



# China Magnesium Corporation Limited

21 October 2013

Dear Shareholder

## NOTICE OF NON-RENOUCEABLE RIGHTS ISSUE

China Magnesium Corporation Limited (**Company**) pleased to provide you with the following information about a pro rata non-renounceable rights issue of fully paid ordinary shares to be issued at \$0.04 each on the basis of one (1) new share for every ten (10) shares held at the record date. The purpose of the issue is to provide the Company with additional working capital.

The maximum number of new shares to be issued is approximately 14,421,449 new shares, which would raise up to approximately \$576,858 and would result in total issued shares in the Company of approximately 158,635,939 if fully subscribed. The rights issue is partially underwritten by Mr Xinping Liang (a director of the Company) to \$50,000. No underwriting fee is payable, there is no broker to the issue and no handling fees will be payable to brokers.

It is intended that new shares issued as a result of entitlements taken up will be quoted on ASX and will rank equally with existing issued ordinary shares of the Company. The rights issue does not require shareholder approval.

The offer will be available to each shareholder registered on the Company's register of members at 5:00pm (Eastern Standard Time, Queensland) on 30 October 2013 ("**Record Date**") except those with a registered address in the United States of America ("**Eligible Shareholders**"). Fractions of shares will be rounded up to the nearest whole number. Holdings on different registers (or subregisters) will not be aggregated for calculating entitlements.

Eligible Shareholders wishing to participate in the offer should complete the personalised Entitlement and Acceptance Form that will accompany the offer document. Further details on accepting the offer are included in the offer document and will be set out on your Entitlement and Acceptance Form.

The Company's shares will be quoted on an 'ex' basis from 24 October 2013. Any shares bought on market on and after this date will not be entitled to participate in the rights issue.

The offer document will (from 21 October 2013) be available to download from both the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the Company's website ([www.chinamagnesiumcorporation.com](http://www.chinamagnesiumcorporation.com)), and will subsequently be mailed to eligible shareholders on or about 1 November 2013. The offer is presently scheduled to close on 18 November 2013.

An indicative timetable for the Offer is set out below:\*

"Ex" date	24 October 2013
Record Date (5:00pm EST)	30 October 2013
Dispatch of entitlement and acceptance form and offer documents	1 November 2013
Closing date for acceptances (5:00pm EST)	18 November 2013
Issue date; dispatch of holding statements	21 November 2013

\* The above dates are indicative only. Notwithstanding any provision of this notice or any offer document or announcement, and to the fullest extent permitted by law, the Company may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date or time period referred to in this offer document to such earlier or later date or for such period as the Company thinks fit whether or not the date to be varied has passed or the period to be extended has expired.

Yours faithfully,

Damien Kelly  
Company Secretary

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