

13 January 2015

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

Dear Sirs,

Resumption of factory operations in Suzhou, Jiangsu Province (PRC)

In the ASX Announcement released on the 27th August 2014, Magontec Limited ('Magontec') announced the temporary closure of its Suzhou magnesium recycling factory in Jiangsu Province, PRC.

This came about due to an accident in early August at an aluminium factory in Kunshan, Jiangsu Province (PRC) which led to the death of around 70 employees and injured many others. Although this factory is NOT connected to Magontec in any way, the relevant authorities immediately requested the closure of over 200 aluminium and magnesium processing factories in the Suzhou City area, pending investigations into safety standards and conditions.

Magontec has now been informed by the Suzhou Wujiang Administration of Work Safety that the company's magnesium recycling factory in Suzhou has been approved to recommence production, and consequently steps are now being taken to restore production to normal levels.

Yours sincerely



Nicholas Andrews
Executive Chairman
Magontec Limited

For more information please contact

Nicholas Andrews, on 0402 220 077
John Talbot (CFO) on 0405 317 594