



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Boardroom 3 and 4, M/F., Renaissance Harbour View Hotel, No.1 Harbour Road, Wanchai, Hong Kong, on Wednesday, 27 August 2008 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Report of the Directors and of the Auditors for the year ended 31 March 2008;
2. To re-elect the retiring Director and elect Director and to authorise the Board of Directors to fix the Directors' remuneration;
3. To appoint Messrs. CCIF CPA Limited as Auditors and to authorise the Board of Directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares of the Company to be purchased pursuant to the approval in paragraph (a) during the Relevant Period above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

** For identification purpose only*

- (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held.”;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements, securities convertible into shares, warrants and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make and grant offers, agreements, securities convertible into shares, warrants and options which would or might require shares to be allotted after the end of the Relevant Period;
- (c) the total nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to shares issued as a result of a Rights Issue where shares are offered to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory) or any agreements and arrangements entered into by the Directors of the Company pursuant to the general mandate previously granted to the Directors which would or might require shares to be allotted during the Relevant Period or the share option scheme of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly;

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held.”; and
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to Resolution 5 above and for the time being in force to exercise the powers of the Company to issue and allot additional shares and to make or grant offers, agreements, securities convertible into shares, warrants and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate referred to in the above Resolution 4 pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

By Order of the Board
Teoh Tean Chai, Anthony
Executive Director

Hong Kong, 4 August 2008

Notes:

1. The Register of Members of the Company will be closed from 25 to 27 August 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to attend and qualify for voting at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 22 August 2008.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
3. Where there are joint registered holders of any share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such share of the Company as if he were solely entitled thereto; but if more than one or such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the proxy form duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
5. Completion and return of the proxy form will not preclude you from attending the Annual General Meeting and voting in person if you so wish. In the event that you attend the Annual General Meeting after having lodged the proxy form, it will be deemed to have been revoked.
6. As at the date of this notice, the board of directors of the Company comprises two executive directors, namely Mr. Teoh Tean Chai, Anthony and Ms. Chung Oi Ling, Stella and three independent non-executive directors, namely Mr. Lo Chi Ho, William, Mr. Wu Chi Chiu and Mr. Chu Kin Wang, Peleus.