



ISSUE OF PART RIGHTS ISSUE SHORTFALL TO UNDERWRITERS

Highlights:

- Underwriters to the recent 1: 4.53668 rights issue have subscribed for and been issued a further 4,050,000 shares and 4,050,000 options, raising an additional \$162,000 before costs.
- Over \$1m raised pursuant to rights issue.
- Directors and Fengyan group have now subscribed for a total of almost \$725,000 of this amount.

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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") today advises that, pursuant to the rights issue announced 29 August 2014 and further to the announcements of 3 and 8 October 2014, it has today issued 4,050,000 shares and 4,050,000 options (exercisable at \$0.07 on or before 30 September 2016 and otherwise on the terms set out in section 5.2 of the Company's prospectus dated 29 August 2014), which comprise part of the shortfall of the Company's recent rights issue, pursuant to shortfall applications lodged by the underwriters.

Messrs Xinping Liang, William Bass and Peter Robertson (Directors of the Company) subscribed for \$110,000, \$30,000 and \$22,000 (respectively) of the shortfall pursuant to their underwriting commitments. This has raised an additional \$162,000 before costs.

The total raised pursuant to the rights issue (including shortfall applications) is now \$1,010,246 (before costs) by the issue of 25,256,154 shares and 25,256,154 options (67% of the \$1.5m offer amount).

Subject to ASX listing rules, the Directors reserve the right to issue the shortfall in their absolute discretion.

All Directors and major shareholder Mr Wang Feng (on behalf of Shanxi Pingyao Fengyan Coal & Coke Group Company Limited) followed their rights and with the underwriting obligations having now been met, total subscriptions by Directors and Wang Feng amount to \$724,214.

The issued capital of the Company following allotment is as follows:

Listed	Code	Number
Shares	CMC	195,381,670
Options (exercisable at \$0.07, expiring 30 Sep 2016)	CMCO	25,256,154

Unlisted

N/A

ENDS