

Suite 1.03, Level 1  
46A Macleay St  
Potts Point NSW 2011  
Australia  
Ph: +61 2 8005 4109  
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31 July 2017

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street, Sydney  
NSW 2000

Dear Sirs,

**Appendix 4C – Quarter Ended 30 June 2017**

Appendix 4C for the quarter ended 30 June 2017 is attached. The cash flow data on which the Appendix 4C are based is unaudited.

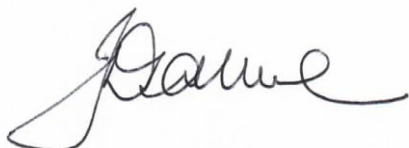
Given the Company's report for the half year ended 30 June 2017 will be released on or prior to 31 August 2017, no supplementary accounting data and Executive Chairman's report are included in this report.

The Company's cash flow statement in the form consistent with the requirements of AASB107 will be disclosed in the Company's half year report.

Appendix 4C is submitted in the format as required by Paragraph 4.7B of Chapter 4 of the ASX listing rules.

It is reiterated that all data presented in this report is unaudited.

Yours Sincerely,



John Talbot  
Company Secretary



# QUARTERLY UNAUDITED CASHFLOW APPENDIX 4C

for the Period Ended 30 June 2017

## **Magontec Limited**

ABN: 51 010 441 666  
Registered & Principal Office:  
Suite 1.03, Level 1  
46A Macleay St,  
Potts Point, NSW 2011  
Australia

**Tel:** +61 2 8005 4109

**Fax:** +61 2 9252 8960

**Website:** [www.magontec.com](http://www.magontec.com)

**Email:**

[corporate@magontec.com](mailto:corporate@magontec.com)

## **Non-Executive Directors**

As at 30 June 2017

Zhongjun Li  
Kangmin Xie  
Andre Labuschagne

## **Independent Directors**

As at 30 June 2017

Robert Shaw  
Robert Kaye

## **Management Team**

Nicholas Andrews  
*Executive Chairman*

John Talbot  
*Company Secretary*

Derryn Chin  
*Chief Financial Officer*

## **Issued Capital (as at 30 June 2017)**

### **Ordinary Shares (ASX Code MGL)**

1,140,073,483 fully paid Ordinary shares on issue

**Options:** Nil

### **Performance Rights<sup>(1)</sup>:**

Performance Period	Granted	Number
1 Jan 2015 to 31 Dec 2017	19 May 2017	22,976,789
1 Jan 2016 to 31 Dec 2018	19 May 2017	25,749,882
1 Jan 2017 to 31 Dec 2019	19 May 2017	15,621,146
<b>Total</b>		<b>64,347,817</b>

Note:

(1) For terms of issue refer to the heading "Vesting of Performance Rights as Magontec Ordinary Shares" in paragraphs o to t of Resolution 5 of the 2017 AGM.

## **Substantial Shareholders**

Shareholder	No. of shares <sup>(2)</sup>	Percent <sup>(3)</sup>
Qinghai Salt Lake Magnesium Industry Limited	330,535,784	28.99
Allan Gray Australia Pty Limited	187,230,248	16.42
Straits Mine Management Pty Limited	148,874,507	13.06

Notes:

(2) As per last "Notice of change of interests of substantial holder" lodged with ASX by shareholder.

(3) "No. of Shares" divided by fully paid Ordinary shares on issue as at the date of this report.

## **Share Registry Services**

Boardroom Pty Limited  
Level 7, 207 Kent St  
Sydney NSW 2000

### **Postal Address:**

GPO Box 3993  
Sydney NSW 2001

**Tel:** 1300 737 760 or

**International:** +61 2 9290 9600

**Fax:** 1300 653 459

**Website:** <http://www.boardroomlimited.com.au>

The current share price can be obtained from the ASX Website – [www.asx.com.au](http://www.asx.com.au)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Magontec Limited

**ABN**

51 010 441 666

**Quarter ended ("current quarter")**

30 June 2017

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	43,617	71,409
1.2	Payments for		
	(a) research and development	(144)	(239)
	(b) product manufacturing and operating costs	(33,453)	(65,781)
	(c) advertising and marketing	(15)	(62)
	(d) leased assets	-	-
	(e) staff costs	(1,724)	(3,175)
	(f) administration and corporate costs	(1,334)	(2,555)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	29
1.5	Interest and other costs of finance paid	(317)	(579)
1.6	Income taxes paid	(58)	(123)
1.7	Government grants and tax incentives	83	83
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>6,675</b>	<b>(992)</b>

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(645)	(2,255)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(1)	(2)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	17
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	168	(2)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(479)</b>	<b>(2,241)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	5,245	20,433
3.6	Repayment of borrowings	(10,215)	(16,966)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(4,970)</b>	<b>3,467</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter (3 months) \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
<b>4.1 Cash and cash equivalents at beginning of quarter/year to date</b>	<b>3,379</b>	<b>4,593</b>
4.2 Net cash from / (used in) operating activities (item 1.9 above)	6,675	(992)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(479)	(2,241)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(4,970)	3,467
4.5 Effect of movement in exchange rates on cash held	(187)	(408)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>4,419</b>	<b>4,419</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	<b>4,419</b>	<b>3,379</b>
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,419</b>	<b>3,379</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

35

-

Not applicable

**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Not applicable

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at quarter  
end  
\$A'000**

8.1 Loan facilities

27,195

19,595

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

**Borrowings facilities as at 30 June 2017**

Lender	Maturity %	Interest rate %	Limit \$A 000	Drawn \$A 000	Security status
Commerzbank Germany	30-Sep-17	2.15%	12,316	8,481	Secured
Commerzbank Germany	31-Dec-18	2.50%	426	372	Secured
ING Romania	Open	3.15%	4,306	3,640	Secured
Bank of Communications China	03-May-18	4.70%	3,843	3,843	Secured
Commerzbank Bank China	NA	5.78%	4,803	1,935	Secured
<b>Total borrowings on balance sheet</b>			<b>25,693</b>	<b>18,270</b>	
Postbank (factoring)			1,502	1,326	
<b>Total facilities as at 31 Mar 17</b>			<b>27,195</b>	<b>19,595</b>	

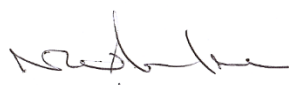
The facilities with Commerzbank Germany that were due to expire on 30 June 2017 have been extended to 30 September 2017. The company is currently discussing an expansion of its limit, and will update the market as appropriate.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(131)
9.2 Product manufacturing and operating costs	(30,014)
9.3 Advertising and marketing	(25)
9.4 Leased assets	-
9.5 Staff costs	(1,482)
9.6 Administration and corporate costs	(1,196)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(32,848)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	Not applicable	Not applicable
10.2 Place of incorporation or registration	Not applicable	Not applicable
10.3 Consideration for acquisition or disposal	Not applicable	Not applicable
10.4 Total net assets	Not applicable	Not applicable
10.5 Nature of business	Not applicable	Not applicable

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:  
 (Executive Chairman)

Date: 31 July 2017

Print name: Mr Nicholas Andrews