Magellan Metals Pty Ltd

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MAGELLAN METALS READY TO COMMENCE LEAD STOCKPILE REMOVAL OPERATIONS AT ESPERANCE

Perth 24 January 2009 – The delivery of empty sea containers to the Port of Esperance today is another step forward in Magellan Metals' preparation to begin removing 8,000 dry metric tonnes of lead carbonate concentrate that has been stockpiled at the port since March 2007.

Under the approved Lead Removal Plan the concentrate will be packed in United Nations and State Government approved two tonne bags, which are then sealed, the exteriors vacuumed, and locked in the steel sea containers to await loading for export.

The Lead Removal Plan specifies that bagging operations cannot take place until the containers are available at the Port of Esperance. This ensures that the bagged lead is safely stored at the Port in the sealed and locked containers.

The arrival of the first containers means the initial round of bagging can commence following the assembly and commissioning of the specialised bagging equipment inside the lead storage shed at the Port of Esperance. The assembly and final checks are expected to be completed during the next week .

Modifications to the shed to ensure safe bagging operations, including installation of the negative pressure and associated ultra filtration equipment, have already been completed.

Dr John Yeates, General Manager Corporate Social Responsibility at Magellan Metals, said the Company hoped to start bagging at the beginning of February.

"It will take approximately three months to bag and containerize the stockpile and we will see a steady stream of containers arriving at the Port during that time to meet the deadline. Once bagging and containerisation of the entire stockpile is complete, the 300 plus containers required will be exported as a single shipment to China."

"Our goal is to work closely with the Port of Esperance to meet the strict health, safety and environmental conditions imposed on our bagging and export operations and to achieve the timelines we have all agreed."

Magellan has relocated its most senior operational personnel to Esperance to supervise the stockpile removal over the next three months.

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