

## **Magontec Limited – Temporary factory closure in China**

27 August 2014

Magontec Limited has been required by the Wujian Industry Zone Safety Supervising Office in Suzhou City to temporarily close the operations of its Suzhou magnesium recycling factory in Jiangsu Province.

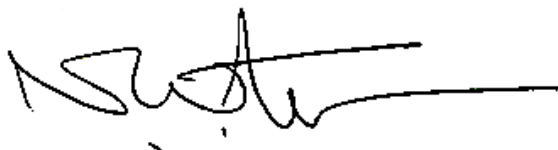
The Company is currently uncertain of the date on which the factory will be allowed to re-start operations.

In early August an accident at an aluminium factory in Kunshun, Jiangsu Province, PRC, resulted in the death of around 70 employees and injured many others. This factory is NOT connected to Magontec in any way.

The Suzhou Safety Supervising Bureau immediately requested the closure of over 200 aluminium and magnesium processing factories in the Suzhou City area, pending its investigation of safety standards and conditions.

Magontec manufactures primary magnesium alloys at a factory in Shanxi Province and has contracts to receive scrap returns at its Suzhou plant for recycling. As a result the temporary closure of the Suzhou plant impacts the volumes that can be supplied from the Shanxi factory.

Management and Directors in China are working with the local authorities so that the Suzhou recycling plant can recommence operations as soon as possible. The major impediment to an immediate re-start is a requirement imposed on the Suzhou factory to seek a new and higher-level fire safety rating. The Company will keep shareholders informed of progress.



Nic Andrews  
Executive Chairmen & CEO