

**Form of Share Buyback Report to The Stock Exchange
of Hong Kong Limited (“the Exchange”)**

Form G

To: The Head of the Listing Division
The Listing Division
The Stock Exchange of Hong Kong Limited

30 December 2008

Dear Sir,

Name of Company: Magnesium Resources Corporation of China Limited (Stock Code : 723)

Description of Securities: HK\$1,092,000,000 1.5% Convertible Note due 2013 convertible into ordinary shares of Magnesium Resources Corporation of China Limited

A. Purchase Report

We hereby report the following purchases by our company of the above securities.

<u>Trading Day/Date</u>	<u>Number of Securities Purchased</u>	<u>Method of Purchase*</u>	<u>Price per Share or Highest Price Paid \$</u>	<u>Lowest Price Paid \$</u>	<u>Total Paid \$</u>
29 December 2008	Principal amount of HK\$1,092,000,000 convertible note	Off market	HK\$1,092,000,000	HK\$1,092,000,000	HK\$1,092,000,000
Total	Principal amount of HK\$1,092,000,000 convertible note				HK\$1,092,000,000

* Either on the Exchange, on another stock exchange (stating the name of the exchange), by private arrangement or by general offer.

B. Additional Information for company's whose primary listing is on the Exchange

1. Number of such securities purchased on the Exchange in the year to date (since ordinary resolution) (a) Not applicable

2. % of issued share capital at time ordinary resolution passed acquired on the Exchange since date of resolution
(_____ (a) x 100 _____)
issued share capital Not applicable

We hereby confirm that the purchases set out in A above which were made in accordance with the listing rules of the Exchange entitled "Rules Governing the Listing of Securities" and that there have been no material changes to the particulars contained in the Explanatory Statement dated Not applicable which has been filed with the Exchange. We also confirm that any purchases set out in A above which were made on another stock exchange were made in accordance with the domestic rules applying to purchases made on that other exchange.

Yours faithfully,

Name: Teoh Tean Chai, Anthony

Title : Director

For and on behalf of

Magnesium Resources Corporation of China Limited