

Magellan Metals Pty Ltd

A.B.N 68 075 523 661

4 APRIL 2008

MEDIA STATEMENT

Magellan Metals has made it clear to the State Government and the community that it is willing to make an appropriate contribution to helping resolve lead related issues in Esperance.

During the past year Magellan has had a range of discussions with the State Government and its agencies about the most appropriate contribution for the company to make.

Magellan has held various discussions with the Esperance Port Authority (EsPA) since the State Government provided its formal response to the Parliamentary enquiry. The company has outlined to the EsPA its willingness to consider any proposal that involves a Government administered fund; contributed to by all parties relevant to the issues of the Port operations impacting on the town; and a clear identification of what is involved in a 'clean-up'.

It is important to note that Magellan has a detailed Lease & Handling Agreement with the Esperance Port Authority that covered the safe bulk loading of its product at the port. It clearly sets out the responsibilities of each party in that loading operation.

Testing by the Department of Environment and Conservation has shown that there are no elevated lead levels along the rail transport route used by Magellan, and this has been reconfirmed by the company's independent testing. The lead issues raised in the past year relate to the bulk loading operations at the Port.

To assist with the resolution of lead issues at Esperance the company is urging the EsPA to prioritise the removal of the remaining stockpile at the Port and address the community issues while ongoing legal and contractual discussions continue. The stockpile cannot be removed until the Port obtains approval from the Department of Environment and Conservation.

Any action to address residual pollution in Esperance must recognise that the issue now involves the bulk loading of different metal concentrates at the Port, and the community has specific concerns about various emissions.

Magellan has also held discussions in recent months with the Shire of Esperance and local groups about establishing a process to contribute equitably to the community. The company has made an initial commitment of \$50,000 to help the community purchase a CT Scanner to be located in the Esperance hospital.

Magellan's operations have been on care and maintenance since early 2007 and exports and sale of its product have also ceased. There is significant value in the remaining stockpile in Esperance.

Expediting Magellan's ability to safely remove its stockpile in order to release its value will improve the company's ability to assist in addressing remaining lead issues in Esperance

###

Contact information:

Media inquiries:

Australia – Dr. John Yeates

Tel: (08) 9267 7000

Email: john.yeates@magmetals.com

Anthony Hasluck

Clarity Communications

Mob: 04 38 522 194

Media and investor inquiries:

International & Canada – Sharon Loung

Tel: 416-365-2783

Email: sharon@ivernia.ca

Website: www.magellanmine.com