

MAGELLAN MINERALS LIMITED

(THE "COMPANY")

INDIVIDUAL DIRECTOR

TERMS OF REFERENCE

GENERAL

The Board of Directors is responsible for the general supervision and leadership of the Company and these Terms of Reference identify the specific obligations of the Directors which will facilitate the Board in meeting its responsibilities. These Terms of Reference complement the mandates of the Board and the committees of the Board.

RESPONSIBILITIES

Each Director has the responsibility to:

- (a) demonstrate high ethical standards and integrity, act consistently with the principles stated in the Company's corporate governance guidelines and the Company's Code of Conduct and comply with the fiduciary obligations applicable to directors;
- (b) meet the standards set by securities laws, regulatory bodies including any stock exchange upon which the Company is listed and the Company's governing corporate legislation;
- (c) immediately upon becoming aware of any potential conflicts of interest, disclose same to the Board Chair. If the Board or a committee of the Board is deliberating on a matter that may involve a matter of conflict for the director, the director shall immediately advise the Board or committee so that appropriate steps can be taken including abstaining from discussion and voting. Directors are expected to act without conflict of interest in their service as a member of the Board;
- (d) advise the Chair of the Board of all directorships or other positions held in public and non-public companies in the resource exploration industry;
- (e) have career experience and expertise relevant to the Company's business purpose, financial responsibilities and risk profile;
- (f) maintain an understanding of the regulatory, legislative, business, social and political environments within which the Company operates and maintain a sound knowledge of the Company and its business;
- (g) for those directors who are serving on the audit committee, have financial accreditation and/or be financially literate;
- (h) devote sufficient time to serve effectively as a director;

- (i) be provided with a Board Manual and will be expected to be familiar with the contents of the Manual, in particular the obligations of the Board, committees and directors. Directors will be provided the opportunity and will be expected to become fully informed about the company and its businesses. Directors are encouraged to meet or communicate regularly with senior management in order to keep informed respecting the Company's progress and to attend seminars or undertake other appropriate steps in order stay current respecting the Company's industry and to properly serve on the Board and its committees;
- (j) act as a resource based upon the particular skill and expertise that such director brings to the Board and promote frank and full discussion in the deliberations and discussions of the Board and any committee;
- (k) regularly attend and prepare for each Board and committee meeting by reading the reports and background materials provided for the meeting. It is expected that each director shall attend in person or by telephone, video conference, or other communication facilities;
- (l) serve on committees of the Board pursuant to reasonable requests of the Board and undertake such study and provide such service as may be required to properly fulfill his or her duties as a committee member; and
- (m) observe the Company's policies regarding dissemination of Company information, speak publicly only if so authorized by the Board and, when conveying personal views in public, state that his or her views are personal and do not represent the views of the Company or the Board.

TERM OF SERVICE

Each director serves from the date of his or her appointment or election until the next annual general meeting of the Company. The service of each director shall be reviewed annually by the Nominating & Corporate Governance Committee with a view to either nominating such director for an additional year or not nominating such director. Willingness to serve on committees, demonstrated ability to perform duties, preparation for meetings, compliance with Board policies, Board and committee mandates and these Terms of Reference, attendance at meetings, peer assessment and overall contribution to the Board and individual committees will be considered in determining whether to nominate a director for a further term.

Implemented by the Board on the 25th day of May, 2007.