

China Magnesium Corporation Limited: AGM Presentation

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Brisbane, Nov 30, 2016 - China Magnesium Corporation Ltd (ASX:CMC) is pleased to provide the company's AGM Presentation.

Key Developments Since 2015 AGM

- CMC procures 2 tenements at Greenbushes, WA. Exploration permit already approved for 1 tenement.
- CMC identifies and secures key investor to provide sufficient funding for exploration
- Framework Agreement with SMH - lithium/tantalum exploration project - SMH inject RMB 5.25M (\$1M) for 60% interest - CMC inject 2 tenements for 40% interest
- Issue of 80M shares under 1 : 2.4378 rights at \$0.025 to raise \$2M (November 2016) over-subscribed
- Adaptation of all coal-to-gas units into the operational semi-coke crackers completed
- Sustained improvement in Magnesium prices has triggered work to commence at the site with production targeted to commence late 2016 / early 2017
- Improved market conditions for magnesium expected to continue
- Co-operation agreement for FMW commenced February 2015 terminated June 2016 with Fengyan. Fengyan acquire CMC share of losses (RMB44M) under agreement.
- Growing commodities trading desk - now includes fertiliser and chemicals.

Future Expansion Capabilities Already Secured

- Key environmental permits in place to expand production to 105,000tpa magnesium
- Water rights secured to enable expansion to 105,000tpa magnesium
- 90mu (~60,000m²) of land secured, earmarked for either next expansion phase or to capitalise on other horizontal or vertical synergies such as downstream processing of our products
- Additional 29mu (~20,000m²) of land just secured next to CMC's original 5,000tpa nameplate capacity plant will also free up land within the existing plant for expansion.
- Expansion of semi coke, tar oil, calcium metal and brick production occurring concurrently with magnesium expansion

Growing International Trading Desk

- Initially established to assist international brand-building and presence for CMC's magnesium production
- Successfully trading low ash metallurgical coke.
- Targeting future expansion and vertical integration into other value-adding opportunities such as carbon black, coal, and other industrial products
- Developing additional profitable trading in markets including fertiliser and chemical

Summary - Well Placed for Growth

- CMC well placed for growth with flexible and efficient production capacity
- Improved market conditions for magnesium expected to continue
- Greenbushes lithium/tantalum exploration project progressing quickly
- Over-subscribed rights issue providing working capital flexibility
- Trading desk continuing to expand range of activities
- Company-transforming developments and achievements since last AGM
- Semi-coke, tar oil and magnesium production re-commenced late 2016/early 2017
- FY2016/7 expected to be both a challenging and rewarding year for CMC
- CMC remains focussed to become a large, low cost, integrated producer of magnesium, semi coke, tar oil and other industrial products

Magnesium -21st Century Structural Metal

- Stronger and lighter structural metal
- 33% lighter than aluminium and 75% lighter than steel
- Used in Mg alloy die casting (auto/aircraft & electronics) for its light weight
- Also used for producing aluminium alloys, steel and titanium
- Roskill estimates global magnesium consumption of just under 1.1Mt in 2012
- World production of primary magnesium is estimated by Roskill to have increased at a compound annual growth rate (CAGR) of 6.1% from 2002-2012, despite a massive drop in 2008 and 2009 after the global financial crisis
- Strong growth expected in the automotive sector
- Chinese government's 12th 5 year plan targets magnesium as a key metal

To view the presentation, please visit:
<http://abnnewswire.net/lnk/2Q12O38I>

About China Magnesium Corporation Ltd

China Magnesium Corporation Limited (ASX:CMC) owns a 91.25% interest in CMC China which owns a 100% interest in a magnesium ingot production operation.

The operations are licensed to expand output to 105,000tpa, which would make it one of the world's largest magnesium producers. Studies have been completed which indicate a positive environment for CMC to conduct a major expansion of its magnesium operations.

CMC has converted its existing coal to gas plants to 5 semi-coke crackers (total semi-coke capacity 200,000 tpa) at the site of its existing 20,000 tpa capacity magnesium plant. Waste gas from semi-coke production is now used to provide the energy source required to produce magnesium. Consequently the combined semi-coke and magnesium plants are expected to significantly lower production costs than for magnesium-only production using the coal-to-gas facilities as originally envisaged when the magnesium plant was built.

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