

Magellan Metals Pty Ltd

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MEDIA STATEMENT

MAGELLAN WELCOMES ESPERANCE LEAD EXPORT APPROVAL

Perth – 3 December 2008 - Magellan Metals welcomes a decision by the Western Australian Government which will allow the export of the Company's 8,000 dry metric tonne lead carbonate concentrate stockpile at the Port of Esperance.

Magellan is working to a timeline which has now been agreed with the State Government and the Esperance Port Authority (EsPA) to implement the Lead Removal Plan in early January and complete removal of the stockpiled lead from Esperance in approximately three months. The stockpile has been sealed in a storage shed within the Port since lead carbonate concentrate exports were suspended in early 2007.

As announced in Parliament today by the Premier of Western Australia, Hon. Colin Barnett, the State Government approval of the Lead Removal Plan is a significant step forward in resolving the outstanding lead issues at Esperance. Once the stockpile is removed, the existing old inner storage shed, currently containing the lead stockpile, will be cleaned, demolished and disposed of, allowing a final clean-up of the port and town to commence.

The Government's approval authorizes the EsPA to allow Magellan to export its stockpile under strict conditions. The process for exporting the stockpile is detailed in the Lead Removal Plan available at www.magellanmetals.com.au or www.esperanceport.com.au. It involves loading concentrate into two tonne bags, sealing them, and vacuum cleaning the outside of the bags before locking them in steel containers, which will then be loaded on to ships at the Port. It is essentially the same process as Magellan's proposal for sealed shipment exports via Fremantle.

Work has already commenced on implementing the Lead Removal Plan with the bagging equipment prepared at Wiluna for temporary relocation to Esperance, improvements to the Esperance lead shed are completed to ensure the Company and the EsPA meet the strict environmental and health and safety monitoring requirements and logistics arrangements are well advanced for delivery of empty containers and shipping from Esperance of the approximately 330 containers which will contain the bagged lead. Necessary arrangements to get containers to and from Esperance have been complex and challenging, as commercial container cargo is not regularly handled at the Port of Esperance.

Once the bagging and containerisation of the lead carbonate is complete the bagging facility will be dismantled and returned to Wiluna. After the stockpile and bagging plant are removed, the shed will be cleaned, demolished and safely removed from the Port as soon as possible.

Dr John Yeates, Magellan's General Manager Corporate Social Responsibility, said "We will continue working very closely with the Department of Environment and Conservation and regulators and the EsPA to ensure that the export process runs safely and smoothly. We will also be helping to ensure the community is kept informed of our progress throughout this operation. Exporting the stockpile is the first stage of Magellan's commitment to helping resolve lead issues in Esperance and demonstrate the high environmental and health and safety standards of our sealed shipment process."

As indicated by the Premier in his media conference today, Magellan is working closely with the State Government to reach agreement on a financial contribution to past, current and future clean-up activities, as well as a contribution to community projects in Esperance.

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