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3 October 2017

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

Dear Sirs,

**Extension of Commerzbank facility to September 2020**

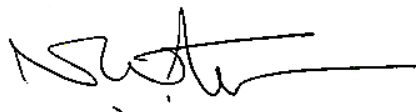
The company is pleased to announce that its existing banking facility from Commerzbank Germany has been renewed.

Commerzbank has increased the loan facility from EUR 12 million to EUR 15 million and extended the loan over a period of three years to 30 September 2020.

Magontec has a longstanding relationship with Commerzbank, which has provided significant 'borrowing base' banking facilities to Magontec since 2011.

This larger facility ensures that the Company has longer term financial resources in place to assist in funding working capital for the new production facilities and additional volumes that are currently coming on line at Magontec's newest primary magnesium alloy factory at Golmud in Qinghai Province PRC.

Yours sincerely



Nic Andrews  
**Executive Chairman and CEO**  
**Magontec Limited**