
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your warrants in Magnesium Resources Corporation of China Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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) (Warrant code: 473)

Executive Directors:

Mr. Cheng Tun Nei (*Chairman*)
Mr. Teoh Tean Chai, Anthony (*Acting Chief Executive Officer*)
Ms. Chung Oi Ling, Stella

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Ms. Li Wa Hei

Principal Place of Business in

Hong Kong:
Room 3001-02, Top Glory Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Independent Non-executive Directors:

Mr. Lo Chi Ho, William
Mr. Wu Chi Chiu
Mr. Chu Kin Wang, Peleus

2 June 2008

*To the holders of Warrants and, for information only,
the shareholders of the Company*

Dear Sir or Madam

EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE WARRANTS

The board of directors of Magnesium Resources Corporation of China Limited (the “Company”) would like to remind its holders of warrants (Warrant Code: 473) (the “Warrants”) carrying rights to subscribe in cash for new shares of HK\$0.10 each (the “Shares”) in the capital of the Company at the subscription price of HK\$0.10 per Share (subject to adjustment), that in accordance with the terms and conditions of the Warrants, the subscription rights attaching to the Warrants will expire after 4:30 p.m. on Friday, 4 July 2008. Any subscription rights under the Warrants which have not been exercised on such date will lapse and the Warrants will cease to be valid for any purpose.

* *For identification purpose only*

The Company has made the following arrangements regarding dealings and transfers of the Warrants in respect of its expiry:

1. the last trading day of the Warrants on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) is **Monday, 30 June 2008** and the listing of the Warrants will be withdrawn from the Stock Exchange with effect from the close of business on Friday, 4 July 2008;
2. the registered holders of the Warrants who wish to exercise the subscription rights under the Warrants must lodge with the Company’s Hong Kong branch registrar, Tricor Tengis Limited (the “Share Registrar”) at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong the following documents by **no later than 4:30 p.m. on Friday, 4 July 2008**:
 - (i) the relevant Warrants certificate(s);
 - (ii) the duly completed and signed subscription forms; and
 - (iii) remittances for the relevant subscription moneys;
3. holders of the Warrants who have not registered the Warrants in their names and wish to effect the subscription rights thereunder must lodge with the Share Registrar at the above-mentioned address the following documents by **no later than 4:30 p.m. on Friday, 4 July 2008**:
 - (i) the relevant Warrants certificate(s);
 - (ii) the duly executed and stamped instruments of transfer and/or other documents of title;
 - (iii) the duly completed and signed subscription forms; and
 - (iv) remittances for the relevant subscription moneys.

Subscription forms lodged with the Share Registrar later than 4:30 p.m. on Friday, 4 July 2008 will not be accepted.

Shares to be issued pursuant to the exercise of the subscription rights attaching to the Warrants will, when issued, rank *pari passu* in all respects with the then existing issued Shares. Share certificates in respect of the new Shares so issued will be issued to the relevant holders of the Warrants not later than 28 business days after the relevant subscription date; and

4. application to the Stock Exchange has been made for the withdrawal of the listing of the Warrants from the Stock Exchange with effect from the close of business on Friday, 4 July 2008.

Holders of the Warrants who are in doubt as to their position or their action to be taken are recommended to consult their stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

The closing prices of Shares and the Warrants on the Stock Exchange on 30 May 2008 (being the latest practicable date prior to the printing of this circular) were HK\$0.172 per Share and HK\$0.50 per unit of Warrant. A circular relating to the expiry of the Warrants will be dispatched to holders of the Warrants as soon as practicable.

By Order of the Board
Magnesium Resources Corporation of China Limited
Cheng Tun Nei
Chairman

Hong Kong, 2 June 2008