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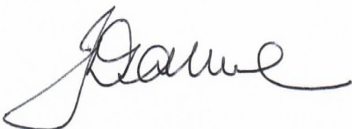
Dear Sirs,

3 September 2013

**Magontec Limited (Company) – Conversion of Options Issued In Terms of  
Renounceable Rights Prospectus Dated 23 November 2012**

The attached Appendix 3B records the detail of securities to be listed following the conversion of options issued as per the above Prospectus.

Yours Sincerely



John Talbot  
Company Secretary

# 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   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 83,862 fully paid ordinary shares  |
| 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) | 83,862 shares issued pursuant to shareholders exercising their right to convert options issued in terms of the Company's Prospectus dated 23 November 2012 and released to the ASX on the same date. |

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+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	Yes
5	Issue price or consideration	83,862 shares issued @ \$0.02 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	An integral part of the Company's fund raising in terms of the aforesaid prospectus
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	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
6d	Number of +securities issued with security holder approval under rule 7.1A	NA

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+ See chapter 19 for defined terms.

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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	3 September 2013	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		654,337,921	Fully paid ordinary shares
		440,150,194	Options exercisable at 2 cents each at any time on or before 3 January 2014.

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
		61,237,218	Options inherent in Convertible Loan Note #1 for \$3,368,047 issued to Straits Mine Management Pty Ltd expiring on 1 July 2014.
		70,618,627	Options inherent in Convertible Loan Note #2 for \$3,500,000 issued to Straits Mine Management Pty Ltd expiring on 28 November 2015.
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?	NA
12	Is the issue renounceable or non-renounceable?	NA
13	Ratio in which the +securities will be offered	NA
14	+Class of +securities to which the offer relates	NA
15	+Record date to determine entitlements	NA
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17	Policy for deciding entitlements in relation to fractions	NA

+ See chapter 19 for defined terms.

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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.

Gross reference: rule 7.7.

NA

19 Closing date for receipt of acceptances or renunciations

NA

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+ See chapter 19 for defined terms.

20	Names of any underwriters	NA	
21	Amount of any underwriting fee or commission	NA	
22	Names of any brokers to the issue	NA	
23	Fee or commission payable to the broker to the issue	NA	
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	NA	
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	NA	
28	Date rights trading will begin (if applicable)	NA	
29	Date rights trading will end (if applicable)	NA	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	NA	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="text-align: center;">NA</td> </tr> </table>	NA
NA			

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33 +Despatch date

NA
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### 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

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

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

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**Entities that have ticked box 34(b)**

38 Number of securities for which +quotation is sought 

NA
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39 Class of +securities for which quotation is sought 

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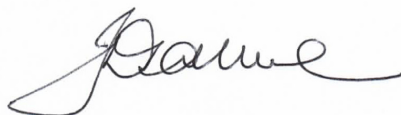
	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	NA	NA

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+ See chapter 19 for defined terms.

**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.



John Talbot Company Secretary

Date: 3 September 2013

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+ See chapter 19 for defined terms.