



CMC COMMENCES MG LI PRODUCTION AT PINGYAO

Highlights:

- Completion of construction and commissioning of 108 tpa magnesium lithium (MgLi) plant at Pingyao
- MgLi production has commenced
- Technology provides access to a range of additional high technology markets including defence and aerospace

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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	14.7%
Shanxi Pingyao Fengyan Group	11.1%
Mr Xinping Liang	10.9%
Mr Guicheng Jia	5.4%

China Magnesium Corporation Limited (ASX: CMC; "CMC" or "the Company") is very pleased to announce that it has just commenced magnesium lithium (MgLi) production at its Pingyao operations.

Under the agreement announced on 6 March 2018 CMC secured rights under a co-operation agreement with Xi'an Nonferrous Metallurgical Design and Research institute (XNM) to employ proprietary technology for the production of a range of high purity MgLi alloys.

Construction and commissioning

Construction of the MgLi plant with a nominal capacity of 108tpa, making use of existing equipment, common facilities and land, completed on schedule. Infrastructure work also completed on schedule, including inspection by staff from XNM.

The MgLi alloying plant was installed and successfully tested on site. Alloy quality testing both locally and internationally against prescribed high purity standards has been successful.

MgLi production

Following the successful testing outcomes, production has commenced.

Background to MgLi alloys

Managing Director Mr. Tom Blackhurst noted that the high value MgLi alloys that will be produced will lead CMC into a number of new and exciting market opportunities.

The key characteristics of MgLi alloys include:-

- Weighs 50% less than Aluminium, and 30% less than Magnesium
- Ultralow density
- Ultrahigh ductility

MgLi alloys have excellent electromagnetic shielding performance and outstanding noise reduction performance. For this reason they are most significantly used in the pioneering technology markets of aviation, aerospace, military equipment and consumer electronics.

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