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

Dear Sirs,

4 January 2013

Magontec Limited (Company) – Appendix 3B Partially Underwritten Renounceable Rights Issue

Shares and options have been allotted today to those shareholders who participated in the Company's Renounceable Rights Issue. Holding Statements showing those allotments have been dispatched today to participating shareholders.

The attached Appendix 3B records the detail of additional securities to be listed and other information as required by ASX Listing Rules.

The two Appendices immediately following this covering letter address the requirements at Items 35 and 36 in the attached Appendix 3B.

Yours Sincerely

John Talbot
Company Secretary

Appendix 1

Information Required at Item 35 in the following Appendix 3B

Names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

Fully Paid Ordinary Shares

Top 20 Holdings as at 04-01-2013

Holder Name	Balance at 04-01-2013	%
QINGHAI SALT LAKE MAGNESIUM INDUSTRY LTD	180,535,784	27.834
KWE (HK) INVESTMENT DEVELOPMENT CO LIMITED	55,797,298	8.603
CITICORP NOMINEES PTY LIMITED	43,221,715	6.664
STRAITS MINE MANAGEMENT PTY LIMITED	40,499,167	6.244
J P MORGAN NOMINEES AUSTRALIA LIMITED	29,729,832	4.584
NATIONAL NOMINEES LIMITED	27,915,207	4.304
OPTIMIST INTERNATIONAL INVESTMENTS LIMITED <OPTIMIST A/C>	21,738,810	3.352
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,597,269	1.942
MR NICHOLAS WILLIAM ANDREWS	11,079,542	1.708
MRS DAWN PATRICIA DAVIS	7,657,465	1.181
MR DAVID PARHAM	4,830,331	0.745
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	4,163,104	0.642
MR JOHN DAVID TALBOT	4,000,767	0.617
JOHN STUART HAMER FITTON	3,747,070	0.578
MR PETER FABIAN HELLINGS & MRS JACQUELINE KIM GUN HELLINGS <BOX	3,050,000	0.470
MRS PAMELA ELIZABETH DRABSCH	2,800,000	0.432
MR IANAKI SEMERDZIEV	2,770,000	0.427
MR DAVID ALOYSIUS DRABSCH	2,644,445	0.408
MR HOWARD LEONARD PATRICK & MS CAROL FRANCIS PATRICK <HL & CF	2,400,000	0.370
DALSIZ PTY LTD <MORRISON FAMILY S/F A/C>	2,228,667	0.344
Total		71.447
Issued Capital		**648,605,845**

Options $0.02 Expiring 3 January 2014

Top 20 Holdings as at 04-01-2013

Holder Name	**Balance at 04-01-2013**	**%**
QINGHAI SALT LAKE MAGNESIUM INDUSTRY LTD	250,200,000	56.733
J P MORGAN NOMINEES AUSTRALIA LIMITED	38,144,214	8.649
NATIONAL NOMINEES LIMITED	24,104,796	5.466
CITICORP NOMINEES PTY LIMITED	21,842,108	4.953
OPTIMIST INTERNATIONAL INVESTMENTS LIMITED <OPTIMIST A/C>	15,527,722	3.521
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,462,722	2.146
MR NICHOLAS WILLIAM ANDREWS	7,913,960	1.794
MRS DAWN PATRICIA DAVIS	5,469,618	1.240
MR MATTHEW BURFORD	2,996,000	0.679
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	2,565,554	0.582
AG & GK PTY LTD <AMC SUPERANNUATION FUND A/C>	2,400,000	0.544
MR PETER FABIAN HELLINGS & MRS JACQUELINE KIM GUN HELLINGS <BOX	2,180,000	0.494
MRS PAMELA ELIZABETH DRABSCH	2,000,000	0.453
MR DAVID ALOYSIUS DRABSCH	1,888,890	0.428
DALSIZ PTY LTD <MORRISON FAMILY S/F A/C>	1,771,334	0.402
DR GILLIAN KATRIN MACLAINE-CROSS & DR ANDREW DUNCAN MACLAINE-CROSS	1,600,000	0.363
DR ANDREW DUNCAN MACLAINE-CROSS	1,600,000	0.363
MRS KATRINA LOVERIDGE	1,509,328	0.342
MR DAVID ALOYSIUS DRABSCH & MRS PAMELA ELIZABETH DRABSCH <ALEX &	1,444,446	0.328
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,174,634	0.266
Total	395,795,326	89.746
Issued Capital		**441,016,570**

Appendix 2

Information Required at Item 36 in the following Appendix 3B

If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

Security Classes:
Fully Paid Ordinary Shares

Holdings Ranges	Holders	Total Units	%
1-1,000	10,722	3,715,378	0.573
1,001-5,000	2,157	4,821,059	0.743
5,001-10,000	440	3,588,582	0.553
10,001-100,000	1,530	45,393,739	6.999
100,001-99,999,999,999	400	591,087,087	91.132
Totals	**15,249**	**648,605,845**	**100.000**

Security Classes:
Options $0.02 Expiring 3 January 2014

Holdings Ranges	Holders	Total Units	%
1-1,000	442	234,756	0.053
1,001-5,000	359	875,186	0.198
5,001-10,000	93	734,228	0.166
10,001-100,000	498	14,500,624	3.288
100,001-99,999,999,999	149	424,671,776	96.294
Totals	**1,541**	**441,016,570**	**100.000**

+ See chapter 19 for defined terms.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Magontec Limited

ABN

510 1044 1666

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	• Fully paid ordinary shares (**Shares**) • Listed options to acquire fully paid ordinary shares (**Options**)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	220,508,285 Shares 441,016,570 Options

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Shares and Options will be issued on the terms set out in the renounceable Rights Issue prospectus dated 23 November 2012 and lodged with ASX and ASIC on the same date (Prospectus). • Shares – terms of the Shares are summarised in section 4.1 of the Prospectus • Options are exercisable at 2 cents each at any time on or before 3 January 2014. Option terms are printed on the reverse of the Holding Statements dispatched to participating shareholders on 4 January 2013.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	• Shares – Yes • Options – No. The Options are a new class of options. Options are exercisable in accordance with the terms summarised in section 4.2 of the Prospectus and upon conversion of the Options, the shares will rank equally with existing shares.
5	Issue price or consideration	Shares - $0.05 per share Options – Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Pro-rata renounceable Rights Issue to raise up to approximately $11,805,769 (before costs) to be applied as described in section 2.1 of the Prospectus.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	No
6b	The date the security holder resolution under rule 7.1A was passed	NA
6c	Number of +securities issued without security holder approval under rule 7.1	NA

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	NA
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NA
6f	Number of securities issued under an exception in rule 7.2	NA
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	NA
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NA
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	NA
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	4 January 2013

8 Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)

Number	+Class
648,605, 845	Fully paid ordinary shares
441,016,570	Options exercisable at 2 cents each at any time on or before 3 January 2014.

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	1,300,000	Options having an exercise price of $0.10 expiring on 16 August 2013

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No policy exists

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	5 new fully paid ordinary shares and 10 free attaching listed options for every 9 existing fully paid ordinary shares held as at the Record Date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares Listed options exercisable at 2 cents each at any time on or before 3 January 2014.
15	+Record date to determine entitlements	3 December 2012
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional Entitlements have been rounded up to the nearest whole number. Refer section 1.3 of the Prospectus.

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand, Switzerland and the People's Republic of China. Refer to sections 1.9 – 1.11 of the Prospectus.
19	Closing date for receipt of acceptances or renunciations	24 December 2012

20	Names of any underwriters	Patersons Securities Limited (**Patersons**)
21	Amount of any underwriting fee or commission	Underwriting fee of 1% of the amount underwritten, being a fee of $88,378. Refer to section 6.2 of the Prospectus.
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	$60,000
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	NA
25	If the issue is contingent on +security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	7 December 2012
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	23 November 2012
28	Date rights trading will begin (if applicable)	27 November 2012
29	Date rights trading will end (if applicable)	14 December 2012
30	How do +security holders sell their entitlements *in full* through a broker?	By contacting their broker verbally or completing the section marked "Instructions to Stockbroker" on the Entitlement and Acceptance Form and lodging the Form with their broker. Refer to section 3.4 of the Prospectus.

+ See chapter 19 for defined terms.

31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	By completing the Entitlement and Acceptance Form in accordance with the instructions set out in the Form. Indicate the number of new shares and new options the Shareholder wishes to accept (being less than their entitlement as specified on the Entitlement and Acceptance Form) and complete the section marked “Instructions to Stockbroker” on the Form in respect of that part of the entitlement the Shareholder wishes to sell. Return the completed Entitlement and Acceptance Form together with payment for the total amount payable in respect of the shares and new options accepted by 5.00pm (EDST) on 24 December 2012. Refer to section 3.5 of the Prospectus.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Complete a renunciation form (obtainable through your stockbroker or the Company’s share registrar). Refer to section 3.6 of the Prospectus.
33	+Despatch date	4 January 2013

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) [√] Securities described in Part 1

(b) [ ] All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 √ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

Refer Appendix 1 to the covering letter.

36 √ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

Refer Appendix 2 to the covering letter.

37 [ ] A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	NA
39	Class of +securities for which quotation is sought	NA
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	NA
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	NA

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class
NA	NA

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

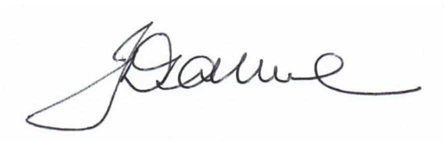
  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Date: 4 January 2013

John Talbot Company Secretary

+ See chapter 19 for defined terms.

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+ See chapter 19 for defined terms.