



## MATERIAL TERMS OF CHIEF EXECUTIVE OFFICER SERVICE AGREEMENT

**China Magnesium Corporation Limited** ABN 14 125 236 731

**ASX Code:** CMC

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PO Box 3767  
Australia Fair, QLD 4215

**Issued Capital:**

**Shares - Quoted:**

352,438,556 fully paid shares

**Options – Unquoted**

37,541,522 exercisable at \$0.10  
expiring 15 February 2019

**Directors:**

William Bass  
(Non-Executive Chairman)

Jin Thean (Jason) Teoh  
(Chief Executive Officer)

Xinping Liang  
(Chief Operating Officer)

Tom Blackhurst  
(Non-Executive Director)

**Substantial shareholders:**

Mr Tom Blackhurst 12.2%

Mr Feng Wang 9.9%

Mr Xinping Liang 9.8%

Further to the announcement on 28 January 2019 of the appointment of Mr. Jin Thean (Jason) Teoh as Chief Executive Officer and Executive Director, CMC provides a summary of the material terms of Mr. Teoh's service agreement.

*Commencement date:*

28 January 2019

*Terms of agreement:*

Consulting through Santa Fei Investment Pte Ltd for 3 years commencing 28 January 2019 and concluding 27 January 2022.

*Base consultancy fee including superannuation:*

\$240,000

*Short Term Incentive (STI)*

Annual discretionary bonus up to 40% of base consultancy fee.

The STI will take into account performance in relation to responsibilities and objectives as determined by the board.

*Long Term Incentive (LTI)*

Bonus of up to 90% of base consultancy fee.

The LTI will take into account performance in relation to performance of the Company relative to a group of selected peers over a 2 year period.

*Critical acquisition (CA)*

Bonus of up to 60% of CA pool calculated against critical acquisition criteria as determined by the board.

*Termination*

Termination benefits are payable on early termination by the Company, other than for cause. If terminated other than for cause, entitlement is

[i] where services provided for less than 3 months of each year of the agreement – payment up to date of termination

[ii] where services provided for more than 3 months of each year of the agreement – payment for that full year.

**ENDS**