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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)

**DESPATCH OF CIRCULAR
RELATING TO VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION INVOLVING THE PROPOSED
DISPOSAL OF A MAGNESITE MINING SUBSIDIARY AND
OFF-MARKET REPURCHASE OF SHARES
PROPOSED CHANGE OF COMPANY NAME
AND
PROPOSED CAPITAL REORGANISATION**

The Circular containing, among other things, details of the Agreement, financial information relating to the Group and the Remaining Group, the respective letters of advice from the Independent Board Committee and VC Capital Limited, information regarding the proposed change of Company name and proposed Capital Reorganisation, the notice of the SGM and other information as required under the Listing Rules and the Repurchase Code will be despatched to the Shareholders on 26 November 2008.

Reference is made to the announcement of the Company dated 2 September 2008 in relation to, among other things, the Disposal and the Securities Repurchase and the announcement of the Company dated 19 November 2008 in relation to, among other things, the proposed change of Company name and proposed Capital Reorganisation (together, the “Announcements”). Terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The circular of the Company (the “Circular”) containing, among other things, details of the Agreement, financial information relating to the Group and the Remaining Group, the respective letters of advice from the Independent Board Committee and VC Capital Limited, information regarding the proposed change of Company name and proposed Capital Reorganisation, the notice of the SGM and other information as required under the Listing Rules and the Repurchase Code will be despatched to the Shareholders on 26 November 2008.

The SGM for the purpose of considering, and if thought fit, approving the Agreement and the transactions contemplated thereunder, the proposed change of Company name and the proposed Capital Reorganisation will be held at Boardroom 5, G/F., Renaissance Harbour View Hotel, No.1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on Friday, 19 December 2008.

Disinterested Shareholders are advised to read the “Letter from the Independent Board Committee” and the “Letter from VC Capital” as set out in the Circular before deciding to vote in favour of or against the resolutions to be proposed at the SGM to approve the Agreement and the transactions contemplating thereunder.

By order of the Board
Magnesium Resources Corporation of China Limited
Teoh Tean Chai, Anthony
Executive Director

Hong Kong, 25 November 2008

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Teoh Tean Chai, Anthony

Ms. Chung Oi Ling, Stella

Independent non-executive Directors:

Mr. Lo Chi Ho, William

Mr. Chu Kin Wang, Peleus

Ms. Lau Wa Chun

The Directors of the Company jointly and severally accept responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement herein misleading.

* *For identification purpose only*