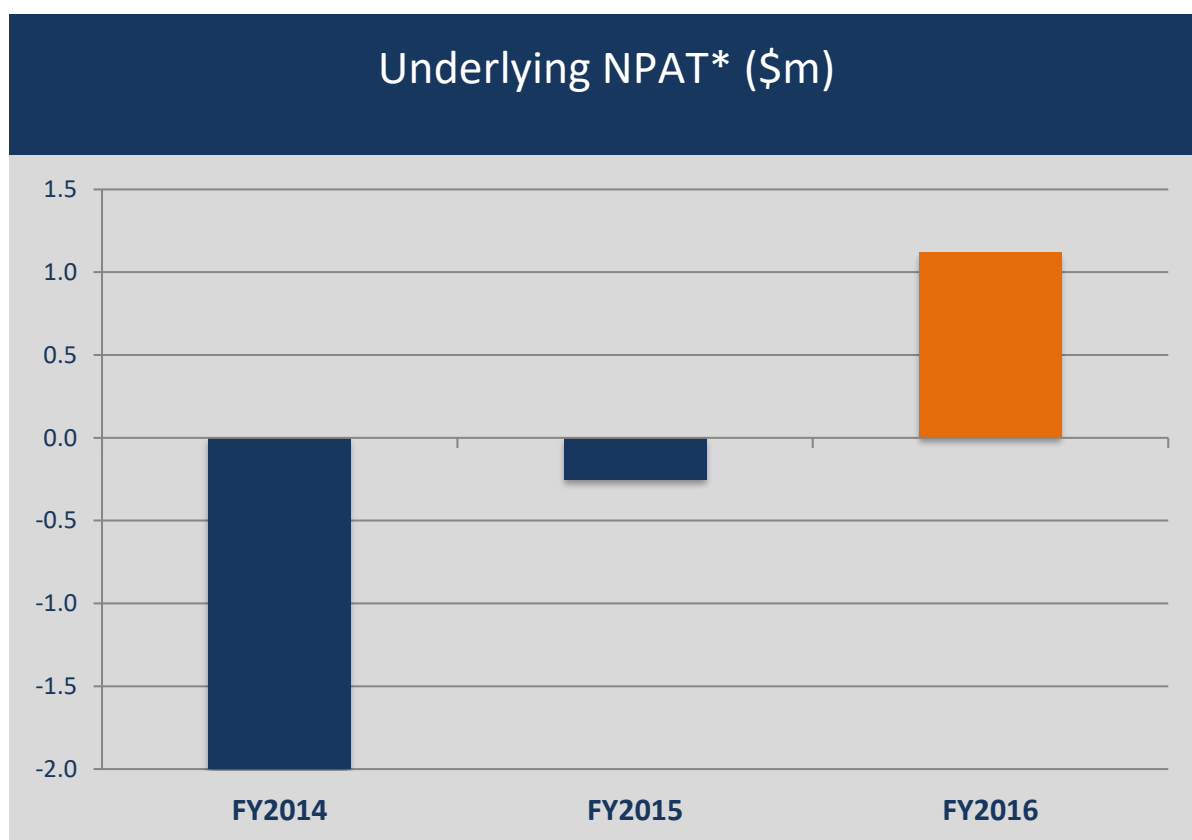


Press release**27 February 2017****MAGONTEC LIMITED announces \$1.1m Underlying NPAT*
FY2016 ANNUAL RESULT**

Magontec Limited (MGL) announces a Full Year 2016 Underlying NPAT* of \$1.1m, up \$1.35m on the previous corresponding period.

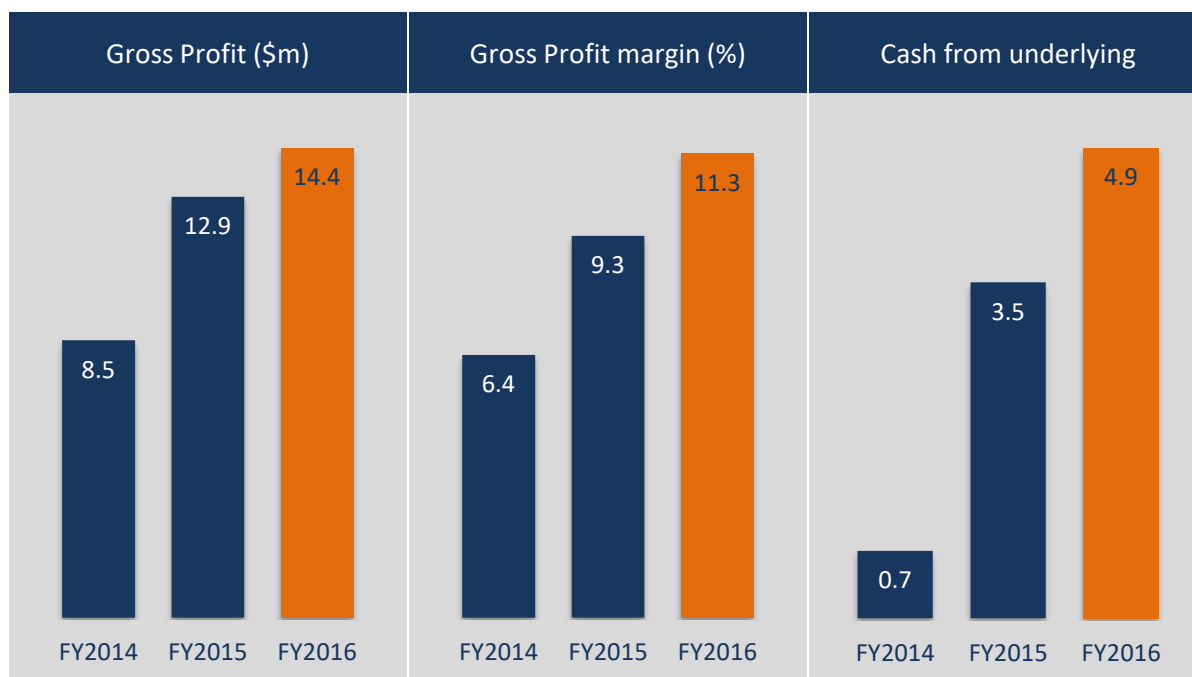
In 2016 the Company generated \$4.9m of cash from underlying operations and a Gross Profit of \$14.4m, up 11.6% on the previous corresponding period.

The Company has enjoyed a period of strong growth across its metals and cathodic corrosion protection categories and is poised to commence magnesium alloy production at the new Magontec Qinghai facility in China.



*Underlying Net Profit After Tax is defined as Reported Net Profit After Tax excluding unrealised foreign exchange gains and losses.

FY2016 Financial & Operational Highlights



Magontec Qinghai Project

Magontec Qinghai Cast House fully commissioned and prepared for mass production

Qinghai Salt Lake Magnesium (QSLM) electrolytic plant in commissioning stage

Customer qualification of Magontec Qinghai to commence on supply of liquid magnesium metal from QSLM

Cast House production, administration and management staff engaged at Golmud

Metals Division Magnesium Alloys

A strong year for Primary and Recycled Mg Alloys with overall volumes steady on improved conversion costs

European Mg Recycling operating at full capacity as process change delivers a more competitive product

Rising volumes of specialty Mg alloys supplied to auto and aerospace sectors generating higher margins

Continued strong growth in global automotive output driving magnesium alloy sector demand

Cathodic Corrosion Protection (Anodes)

Volumes up 7% in 2016 and now up 40% in the last 2 years

Investment in automation driving down conversion costs and driving up market share and volumes

Operating cost improvements remain a key target for the CCP businesses in China and Europe

Market and application expansion in electronic anodes delivers another strong year

Outlook

In the next few months we anticipate that Magontec Qinghai will commence production at the newly commission 56,000 metric tonne per annum magnesium alloy cast house at Golmud in Qinghai Province PRC.

This is expected to be a company transforming event. Magontec Qinghai will become a high volume supplier of the world's lowest embedded-CO₂ magnesium to customers around the globe

In the Company's other businesses, magnesium alloy recycling and magnesium anodes (Cathodic Corrosion Protection), we have made significant progress in reducing costs and developing new markets.

Nicholas Andrews

Executive Chairman

Contact details: +61 (0) 402 220 077

To view the FY2016 Magontec Limited Annual Report and for more information on Magontec Limited please visit our website at www.magontec.com



Picture: Qinghai Salt Lake Magnesium Co. Ltd electrolytic magnesium project at Golmud in Qinghai Province PRC. The Magontec Qinghai magnesium alloy cast house is part of this complex.