport QLD 4215

14 125 236 731

SHARE REGISTRY:  
Security Transfer Registrars Pty Ltd  
PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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OR

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The meeting Chairperson  
(mark with an "X")

The name of the person you are appointing  
(ONLY if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10am (Queensland time) on Thursday 26 November 2015 at Park Regis North Quay, 293 North Quay, Brisbane, Queensland (Australia) and at any adjournment of that meeting.

**Chairman authorised to exercise undirected proxies:** Where I/we have appointed the Chairperson of the Meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy as he/she sees fit (except where I/we have indicated a different voting intention below) even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company.

**The Chairperson intends to vote undirected proxies in favour of all Resolutions.** In exceptional circumstances, the Chairperson may change his/her voting intention on any Resolution.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution	For	Against	Abstain*
1. Re-election of Mr William Bass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Removal of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

NAME \_\_\_\_\_

[illegible]

TELEPHONE NUMBER

$$(\begin{array}{|c|c|} \hline & \\ \hline \end{array}) \begin{array}{|c|c|c|c|c|c|c|c|} \hline & & & & & & & \\ \hline \end{array}$$

### 1. Name and Address

## 2. Appointment of a Proxy

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of China Magnesium Corporation Limited.

### 3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

#### 4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company on +61 7 5531 1808 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

## 5. Signing Instructions

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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company. A form of the certificate may be obtained from the Company's share registry.

## 6. Lodgement of Proxy or Certificates of Appointment

Proxy forms and certificates of appointments of corporate representatives (and any Power of Attorney under which the proxy or certificate form is signed) must be received by the Company no later than 10:00am on 24 November 2015, being 48 hours before the time for holding the meeting.

China Magnesium Corporation Limited  
PO BOX 3767  
Australia Fair QLD 4215

**Street Address:**  
Level 10, Seabank Building  
12 – 14 Marine Parade  
Southport QLD 4215

Telephone +61 7 5531 1808

Facsimile +61 7 5591 1059

Email [info@chinamagnesiumcorporation.com](mailto:info@chinamagnesiumcorporation.com)

## PRIVACY STATEMENT

Personal information is collected on this form by the Company for the purpose of maintaining registers of securityholders, facilitating proxy management and voting at general meetings 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 the Company or you would like to correct information that is inaccurate please contact them on the address on this form.