

# MAGELLAN MINERALS LIMITED

(THE "COMPANY")

## COMMUNICATIONS AND CORPORATE DISCLOSURE POLICY

### GENERAL

The Board has adopted a communications and corporate disclosure policy which covers communication with the press, analysts and shareholders; release of corporate information in news releases and other corporate disclosure documents; disclosure of technical information; and maintenance of and disclosure of information on the Company's website. The Company has also adopted a privacy policy, expects strict adherence of its directors, officers and employees with insider trading restrictions, and requires confidentiality clauses in employment agreements so as to protect the confidentiality of Company information.

The Board has instructed management to annually provide a copy of this policy to each of the Company's directors, officers and employees. This policy is administered and reviewed annually by the Chair of the Board who shall make recommendations to the Board for any required changes.

### PUBLIC DISSEMINATION OF INFORMATION

#### *Disclosure of Material Information*

To ensure the proper disclosure of material information in a timely manner in compliance with securities legislation, the Company requires that:

- (a) The CEO or President in consultation with one other director will determine the materiality of information and when disclosure should be made. Until such time as disclosure is made, the information must be kept strictly confidential.
- (b) Material information must be disclosed promptly by news release and filed by way of material change report with the securities commissions and each exchange upon which the Company's securities are listed or quoted.
- (c) The content of news releases must be approved by the CEO or President and one director prior to issuance. If the news release contains financial information from the Company's financial statements, it must also be approved by the audit committee prior to issuance.

#### *Continuous Disclosure Documents*

To ensure that continuous disclosure documents are properly prepared and filed or disseminated:

- (a) Information circulars, annual report, annual information forms, prospectuses and earnings guidance must be approved by the Board before being publicly disseminated.
- (b) Financial statements must be approved by the audit committee or the Board, as required by securities legislation, before being publicly disseminated. News release disclosure containing financial information should be filed on SEDAR concurrently with the filing of the respective financial statement and must first be reviewed by the audit committee or the Board

- (c) Other disclosure documents must be approved by the CEO, and in the CEO's absence, the President prior to dissemination.
- (d) The CEO, and in the CEO's absence, the President has primary responsibility for ensuring the proper and timely completion, filing and dissemination of continuous disclosure documents.
- (e) The President is responsible for overseeing all communications with stock exchanges and securities commissions.

#### *Technical Reports*

As the Company is from time to time required to file technical reports respecting its material properties, the following shall be observed:

- (a) Technical reports shall be prepared by a qualified person in accordance with National Instrument 43-101. The Vice President of Exploration has primary responsibility for ensuring the proper and timely completion and filing of technical reports.
- (b) If a news release contains scientific or technical information respecting the Company's properties or a prospective acquisition, it must also be approved by the Company's "qualified person" in accordance with National Instrument 43-101 prior to issuance.
- (c) Disclosure in other continuous disclosure documents and on the Company's website respecting material properties must comply with National Instrument 43-101.
- (d) The Company's website should post all continuous disclosure documents that have been published containing information on a material exploration or development property until the work has been discontinued, the property has been abandoned or disposed of or the information has been superceded by more current, disclosed information.

#### *Selective Disclosure*

The general principle is that material information must not be selectively disclosed to any person prior to it having been publicly disclosed so that all investors and potential investors have equal access to information respecting the Company. To help guard against selective disclosure, the Company requires that:

- (a) All inquiries from shareholders can be handled by any member of the Board or a senior officer of the Company. Inquiries from the press or analysts shall be referred to the Chair.
- (b) No comment should be made on analysts' forecasts or reports.
- (c) No comment should be made on market rumours.

#### *Website*

To ensure that other forms of communication are appropriate and accurate, the Vice President of Exploration and Senior Administrator have responsibility for monitoring the Company's web site. These

individuals must regularly review and update or correct the information posted on the Company's web site to ensure the information is kept current and complies with applicable securities laws.

All continuous disclosure material posted to the website should show the date of the information. Continuous disclosure documents should be filed on the Company's website as near as possible to the time and date of the issuance of a news release respecting the continuous disclosure and the filing the documents on SEDAR. Analyst or other third party reports shall not be forwarded by the Company nor placed on or linked to the Company's website. Any outside enquiry respecting an analyst report should be directed to the analyst.

## **CONFIDENTIALITY OF CORPORATE INFORMATION**

Proprietary information developed or acquired by the Company includes trade secrets such as records, reports, papers, processes, plans and methods as well as other technical, financial and business information. Information belonging to a third party which is disclosed to the Company on a confidential basis must be used for authorized purposes only. All such information must be kept confidential and must not be used for personal gain. Disclosure of such information other than to the Company's auditors, legal counsel or bank shall first be approved by the CEO or President.

Material corporate information may only be kept confidential as permitted by securities legislation and stock exchange rules. If material information is being kept confidential, information must be provided only to those persons with a "need to know" and under strict instructions as to confidence.

Appropriate methods shall be used to maintain the confidentiality of information including guarding passwords, guarding against inadvertent disclosure by safekeeping of documents, caution regarding oral conversations and cell phone use, and the use of confidentiality agreements as required. All persons are reminded that the sending of confidential information by external email may not be secure as the Company does not use encryption technology. Market activity shall be monitored for any unusual activity.

Date Implemented: 25<sup>th</sup> day of May, 2007.