

23 September 2020

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Dear Sirs,

QSLM presentation and speech at China Magnesium Association conference

On Wednesday 23 September 2020, senior executives of the Qinghai Salt Lake Magnesium Co. Ltd (QSLM) delivered a presentation and speech to the China Magnesium Association (CMA) conference at Xiaoyi city in Shanxi province.

Among other comments QSLM made the following observations under the heading
“5. Commissioning schedule of QSLM Mg Smelter and development program for magnesium industry”:

- *Legal restructuring of QSLIC and Huixin Company [the new owner of QSLM] is expected to be completed around December 2020.*
- *Rectification work on the 100,000mt/year output magnesium smelter is planned for completion and stable production in 2021.*

In 2017 Magontec commenced production of primary magnesium alloys from its magnesium alloy cast house in Qinghai province. In March 2019, issues arose surrounding the financial and organisational structure of QSLM and its parent company, QSLIC. As a result, production at QSLM’s electrolytic magnesium smelter, which was supplying the Magontec’s Qinghai cast house, was halted.

In the intervening 18-month period Magontec Qinghai has continued to produce primary magnesium alloys at lower volumes using raw material feed from alternatives sources.

Yours sincerely,



Nicholas Andrews
Executive Chairman
Magontec Limited

Nicholas Andrews, Executive Chairman of Magontec Limited has authorised the release of this document to the market on 23 September 2020