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Potts Point NSW 2011
Australia
Ph: +61 2 8005 4109
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31 July 2018

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

Dear Sirs,

Appendix 4C – Quarter Ended 30 June 2018

Appendix 4C for the quarter ended 30 June 2018 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 2018 will be released on or prior to 31 August 2018, 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

APPENDIX 4C



QUARTERLY UNAUDITED CASH FLOW
APPENDIX 4C

for the Period Ended 30 June 2018

Magontec Limited

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

Tel: +61 2 8005 4109

Fax: +61 2 9252 8960

Website: www.magontec.com

Email: Corporate@magontec.com

Non-Executive Directors

As at 30 June 2018

Zhongjun Li
Kangmin Xie
Andre Labuschagne

Independent Directors

As at 30 June 2018

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 2018)

Ordinary Shares (ASX Code MGL)

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

Options: Nil

Performance Rights ⁽¹⁾:

Performance Period	Granted	Number
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
1 Jan 2018 to 31 Dec 2020	10 May 2018	17,181,612
Total		58,552,640

Notes:

(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 ⁽²⁾	Percent ⁽³⁾
Qinghai Salt Lake Magnesium Industry Limited	330,535,784	28.99
Allan Gray Australia Pty Limited	176,858,972	15.51
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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Magontec Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	38,311	76,647
1.2	Payments for		
	(a) research and development	(84)	(156)
	(b) product manufacturing and operating costs	(26,577)	(57,772)
	(c) advertising and marketing	(32)	(64)
	(d) leased assets	-	-
	(e) staff costs	(1,758)	(3,611)
	(f) administration and corporate costs	(1,674)	(3,478)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13	28
1.5	Interest and other costs of finance paid	(192)	(327)
1.6	Income taxes paid	(1,040)	(1,119)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	6,966	10,148

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment ¹		(287)	(661)
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property		(121)	(245)
(e) other non-current assets			
2.2 Proceeds from disposal of:			
(a) property, plant and equipment			
(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)		148	122
2.6 Net cash from / (used in) investing activities		(259)	(785)

3. Cash flows from financing activities			
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		1,678	5,725
3.6 Repayment of borrowings		(2,777)	(8,420)
3.7 Transaction costs related to loans and borrowings			
3.8 Dividends paid			
3.9 Other (provide details if material)			
3.10 Net cash from / (used in) financing activities		(1,100)	(2,696)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,506	2,309
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,966	10,148
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(259)	(785)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,100)	(2,696)
4.5	Effect of movement in exchange rates on cash held	41	177
4.6	Cash and cash equivalents at end of quarter	9,155	9,155

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,155	3,506
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,155	3,506

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	60
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	
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 <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	22,683	19,457
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 2018					
Lender	Maturity	Interest %	Limit \$A 000	Drawn \$A 000	Security status
Commerzbank Germany	30-Sep-20	1.55%	13,166	11,343	Secured
Commerzbank Germany	31-Dec-18	2.50%	160	160	Secured
ING Romania	Open	3.15%	3,273	2,699	Secured
Bank of Communications China	01-Apr-19	5.22%	4,081	4,081	Secured
Total borrowings on balance sheet			20,679	18,283	
Postbank (factoring)	30-Nov-18	1.34%	2,003	1,174	
Total facilities			22,683	19,457	

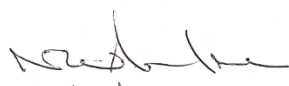
No additional facilities entered into or proposed to be entered into after quarter end.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(103)
9.2 Product manufacturing and operating costs	(29,898)
9.3 Advertising and marketing	(42)
9.4 Leased assets	-
9.5 Staff costs	(2,225)
9.6 Administration and corporate costs	(2,061)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(34,329)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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 2018

Print name: Mr Nicholas Andrews

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.