



RIGHTS ISSUE UPDATE

China Magnesium Corporation Limited ABN 14 125 236 731

ASX Code: CMC

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PO Box 3767

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Issued Capital:

Quoted:

314,897,034 fully paid shares

Unquoted:

Nil

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") advises that under the terms of the rights issue announced 18 October 2018, shareholders were offered the opportunity to subscribe for one (1) new CMC share at \$0.05 each for every 2 shares held, together with one free unlisted option (exercisable at \$0.10 on or before 15 February 2019) for every one (1) new share offered, with 157,448,517 new shares and 157,448,517 new options offered to raise up to approximately \$7.8 million before costs and before exercising of the options.

Eligible shareholders have taken up 541,522 shares under the rights issue (0.3% of the shares offered), raising \$27,076 and leaving a shortfall of 156,906,995 shares (the "Shortfall").

The Company has already received applications for the Shortfall of \$7,475,000 or 149,500,000 shares.

The Directors are reviewing these applications and reserve the right to issue the Shortfall at their discretion, subject to ASX listing rules.

The Directors wish to thank shareholders for their continued support of the Company and advises that holder statements in relation to accepted entitlements will be issued on or around 19 November 2018.

ENDS