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Potts Point NSW 2011
Australia
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27 July 2015

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

Dear Sirs,

Appendix 4C – Quarter Ended 30 June 2015

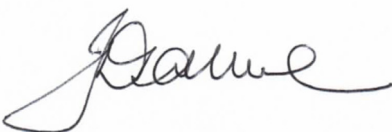
Appendix 4C for the quarter ended 30 June 2015 is attached. The various cash flow data contained in this covering letter and the attached Appendix 4C are unaudited.

Given that the Company's report for the half year ended 30 June 2015 will be released prior to 31 August 2015, no supplementary accounting data and Executive Chairman's report are included in this report.

The Attachment to this covering letter contains the Company's cash flow statement in the form consistent with the requirements of AASB107 "Statement of Cash Flows" and the Cash Flow Statement to be disclosed in the Company's annual and half year reports.

Appendix 4C immediately following the Attachment to this covering letter is submitted in the format as required by Paragraph 4.7B of Chapter 4 of the ASX listing rules.

Yours Sincerely

A handwritten signature in dark ink, appearing to read 'John Talbot', with a stylized, flowing script.

John Talbot
Company Secretary

Attachment to Covering Letter

	Quarter Ended 30-Jun-15 \$A'000	6 Months to 30-Jun-15 \$A'000	3 Months to 31-Mar-15 \$A'000
CASH FLOW FROM OPERATING ACTIVITIES			
Underlying operational cash flow			
Profit before taxation	(\$575)	(\$237)	\$337
Adjustments for:			
- Non-cash Equity expense	\$174	\$174	
- Depreciation & amortisation	\$385	\$806	\$420
- Foreign currency effects	(\$325)	(\$155)	\$170
- Other Non-cash items	\$951	\$685	(\$266)
Cash generated from/(utilised in) underlying operating activities	\$610	\$1,272	\$662
Net working capital assets			
- Trade and Other Receivables	\$337	(\$1,552)	(\$1,888)
- Inventory	\$2,349	\$6,746	\$4,397
- Trade and Other Payables	\$852	(\$6,375)	(\$7,227)
- Other	\$1,081	\$242	(\$839)
Cash generated from/(utilised in) net working capital asset	\$4,619	(\$939)	(\$5,558)
Other operating activities			
- Net Interest paid	(\$331)	(\$611)	(\$280)
- Income tax paid	(\$2)	(\$13)	(\$11)
Cash generated from/(utilised in) other operating activities	(\$333)	(\$624)	(\$291)
Net Cash generated from/(utilised in) all operating activities	\$4,896	(\$291)	(\$5,186)

CASH FLOW FROM INVESTING ACTIVITIES			
Net cash out on purchase/disposal of property, plant & equipment	(\$700)	(\$1,579)	(\$878)
Group Information Technology	(\$23)	(\$23)	
Security Deposit	\$47	\$886	\$839
Other Non-current assets	\$26	\$26	
Net cash provided by / (used in) investing activities	(\$651)	(\$690)	(\$39)

CASH FLOW FROM FINANCING ACTIVITIES			
Bank Debt	\$202	\$2,778	\$2,576
Net capital raised from issue of securities	\$0	(\$2)	(\$2)
Other	\$0	\$0	
Net cash provided by / (used in) financing activities	\$202	\$2,777	\$2,574

Net increase / (decrease) in cash and cash equivalents	\$4,447	\$1,796	(\$2,651)
Foreign exchange effects on total cash flow movement	\$10	\$314	\$304
Cash and cash equivalents at the beginning of the reporting period	\$4,088	\$6,435	\$6,435
Cash and cash equivalents at the end of the reporting period	\$8,545	\$8,545	\$4,088



QUARTERLY UNAUDITED CASHFLOW - APPENDIX 4C

for the Period Ended 30 June 2015

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 2015)

Zhongjun Li
Kangmin Xie
Andre Labuschagne

Independent Directors (as at 30 June 2015)

Robert Shaw
Robert Kaye

Management Team

Nicholas Andrews
Executive Chairman

John Talbot
Chief Financial Officer & Company Secretary

Issued Capital (as at 30 June 2015)

Ordinary Shares (ASX Code MGL)
1,127,311,901 fully paid Ordinary shares on issue

Options: Nil

Substantial Shareholders

Major Shareholders	No. of shares	Percent
Qinghai Salt Lake Magnesium Industry Limited	330,535,784	29.34
Straits Mine Management Pty Limited	160,433,178	14.24
J P Morgan Nominees Australia Limited	101,707,941	9.03
Citicorp Nominees Pty Limited	89,481,922	7.94

Share Registry Services

Boardroom Pty Limited
Level 12
Grosvenor Place
225 George Street
Sydney NSW 2000

Postal:
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

Appendix 4C

Quarterly Report

Introduced 31/3/2000. Amended 30/9/2001.

Name of entity

Magontec Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Quarter Ended 30 June 2015	6 Months to 30 June 2015
	\$A'000	\$A'000
1.1 Receipts from customers ⁽¹⁾	34,469	66,770
1.2 Payments for -		
(a) staff costs	(1,723)	(3,209)
(b) advertising and marketing	(10)	(20)
(c) research and development	(90)	(199)
(d) leased assets		
(e) other working capital ⁽²⁾	(27,417)	(63,009)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	26	42
1.5 Interest and other costs of finance paid	(357)	(653)
1.6 Income taxes paid	(2)	(13)
1.7 Other (provide details if material)		
Net operating cash flows	4,896	(291)

1. Net of movement in trade debtors.

2. Payment to suppliers & funding of net working capital assets other than trade debtors.

		Quarter Ended 30 June 2015	6 Months to 30 June 2015
		\$A'000	\$A'000
1.8	Net operating cash flows (carried forward)	4,896	(291)
	Cash flows related to investing activities		
	Payment for acquisition of:		
	(a) businesses (item 5)		
1.9	(b) equity investments		
	(c) intellectual property		(23)
	(d) physical non-current assets	(701)	(1,579)
	(e) other non-current assets		
	Proceeds from disposal of:		
	(a) businesses (item 5)		
1.1	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material) ⁽³⁾	73	912
	Net investing cash flows	(627)	(690)
1.14	Total operating and investing cash flows	4,269	(981)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		(2)
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings	202	2,778
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.2	Other (provide details if material)	2	0
	Net financing cash flows	204	2,777
	Net increase (decrease) in cash held	4,473	1,796
1.21	Cash at beginning of quarter/year to date	4,088	6,435
1.22	Exchange rate adjustment on foreign currency translation	(16)	314
1.23	Cash at end of quarter	8,545	8,545

3. Includes refund of security deposit of \$885,702 for the 6 Months to 30 June 2015

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Quarter Ended 30 June 2015 \$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	\$35,000
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

1. Refer Cash Flow Statement in Attachment to the covering letter of this release which has been prepared on the basis of AASB107 "Statement of Cash Flows".
2. Reduction in inventory levels at 30 June 2015 resulted in a significant cash inflow in the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	4,203	4,203
3.2	Credit standby arrangements	25,355	17,985

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Quarter Ended 30 June 2015 \$'000	Previous Quarter \$'000
4.1	Cash on hand and at bank	8,545	4,088
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		8,545	4,088

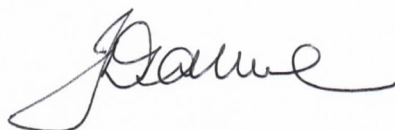
Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Nil	Nil
5.2 Place of incorporation or registration	Nil	Nil
5.3 Consideration for acquisition or disposal	Nil	Nil
5.4 Total net assets	Nil	Nil
5.5 Nature of business	Nil	Nil

Compliance statement

- The values input in this statement have been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

Sign here:



Date: 27 July 2015

Print name:

(Director/Company secretary)
John Talbot

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.