



Limited

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Sydney NSW 2000
Australia
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31 October 2012

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

Dear Sirs,

Appendix 4C – Quarter Ended 30 September 2012

The above quarterly cash flow report is attached.

Yours Sincerely

A handwritten signature in black ink, appearing to read "John Talbot". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Talbot
Company Secretary.
Magontec Limited



Limited

QUARTERLY CASHFLOW - APPENDIX 4C

for the Period Ended 30 September 2012

Magontec Limited

ABN: 51 010 441 666
Registered & Principal Office:
Office 10, Level 8,
139 Macquarie Street,
Sydney, NSW 2000 Australia

Tel: +61 2 8231 7085
Fax: +61 2 9252 8960
Website: www.magontec.com
Email: Corporate@magontec.com

Independent Directors (as at 30 September 2012)

Zhongjun Li
Non-Executive Director

Robert Shaw
Non-Executive Director

Management Team

Nicholas Andrews
Executive Chairman

Guenter Franke
Executive Director and Chief Operating Officer

John Talbot
Chief Financial Officer

Company Secretary
John Talbot

Issued Capital (as at 30 September 2012)

Ordinary Shares (ASX Code MGL)
425,007,674 fully paid Ordinary shares on issue

Unlisted Securities

Unlisted Options	Number	Grant Date	Expiry Date	Exercise Price \$
Employee Share Option Plan	1,300,000	16 Aug 2010	16 Aug 2013	\$0.10

Substantial Shareholders

Major Shareholders	No. of shares	Percent
KWE(HK)Investment Development Co Limited	55,797,298	13.13
Qinghai Salt Lake Magnesium Industry Limited	55,435,784	13.04
Straits Mine Management Pty Limited	40,499,167	9.53
Citicorp Nominees Pty Limited	32,477,661	7.64

Share Registry Services

Boardroom Pty Limited
Level 7, 207 Kent St
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-Sep-12

1.1 Cash flows from operating activities

- a Receipts from customers
- b Payments to suppliers and employees
- c Personnel
- d Corporate
- e Interest received
- f Interest expense
- g **Net cash (used)/generated in operating activities**

Quarter Ended 30 Sep 2012	Year to date (3 months)
\$A	\$A
\$34,435,225	\$34,435,225
(\$27,635,272)	(\$27,635,272)
(\$1,420,541)	(\$1,420,541)
(\$315,069)	(\$315,069)
\$5,697	\$5,697
(\$331,798)	(\$331,798)
\$4,738,242	\$4,738,242

1.2 Cash flows from investing activities

- a Movement in security deposits
- b Payment for property, plant & equipment
- c Group Information Technology software
- d Other
- e **Net cash provided by/(used in) investing activities**

(\$260)	(\$260)
(\$153,008)	(\$153,008)
(\$35,508)	(\$35,508)
\$0	\$0
(\$188,776)	(\$188,776)

1.3	Cash flows from financing activities	Current quarter \$A	Year to date (3 months) \$A
	a Loans from/ (repayments to) related parties	(\$200,743)	(\$200,743)
	b Principal reduction on debt owing to Straits Mine Management Pty Ltd	(\$889,734)	(\$889,734)
	c Net inflow/(outflow) on bank loans	(\$3,916,520)	(\$3,916,520)
	d Net capital raised from issue of the Company's shares	\$0	\$0
	e New equity in Magontec Shanxi Company Limited joint venture	\$470,472	\$470,472
	f Net cash provided by financing activities	(\$4,536,525)	(\$4,536,525)
	Net increase (decrease) in cash held	\$12,941	\$12,941
1.4	Cash at beginning of quarter /year to date	\$4,775,010	\$4,775,010
1.5	Cash at end of quarter /year to date	\$4,787,951	\$4,787,951

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

		Current quarter \$A
1.6	Aggregate amount of payments to the relevant parties (aggregate fees paid to directors)	\$17,500
1.7	Aggregate amount of loans to the relevant parties	Nil

1.8 Explanation necessary for an understanding of the transactions

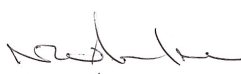
On 11 May 2012 Magontec announced its intention to dispose of its interest in HNKWE. Formal contractual arrangements regarding disposal were announced on 12 July 2012. The contractual arrangements for disposal are subject to approval by the shareholders of Magontec.

Cash reported in Appendix 4C for the quarter ended 30 June 2012 included cash held in HNKWE which has now been deconsolidated.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign
here:



Date: 31 Oct 2012
Executive Chairman
Magontec Limited

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 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: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
 - Aus20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 39 - 42 - itemised disclosure relating to acquisitions and disposals
 - 48 - 52 - disclosure of restrictions on use of cash
- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting 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.

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