

MAGELLAN MINERALS LIMITED

(THE "COMPANY")

TERMS OF REFERENCE FOR CHAIR OF THE BOARD OF DIRECTORS

GENERAL

The Chair of the Board of Directors of the Company is responsible for ensuring the Board carries out its responsibilities effectively, independently of management and in the long term best interests of the Company. The Chair acts as the liaison between management and the Board and as the primary representative and spokesperson for the Board.

RESPONSIBILITIES

The Chair shall be appointed annually by the Board from among those directors who are "independent" as defined in applicable securities legislation. If the Chair is not an independent director, a lead director shall be appointed, in addition to the Chair, to act as an independent representative of the Board and to carry out the specific functions noted below.

The specific responsibilities of the Chair are to:

1. ensure that the Board functions effectively, cohesively and independently of management;
2. provide leadership to, and with the Nominating and Corporate Governance Committee assist, the Board in understanding and meeting its obligations and responsibilities, including those relating to the Board Mandate and other corporate governance matters, and in assessing the Board's success in meeting its obligations;
3. chair shareholder meetings;
4. consider and if appropriate conduct a portion of each Board meeting with only the independent directors present;
5. arrange chair and conduct Board meetings in accordance with guidelines established by the Board;
6. with the assistance of the CEO, prepare the agenda and direct the preparation and distribution of information packages for Board meetings;
7. liaise with the CEO to promote open and effective relations between management and the Board;
8. oversee the performance of the CEO and senior management and lead the Board's review of the CEO's performance;
9. provide leadership to the CEO and act as a sounding board and advisor for the CEO;

10. coordinate communication between the Board and committee chairs, including required committee reports to the Board, to optimize the effectiveness of the Board and its committees; and
11. assist in succession planning for the CEO and other senior management and in identifying potential new board members.

APPROVED by the Board the 25th day of May, 2007.