



中國鎂業資源集團有限公司*
MAGNESIUM RESOURCES CORPORATION OF CHINA LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 723)

ANNOUNCEMENT ON CONVERSION OF CONVERTIBLE NOTE

The Company made this announcement pursuant to paragraph (i) under the heading “Dilution effect on Shareholders” of the Circular.

Reference is made to the circular dated 6 February 2008 (the “Circular”) of Magnesium Resources Corporation of China Limited (the “Company”). The Company made this announcement pursuant to paragraph (i) under the heading “Dilution effect on Shareholders” of the Circular. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Circular.

The Company would like to report that it has not received any notice of exercise of the conversion rights attached to the Convertible Note in the amount of HK\$1,092 million during the month of May 2008.

As at 1 May 2008, the issued share capital of the Company was HK\$290,045,949.00 divided into 2,900,459,490 shares of HK\$0.10 each. During the month, a total of 1,600,000 Shares were issued owing to the exercise of Warrants by warrantholders. As at 31 May 2008, the issued share capital of Company was HK\$290,205,949.00 divided into 2,902,059,490 shares of HK\$0.10 each.

By Order of the Board

Magnesium Resources Corporation of China Limited

Cheng Tun Nei

Chairman

Hong Kong, 4 June 2008

As at the date of this announcement, the Board comprises Mr. Cheng Tun Nei, Mr. Teoh Tean Chai, Anthony and Ms. Chung Oi Ling, Stella as executive directors, Ms. Li Wa Hei as non-executive director and Mr. Lo Chi Ho, William, Mr. Wu Chi Chiu and Mr. Chu Kin Wang, Peleus as independent non-executive directors.

**For identification purpose only*