



RIGHTS ISSUE RESULT AND SHORTFALL

Highlights:

- Rights issue raised almost \$220,000 (pre costs)
- Almost 30% of rights were accepted
- All directors followed their rights and Xinping Liang subscribed for \$50,000 of the shortfall
- Directors subscribed for a total of just over \$200,000

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Issued Capital:

Shares - Quoted:

144,214,490 fully paid shares

Share price (20/11/13): 4 cents

Market cap: A\$5.8m

Cash as at 30 Sep 2013:

\$3.14 million

Directors:

William Bass

(Non-executive Chairman)

Tom Blackhurst

(Managing Director)

Xinping Liang

(Chief operating officer)

Peter Robertson

(Non-Executive Director)

Substantial shareholders

(pre rights issue):

Mr Tom Blackhurst 16.9%

Mr Xinping Liang 8.4%

Mr Guicheng Jia 8.3%

Mr Ming Li 8.3%

China Magnesium Corporation Limited (ASX: CMC; "CMC" or "the Company") today advises that under the terms of the rights issue announced 21 October 2013, shareholders were offered the opportunity to subscribe for one (1) new CMC share for every ten (10) shares held, with 14,421,449 new shares offered at a subscription price of \$0.04 per share to raise up to \$576,858 before costs.

The rights issue closed on 18 November 2013.

Eligible shareholders have taken up 4,245,964 shares under the rights issue (29.4% of the shares offered), raising \$169,839 and leaving a shortfall of 10,175,485 shares (the "Shortfall").

The Shortfall has been partly underwritten to a maximum of \$50,000, so that the total to be raised will be \$219,839 (before costs) by the issue of 5,495,964 shares.

All directors followed their rights and Xinping Liang subscribed for \$50,000 of the shortfall pursuant to the underwriting. Directors subscribed for a total of \$201,853.

Subject to ASX listing rules, the directors do not intend (but reserve the right to do so in their absolute discretion) to issue any of the Shortfall except in accordance with the underwriting agreement.

The directors wish to thank shareholders for their continued support of the Company and advises that holder statements will be issued on or around 21 November 2013.

ENDS