



Friday, 24 September 2010

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Project Net Present Value

20,000t* p.a. Plant NPV	A\$132.7m
Ordinary Shares on Issue	127.2m
20,000t* p.a. Plant NPV/share	A\$1.04/share
<i>*22,222t p.a. of Mg alloy</i>	

Note: this simple NPV analysis does not take into account taxation or royalties. It is only an indication as to the potential value of CMC China's Plant after it has been upgraded and expanded to 20,000t p.a. See page 6 of this report for more details.

Capital Structure (Pre-IPO)

Share Price	A\$0.25
Ordinary Shares	79.2m
Options	-
Market Cap (undiluted)	19.8
Cash	A\$1.2m
Debt	-
Enterprise Value	A\$18.6m

Capital Structure (Pro-Forma)

Share Price	A\$0.25
Ordinary Shares	127.2m
Options (A\$0.25 exercise)*	12.0m
Market Cap (undiluted)	31.8m
Cash	A\$11.5m
Debt	-
Enterprise Value	A\$20.3

**note that these options lapse if the upgrade and expansion to 20,000t p.a. is delivered on time and on budget.*

Company Details

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China Magnesium Corporation Ltd

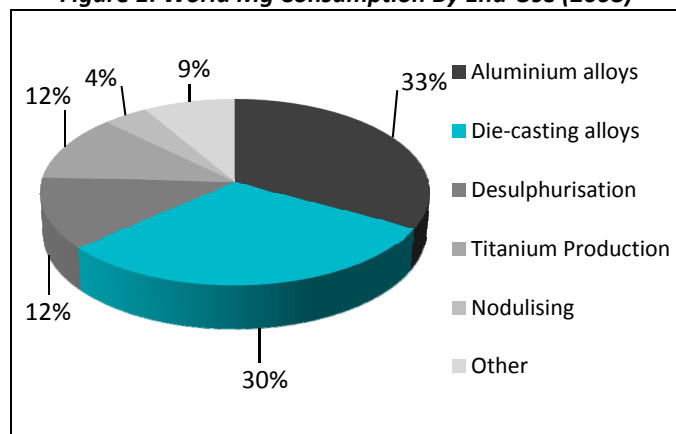
Creating a vertically-integrated, low-cost Mg producer

- *China Magnesium Corporation Ltd ('CMC') was incorporated in May 2007 to enter into a joint venture for the commercial exploitation of the The Pingyao Magnesium Project (the 'Project').*
- *CMC aims to become one of the largest producers of magnesium (Mg) alloy in the world by vertically-integrating its low-cost operations in Shanxi Province, China.*
- *The Project involves the upgrade and staged expansion of an existing magnesium ingot production plant (the 'Plant') to an ultimate capacity of 105,000t p.a. Mg alloy.*
- *CMC China's initial plans are to upgrade the existing Plant and concurrently expand its capacity to an aggregate capacity of 20,000t of Mg alloy p.a. by the end of CY2011.*
- *If CMC pays the CAPEX of ~A\$8.8 million for the Plant upgrade and expansion to 20,000t p.a., and its JV partner does not contribute, then CMC expects its interest in CMC China to increase to ~90%.*
- *All relevant permits are in place for the existing operation and key permitting, including land use rights and environmental approvals, is in place for the Plant expansion to 105,000t p.a.*
- *Two major Chinese automotive groups are each proceeding with the construction of a large car production plant in the Shanxi Province (that will require ~40,000t p.a. of Mg alloy each).*
- *CMC China has received notice from the regional Shanxi Government and the local Pingyao Government that its Project has 'Preferred Project' status.*
- *Coffey Mining stated in an Independent Technical Report that if CMC China produced a Mg alloy that the only extra cost would be the cost of the alloying metals.*
- *Using this assumption, Seismic Research has calculated an operating margin of C¥5,308/t of Mg alloy (~US\$792/t), or 25.3%, for an Mg alloy with 90% Mg, 9% Al and 1% Zn, at current prices.*

The Magnesium Market

What is Magnesium Used For?

Figure 1: World Mg Consumption By End-Use (2008)



Source: Roskill Consulting Group

Aluminium (Al) alloys: Al alloys containing magnesium (Mg) (usually in concentrations of less than 1%) are the largest end-use of pure Mg. These alloys are used in a wide variety of industries, including packaging, transport and construction.

Die-casting alloys: Mg alloys have better flow characteristics than Al and Zinc (Zn) when molten, making them excellent die-casting materials. Mg alloys are light-weight (~33% lighter than Al alloys) and have good strength and stability at high temperatures, making them very suitable for structural components in car engines and bodies.

“Mg alloys [are]...very suitable for structural components in car engines and bodies.”

Desulphurisation: the presence of sulphur in steel at levels above 0.025% causes brittleness. Mg is generally the most effective, but also the most expensive, desulphurisation agent.

Crude titanium (Ti) production: Mg is an important reagent in the production of Ti sponge (crude titanium metal). The ratio of Mg to Ti required is around 1 to 1.

Nodulising: the addition of Mg to molten cast iron causes the precipitation of graphite in the form of small spherical nodules. If graphite is precipitated as nodules, as opposed to flakes, then the cast iron produced is more ductile and crack-free.

Magnesium Production

Mg production enjoyed a period of strong, unbroken growth between 2002 and 2007, at an average annualised growth rate of ~13.5% p.a. (Roskill 2010). But with the onset of the worldwide downturn in 2008/2009 production fell by almost 9% in 2008 and 10% in 2009 (Roskill 2010). China dominates the worldwide primary production of Mg, accounting for around 73% of global output in 2008.

“China dominates the worldwide primary production of Mg, accounting for around 73% of global output in 2008.”

Magnesium Production Capacity

According to estimates compiled by Roskill Consulting Group (‘Roskill’) there was the capacity to produce ~1.4 million tonnes (‘mt’) of Mg in 2009, 1.2mt of which was located in China. Reportedly, more than 60% of China’s 1.2mt of productive capacity is currently idle. Much of this capacity is unlikely to be brought back online, as it consists of smaller, less-efficient and environmentally unsound operations.

“Reportedly, more than 60% of China’s 1.2mt of productive capacity is currently idle.”

Around 63% of China’s productive capacity consists of plants that have a capacity of less than 12,000t p.a. These plants are likely to be either illegal operations (operations without a licence) or are marginal operations at current Mg prices. The Chinese government is currently in the process of ‘consolidating’ the Mg industry, in an effort to improve efficiency and reduce the industry’s environmental impact.

Magnesium Consumption

Global Mg consumption fell by 20% in 2009 to an estimated 675,000t (Roskill 2010). Before the 2009 downturn in world economic growth it was expected that consumption would reach 1mt by 2012, but now it is not likely to reach 2008 levels until 2013. But, according to Roskill, the consumption of Mg and Mg alloy is expected to increase by an average annual rate of ~6% and ~8% respectively between 2009 and 2013.

“...the consumption of Mg and Mg alloy is expected to increase by an average annual rate of ~6% and ~8%...”

Commodity Outlook, Magnesium

Table 1: Commodity Outlook, Magnesium Metal

Commodity Outlook	Our Rating (/5)	Outlook
Magnesium Metal	●●●	Good

As Mg and Mg alloy consumption is forecast to grow at ~6% and ~8% respectively between 2009 and 2013 (Roskill 2010), we expect that there will be upward pressure on prices, despite the large amount of idle capacity. While there remains a significant amount of capacity in China, the vast majority of this (~60%) is small producers with high operating costs.

“...we expect that there will be upward pressure on prices, despite the significant amount of idle capacity.”

It is our view that prices will need to stabilise at much higher levels (>US\$3,500 fob China, currently ~US\$2,900/t) for new projects to be brought online and for the small Chinese producers to come to the market. As such, despite the uncertainty relating to a commodity like Mg, with such a large capacity overhang, we believe the medium-term outlook for Mg is good and give it a rating of 3/5.

“It is our view that prices will need to stabilise at much higher levels...for the small Chinese plants to come to the market”

Background

China Magnesium Corporation Ltd ('CMC') was incorporated in May 2007 to enter into a joint venture ('JV') with Pingyao County Maoyuan Porcelain Industry Co, for the commercial exploitation of the The Pingyao Magnesium Project (the 'Project'). CMC aims to become one of the largest producers of magnesium (Mg) alloy in the world by vertically-integrating its low-cost operations in Shanxi Province, China.

"CMC aims to become one of the largest producers of Mg alloy in the world..."

The Pingyao Magnesium Project

The Project involves the upgrade and staged expansion of an existing magnesium ingot production plant (the 'Plant') to an ultimate production capacity of 105,000t p.a. of Mg alloy. CMC's initial plans are to upgrade the existing Plant so that it can produce at its nameplate capacity of 5,000t p.a. Concurrently, CMC China plans to expand the plant, using 5,000t modules, to an aggregate capacity of 20,000t p.a. of Mg alloy, by the end of CY2011.

"CMC China plans to expand the plant, using 5,000t modules, to an aggregate capacity of 20,000t p.a."

CMC then plans to undertake phased, 5,000t p.a. modular expansions to 105,000t p.a. over the following 3 years, subject to demand and funding. The expansion to 20,000t p.a., will make it the 7th largest Mg alloy production plant in China, whereas the full expansion (to 105,000t p.a.) will make it the 2nd largest Mg production plant in the world.

"...the full expansion (to 105,000t p.a.) will make it the 2nd largest Mg alloy production plant in the world."

'Preferred Project' Status

CMC China has received notice from the regional Shanxi Government and the local Pingyao Government that its project has 'Preferred Project' status, due to its perceived importance to the local and regional economy. Thereby illustrating the government's intention to continue supporting the Project.

"CMC China has received notice from the ... [Government] ...that its project has 'Preferred Project' status."

Ownership Structure

CMC derives its interest in the Project through an interest in a Chinese JV company, Shanxi Luyuan Magnesium Company Ltd ('CMC China'). CMC currently has board control of CMC China and a 75% interest (that is partly paid). By paying CNY13.43 million (~A\$2.2 million) CMC will have paid for its full entitlement. If CMC pays the full CAPEX of C¥50.3 million (~A\$8.8 million), and its JV partner does not contribute, then CMC expects its interest in CMC China to increase to ~90%.

"CMC currently has board control of CMC China and a 75% interest (that is partly paid)."

Management

Mr William Bass – Non-Executive Chairman

Mr Bass has considerable corporate and listed company experience. He brings extensive commercial and financial management experience from a range of leading Australian and international public companies. He is currently a Non-Executive Director and Company Secretary of 1300SMILES Limited and was formerly Company Secretary of GE Capital Limited, Billabong International Limited, Country Road Limited and On Card International Limited. Mr Bass is an Associate of the Institute of Chartered Accountants and the Institute for Independent Business and is a Fellow of the Institute of Chartered Secretaries and Taxation Institute of Australia.

Mr Thomas Blackhurst – Chief Executive Officer

Mr Blackhurst co-founded the Company in May 2007 with Messrs Xinping Liang Ming Li and Guicheng Jia. He has more than 20 years experience in building new businesses and consulting to various businesses in Australia and Asia. Beginning his career in metals trading, he later embarked upon various other successful entrepreneurial ventures. Since 2005, Mr Blackhurst has been pursuing business ventures in China and has consulted to two Singapore-listed companies.

Mr Xinping Liang – Chief Operating Officer

Mr Liang is a Chinese engineer with more than 22 years of experience in international project and corporate development, mainly focussing on infrastructure assets, heavy industries and supporting technologies to support those industries. He has extensive senior executive experience in project evaluation, financial analysis and project/business development for numerous private, public and state owned enterprises in Asia, Australia and the UK. Mr Liang introduced CMC to its Chinese joint venture partner in January 2007, which led to him co-founding the Company in May 2007.

Mr Michael Clarey – Non-Executive Director

Mr Clarey has over 30 years international banking, insurance and corporate finance experience in Australia, Asia, Europe and North America. He has worked mostly with the natural resources sector including mining, oil and gas, and forest products, but also has experience in the construction, engineering and ship building industries.





Mr Peter Robertson – Non-Executive Director

Mr Robertson is an Australian metallurgist with more than 25 years of experience in mineral processing, smelting and rolling of aluminium and developing new technologies for the recycling of aluminium waste material. Over the past 15 years, Mr Robertson has been involved in the manufacture and supply of consumables and consulting services to the aluminium cast house industry through his role as General Manager of Leymont Pty Ltd. He is also currently a director of Macquarie Harbour Mining Ltd.

Investment Outlook

Seismic Research has determined that the 5 most important investment factors, in determining the investment outlook for CMC, are: product demand, raw material access, operating margins, product quality and infrastructure access. The ratings of which are outlined in Table 2.

Table 2: Key Investment Factors

Investment Factor	Our Rating (/5)	Outlook
1. Local Product Demand		Excellent
2. Raw Material Access & Price		Good
3. Operating Margins		Good
4. Product Quality		Very Good
5. Infrastructure Access		Very good

1. Local Product Demand

Local demand for Mg alloy will be a long-term driver of CMC China. Two major Chinese automotive groups have each received approval for, and are proceeding with, the construction of a large car production plant and an engine production line in the Shanxi province. CMC China has received a letter from the Local Pingyao Government, stating the Preferred Status of CMC China's Plant and its importance in the relation to the provision of Mg alloy to these projects.

“Two major Chinese automotive groups...are each proceeding with, the construction of a large car production plant...”

2. Raw Material Access and Price

Dolomite: Any source of dolomite must be located near the processing Plant as transport can substantially increase its cost. Dolomite from a quarry located ~30km from CMC China's Plant costs \$50 at source and \$80 delivered, indicating that transport makes up ~38% of the delivered price.

CMC China has entered into a supply agreement with the owner of the dolomite quarry, which is located 30km from the Plant, to guarantee the supply of dolomite until 31 December 2012. CMC China also has an option to buy the quarry for ~A\$0.83 million, which expires on 24 July 2011.

“CMC China has entered into a supply agreement with the dolomite quarry, which is located 30km from the Plant”

At a production rate of 20,000t of Mg p.a. the quarry would need to produce 210,000t of dolomite p.a. It is undertaking an expansion and has a licence for up to 150,000t p.a. Further expansion is subject to application. But there are ample supplies of dolomite from other nearby quarries.

Ferrosilicon: Access to cheap ferrosilicon is essential for CMC China's operation as its supply accounts for ~50% of CMC China's Plant variable operating costs (see Table 4). The Shanxi province has access to low-cost ferrosilicon as it is close to the main ferrosilicon suppliers located in the Inner Mongolia and Ningxia Provinces. But this is purchased at spot rates, which adds risk to CMC China's operating margins.

3. Operating Margins

If CMC China's 22,000t p.a. plant produces a Mg alloy, then the Plant's operating margin will be US\$792/t Mg alloy (see Table 3), or ~25.3%, which should provide a good barrier to spikes in the cost of production and volatility in the price of Mg.

Table 3: Operating Margin at Current Prices

	C¥/t Mg Alloy	US\$/t Mg Alloy
Mg Metal Price	21,000	3,134
Less: Total Variable Cost	12,855	1,919
Less: Alloy Metal Cost	1,378	206
Less: Total Fixed Cost	1,621	242
Operating Margin	5,308	792

4. Product Quality

Since CMC's stated aim is to produce a Mg alloy, its product must be of high quality. This, in turn, depends upon the quality of the dolomite ore and the level of impurities, such as silica, sodium and potassium. Analysis of sampling conducted by Coffey Mining (a mining consultancy) in the quarry shows good levels of sodium and potassium (averaging <0.1% combined) and acceptable levels of silica (mostly <1%). CMC China has also received independent verification from a large metals producer that its product is up to specified standards.

“CMC China has also received independent verification...that its product is up to specified standards”

5. Infrastructure Access

Infrastructure access at the Plant site is very good. There is sufficient process water available at the site, the Plant site is near a highway and continued access at the expanded plant site will be easily accomplished. Power will be supplied from existing lines and there is sufficient power for the new Plant.

Other Investment Factors

Preferred Project Status: CMC China has received notice from the regional Shanxi Government and the local Pingyao Government that its project has Preferred Project Status due to its perceived importance to the local and regional economy.

Environmental and Other Permitting: relevant permits are in place and for the existing (5,000t p.a.) operation and key permitting has been completed for allowing the expansion to 105,000t p.a.

Processing Risk: CMC China will be using the proven, low-cost Pidgeon Process. There is little risk involved in up-scaling the process, as CMC China will be adding 5,000t p.a. modules that essentially replicate an upgraded version of the existing Plant.

Vertical Integration: In addition to improving margins, vertical integration creates the ability for CMC to provide a long-term Mg alloy supply solution for Mg consumers. This may mean that CMC's product is able to attract a price premium.

CMC's Projects

The Pingyao Magnesium Project

The Project is located in the Shanxi province of Northern China, 500km west of Beijing. The Shanxi province is by far the largest producer of Mg metal and coal in China, and is one of the world's largest Mg producing regions. The project is well positioned to take advantage of both abundant local supplies of coal, which is needed for gasification, and dolomite, the mineral that is the source of almost all Mg produced.

Plant Upgrade and Expansion

The Project involves the upgrade of an existing magnesium ingot production plant (the 'Plant') by a staged expansion to an ultimate production capacity of 105,000t p.a. of Mg alloy. CMC China's initial plans are to upgrade the existing Plant by incorporating newer and more efficient plant equipment, so that it can produce at its nameplate capacity of 5,000t p.a. of Mg. Concurrently, CMC China plans to expand the plant, using 5,000t modules, to an aggregate capacity of 20,000t p.a.

"CMC's initial plans are to upgrade the existing Plant...and expand it to an aggregate capacity of 20,000t p.a."

The upgrade of the existing Plant and the expansion to 20,000t p.a. are planned to be undertaken concurrently to fast track the process, while realising substantial cost savings. The upgrade and the expansion to 20,000t p.a. are expected to be completed by the end of CY2011 (see Table 3). The capital cost of the upgrade and First Stage expansion is estimated to be C¥50.3 million (~A\$8.8 million) (see Table 3). If CMC pays the full CAPEX, and its JV partner does not contribute, then CMC expects its interest in CMC China to increase to ~90%.

"The upgrade and the expansion to 20,000t p.a. are expected to be completed by the end of CY2011..."

Expansion to 105,000t p.a.

Subject to demand and funding, CMC then plans to undertake phased, 5,000t p.a. modular expansions to 105,000t p.a. over the following 3 years (see Table 4). CMC intends to fund the Second and Third Stage expansions to 105,000t p.a. through operational cash flow, debt, or a combination of both. Such an expansion would result in the Plant becoming one of the largest magnesium plants in the world.

"Subject to demand and funding, CMC then plans to undertake phased, modular expansions to 105,000t p.a."

Permitting and Land Access for the Plant Expansion

All relevant permits are in place for the existing operation and key permitting, including land use rights and environmental approvals, is in place for the Plant expansion to 105,000t p.a. CMC China won a bidding process for the use of 60,000 square metres of land required for the Plant's expansion. CMC China must pay C¥6 million (~A\$1 million) to obtain the formal documents for this land.

"...key permitting, including land use rights and environmental approvals, is in place for the expansion..."

CMC China has received notice from the regional Shanxi Government and the local Pingyao Government that its project has 'Preferred Project' status due to its perceived importance to the local and regional economy. Thereby illustrating the government's intention to continue supporting the Project.

Access to Raw Materials and Energy

The Plant will require ~10.5t of dolomite, ~1.08t of ferrosilicon, ~5t of coal (for gasification) and ~1,300kWh of electricity for every tonne of Mg metal produced. CMC claims that the upgraded and expanded (20,000t p.a.) Plant will be able to produce Mg alloy, at minimal extra cost. If a Mg alloy is produced, CMC expects that the only additional materials required would be the alloying metals (usually Al and Zn).

"...around 10.5t of dolomite, 1.08t of ferrosilicon, 5t of coal and 1,300kWh of electricity is required for every t of Mg..."

Dolomite: CMC China has entered into a supply agreement with the owner of the dolomite quarry, which is located 30km from the Plant, to guarantee the supply of dolomite until 31 December 2012. CMC China has also secured an option over the quarry, for an exercise price of ~A\$0.83 million. CMC China intends to exercise the option before it expires in July 2011.

Ferrosilicon: Ferrosilicon is in abundant supply in the adjacent provinces. It will be supplied by the same long-term suppliers that supplied the Plant previously. Ferrosilicon is possibly the most important raw material as it accounts for ~50% of the variable cost of producing Mg.

Coal: Gas (essential for producing Mg) will be produced from coal gasifiers owned by CMC China. CMC expects that it can receive a steady supply of coal at fair market prices as the region is one of the largest coal-producing regions in China.

Electricity: power will be supplied from existing lines. There is sufficient power for the new Plant as only a small amount of electricity will be required for lighting, drive fans and pumps.

Table 4: Expansion Schedule and Estimated Capital Expenditure ('CAPEX')

Stage	Expansion	Capacity	Targeted Completion	CAPEX
Upgrade	-	5,000	CY2011*	~A\$8.8 million*
First	15,000	20,000		
Second	35,000	55,000	CY2012	
Third	50,000	105,000	CY2013	

*C¥50.3 million

Source: CMC

Demand for CMC's Products

CMC China's strategy will be to sign off take agreements with customers. CMC believes that there is both domestic and international demand for a reliable long-term supply of magnesium alloy. CMC China has already received letters of intent from two local companies for the total supply of 50,000t p.a. of Mg alloy. CMC intends to sell all of the First Stage's production capacity (of 20,000t p.a.) within China, in the form of off take agreements.

"CMC China has already received letters of intent from two local companies for the supply of 50,000t p.a. of Mg alloy."

Two major Chinese automotive groups have each received approval for, and are proceeding with, the construction of a large car production plant and an engine production line in the Shanxi Province. CMC China has received a letter from the Pingyao County Industrial Project Office stating the importance and Preferred Status of CMC China's Plant in relation to the provision of Mg alloy to these projects.

"CMC China has received a letter from the [government] stating the importance...of CMC China's Plant..."

Developments such as the construction of car production plants will underpin the planned expansion of CMC China's Plant to the full 105,000t p.a. The Company has explicitly stated that it will not proceed with its expansion plans past 20,000t p.a. until the expansion quantities are secured with off-take agreements.

"...CMC will not proceed with its expansion plans past 20,000t p.a. until the expansion quantities are secured..."

Plant Operating Margin and Net Present Value

Table 5: Plant Variable Cost Parameters, Producing Pure Magnesium

Variable Cost	Unit	Consumption/t Mg Produced	Unit Price (C¥)	C¥/t Mg Produced
Ferrosilicon	t	1.08	8,000	8,640
Dolomite	t	10.5	80	840
Coal	t	5	750	3,750
Electricity	kWh	1,300	0.50	650
Retort	Set	0.1667	4,500	750
Other Consumables	set	0.0023	44,873	103
Less: Tar Oil Revenue	t	0.15	3,000	(450)
Total Variable Cost*				14,283

*Less tar oil revenue credits

Source: CMC

Producing Magnesium Alloy

According to Coffey Mining Pty Ltd in their Independent Technical Report on CMC (Coffey Mining 2010), "Plans to produce Mg alloy – directly from the Mg crowns – should increase the value of the end product with no additional expense, except the purchase of the alloying ingredients."

If we (1) use this assumption, (2) assume that an Mg alloy will sell for a 20% premium to pure Mg metal (C¥21,000/t), (3) use an Aluminium (Al) price of C¥15,400/t and a Zinc (Zn) price of C¥14,500/t, and (4) assume we are producing a Mg alloy with 90% Mg, 9% Al and 1% Zn, then we get an operating margin of C¥5,308/t of Mg (~US\$792/t), which is a margin of 25.3%.

Table 6: Operating Margin at Current Prices

	C¥/t Mg Alloy	US\$/t Mg Alloy
Mg Alloy Price*	21,000	3,134
Less: Total Variable Cost	12,855	1,919
Less: Alloy Metal Cost	1,378	206
Less: Total Fixed Cost	1,621	242
Operating Margin	5,308	792

*20% premium to current domestic Chinese Mg price of C¥21,000/t

Note: this analysis is for a 20,000t p.a. Mg Plant, that produces 22,222t of Mg alloy p.a. based on the assumption that it produces a Mg alloy with 90% Mg, 9% Al and 1% Zn.

Net Present Value Analysis

Plant Output: If CMC China's 20,000t p.a. Mg Plant produces a Mg alloy with 90% Mg, 9% Al and 1% Zn, then it produces 22,222t of Mg alloy p.a.

Plant Net Present Value ('NPV'): If we apply this Plant output to a Plant capital expenditure ('CAPEX') of C¥50.3 million and the operating margin in Table 6, then we get a 20-year Plant NPV of US\$126.7 million (A\$132.7 million), at a 10% discount rate. With 127.2 million shares on issue after the proposed IPO, this NPV equates to ~A\$1.04/share.

Table 7: Plant NPV Analysis, by Plant Output

Output p.a.	C¥ million	US\$ million	A\$ million
20,000t ₁	849	126.7	132.7
50,000t ₂	2,451	365.9	383.0
105,000t ₃	5,395	805.3	843.0

1. 22,222t of Mg alloy p.a.
2. 55,555t of Mg alloy p.a.
3. 105,000t of Mg alloy p.a. since CMC China only has a licence to produce up to 105,000t of Mg and Mg alloy per annum.

Note: this simple NPV analysis does not take into account taxation or royalties. It is only an indication as to the potential value of CMC China's Plant after it has been upgraded and expanded.

Financial Summary

Balance Sheet (A\$000)				
	30 Jun 2009	30 Jun 2010	Pro-Forma	Pro-Forma
	(unaudited)	(audited)	Adjustment	Pro-Forma
Current Assets				
Cash	182	1,157	10,370	11,527
Trade and receivables	143	155		155
Prepayment		152	-152	
Inventories	438	381		381
Total Current Assets	763	1,845	10,218	12,063
Non-Current Assets				
Property Plant & Equipment	1,394	1,241		1,241
Other	152	152		152
Total Non-Current Assets	1,546	1,393		1,393
Total Assets	2,309	3,238	10,218	13,456
Current Liabilities				
Trade & Other Payables	38	157		157
Tax Liabilities	88	88		88
Total Liabilities	126	245		245
Net Assets	2,183	2,993	10,218	13,211
Equity				
Issued Capital	859	2,185	10,500	12,685
Minority Interest	1,487	1,345		1,345
Reserves	-84	-68		-68
Retained Earnings/Losses	-79	-469	-282	-751
Total Shareholders Equity	2,183	2,993	10,218	13,211

Note: the pro-forma adjustments to the above balance sheet are with regards to the proposed IPO transaction.

The Author of this Report

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