



ASX Announcement

30 November 2016

MANAGING DIRECTOR UPDATE

At the Annual General Meeting held in Brisbane today, Managing Director, Mr Tom Blackhurst updated shareholders regarding activities which have CMC well positioned for growth into 2017.

CMC has successfully procured 2 tenements at Greenbushes, WA with an exploration permit already approved for one tenement. Co-venturers SMH are presently in WA with Executive Director, Mr X P Liang and the company's corporate adviser, in order to progress completion of formal agreements and finalise exploration plans.

The sustained improvement in magnesium price is expected to continue in the medium term. Accordingly, requisite preproduction testing of the Pingyao plant has been completed and furnace preheating commenced with output of ingot expected late 2016 / early 2017.

Mr Blackhurst updated the meeting on the cost effective and environmentally responsible initiatives the company has undertaken over the past 12 months with a view to improving sustainable production efficiencies. An example of this is the use of the vertical kiln at the FMW plant instead of the rotary kiln to calcine the dolomite required for magnesium production. This initiative greatly reduces CMC's energy cost

It was most pleasingly noted that the rights and options issue closed over-subscribed. This support by shareholders, both new and existing to build capacity in strategic acquisitions is appreciated by the Board.

Whilst accepting there will be further challenges ahead, Mr Blackhurst is confident of the board delivering a rewarding 2017. CMC remains focussed on becoming a large, low cost, integrated producer of magnesium, semi coke, tar oil and other industrial products while remaining flexible, aware and ready to take advantage of any synergistic opportunities afforded.

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