



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 August 2008.

Save as disclosed above, there were no other new Shares issued pursuant to other transactions during the month of August 2008, including new Shares issued pursuant to exercise of options under the share option scheme of the Company.

As at 1 August 2008 and 31 August 2008, the issued share capital of the Company was HK\$295,107,693.00 divided into 2,951,076,930 shares of HK\$0.10 each.

By Order of the Board

Magnesium Resources Corporation of China Limited

Teoh Tean Chai, Anthony

Executive Director

Hong Kong, 3 September 2008

As at the date of this announcement, the Board comprises Mr. Teoh Tean Chai, Anthony and Ms. Chung Oi Ling, Stella as executive directors and Mr. Lo Chi Ho, William, Mr. Chu Kin Wang, Peleus and Ms. Lau Wa Chun as independent non-executive directors.

**For identification purpose only*