

Magellan Metals Pty Ltd

A.B.N 68 075 523 661

NEWS RELEASE

MAGELLAN WELCOMES MINISTER'S DECISION ON CONTAINERISED SHIPMENTS

Perth – January 17, 2008 - Magellan Metals (“Magellan”) welcomes the acceptance by the Environment Minister, Hon. David Templeman, of the Environmental Protection Authority’s recommendations regarding the sealed shipment process for the export of lead concentrate. In accepting the recommendations, the Minister also imposed additional conditions that will further assure Western Australia’s communities, governments and regulators that the export process will be safe and effective.

Magellan has accepted the additional conditions and is committed to their implementation prior to commencing sealed shipment of its product from its Wiluna mine site. Accordingly, Magellan is unable to give a date at this time for the commencement of sealed shipments from its mine site, nor for the recommencement of mining operations.

The Minister’s conditions include:

- the lodgement of a A\$5 million bond
- the appointment of an independent auditor approved by the Minister and funded by Magellan to inspect each bag and container at the mine and the Port
- the completion of a comprehensive Health, Hygiene and Environmental Management plan to be prepared to the requirement of the Minister, on advice from the Department of Health, the Department of Consumer and Employment Protection, the Department of Industry & Resources and the Department of Environment & Conservation
- Baseline testing to be conducted along the route prior to the first movement of lead and then regularly after that

Magellan will fully meet all Ministerial conditions, and in addition commits to:

- implementing a comprehensive information and support programme with local authorities and community groups along the transportation route to ensure a thorough understanding of lead concentrate, its transportation process and the emergency response plan for the immediate containment and rapid and complete clean up in the unlikely event of an accident creating a spill
- transparent communication of monitoring results and compliance reporting in an easily accessible manner
- continuing its community information programme

The containerised method of transport for lead concentrate is a completely different method from the current industry standard of bulk transport. It is an inherently safe process that includes independent validation on the integrity of the shipment process and no re-handling of material once the material leaves the mine site.

Magellan's shipment method will involve sealing lead concentrate inside bulk bags which will then be bolt-locked inside steel shipping containers and transported from Wiluna to Fremantle and overseas. Independent inspection and verification of the bag filling, container loading and container and vehicle cleaning procedures at the mine site will ensure the integrity of the shipment process. The company believes this method creates a new world standard of industry best practice for the safe handling and transport of lead concentrate.

Magellan is continuing to work closely with the Esperance Port Authority and the WA Departments of Environment and Conservation, Health, and Consumer and Employment Protection to finalise the proposal for safe removal of the remaining concentrate stockpile at the Port of Esperance. This concentrate will be exported in sealed bags through the Port of Esperance using a process to be approved by the relevant regulatory authorities.

For more information about the shipment process visit www.magellanmine.com

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Forward-looking Statements

Certain statements contained in this document constitute forward-looking information within the meaning of securities laws. All statements included in this document (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: the duration of the suspension of the Company's mining and milling operations, the proposal to ship lead concentrate through the Port of Fremantle, the estimated timing of the receipt of required regulatory approvals to ship the stranded lead concentrate at the Port of Esperance (such approvals are not anticipated to be received until, at the earliest, during the first quarter of 2008), business strategies and measures to implement such strategies, estimated goals and plans for Ivernia's future business operations; and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain factors, assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances such as the resources and reserves, metal price volatility, lead concentrate treatment charges, exchange rates, single mineral property, metallurgy, environmental factors, mining risks, insurance, labour and employment regulations, health and safety, government regulations, dependence on key personnel, constraints on cash flow and nature of mineral exploration and development. While we consider these

assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. These factors may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. Other risks and factors that could cause actual results to differ are described in Management's Discussion and Analysis ("MD&A") for the quarter ended September 30, 2007 and for the year ended December 31, 2006 under the heading "Risks and Uncertainties", in the Company's final Short Form Prospectus filed on July 25, 2007 ("Short Form Prospectus") under the heading "Risk Factors" and in the Company's most recently filed annual information form. Our MD&A, Short Form Prospectus, annual information form additional information on Ivernia are available on the Company's website at www.ivernia.com and on Ivernia's SEDAR profile at www.sedar.com. All of the forward-looking statements made in this document are based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time.