

JANUARY 2013

Near term gold production in Brazil



MAGELLAN
MINERALS LTD.

TSX-V: MNM | OTCQX: MAGNF | www.magellanminerals.com

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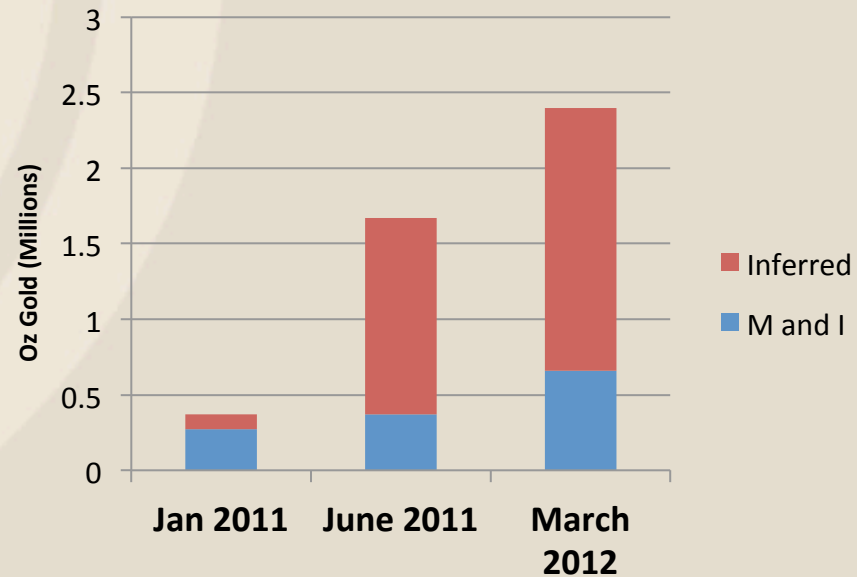
Summary

- Magellan owns 100% of two gold deposits in northern Brazil;
 - ✓ Coringa - **561,000oz M&I** (3.2Mt @ 5.5g/t gold) + **534,000oz of Inferred** (5.5Mt @ 3.0 g/t gold)
 - ✓ Cuiu Cuiu - **100,000oz M&I** (3.4Mt @ 1.0g/t gold) + **1,200,000oz of Inferred** (31Mt @ 1.2g/t gold)
- The PEA on Coringa completed in November 2012 resulted in an **IRR of 33%** and a **NPV of \$110M** at a gold price of \$1,350/oz (\$206M at \$1,720/oz) on 51,000oz / yr ug mine. Initial capex is \$64.5M and LOM Capex is \$115M. Payback of 2.9 years. Average grade 5.7g/t gold. Feasibility Study is in progress (Ausenco - Snowden) and should be complete by end-September 2013
- Kinross, Newmont and Sandstorm Gold are all shareholders. Sandstorm holds a 2.5% NSR on Coringa
- Magellan's exploration team has the most successful track record for grass roots gold discoveries in Brazil in the last 10 years; Tocantinzinho (2.5Moz FS), Coringa (1.1Moz FS), Cuiu Cuiu (1.3Moz)
- Drill results are currently pending on three new targets at Cuiu Cuiu, including the high grade Ivo showing which returned **5m @ 54.8g/t gold** from surface

Resource Inventory - Evolution since January 2011

M&I Resources (oz)	Jan 2011	June 2011	June 2012
Coringa	269,450	269,450	560,967
Cuiu Cuiu	-	100,000	100,000
Total M&I	269,450	369,450	660,967
Inferred Resources (oz)			
Coringa	98,224	98,224	534,163
Cuiu Cuiu	-	1,200,000	1,200,000
Total Inferred	98,224	1,298,224	1,754,163

Cuiu Cuiu resource is based on 25,000m of drilling to end 2010. An additional 20,000m of drilling has been completed since that time



Proven Management Team

Jim Stypula Chairman

- Previously CEO of Chapleau Resources, financier with 20 years of experience in mineral exploration. Founding director of Far West Mining

Alan Carter President & CEO, Director

- 20 years of experience. Former Exploration Manager for Rio Tinto and Business Dev. Manager at BHP Billiton. Director of Peregrine Diamonds and co-founder of Peregrine Metals (bought by Stillwater Mining in Oct 2011 for \$450M)

Dennis Moore VP Business Development, Director

- Exploration geologist with 27 years of experience, half of it in Latin America. Responsible for discovery of the Tocantinzinho deposit, now owned by Eldorado Gold

Paul Hansed Chief Financial Officer

- 25+ years of accounting and finance experience including 19 years with KPMG in Canada and Europe

Guillermo Hughes Chief Geologist

- 26 years of experience in the mineral exploration industry including experience in Argentina, Peru and Brazil

John Kiernan VP Project Development

- Mining Engineer with 25 +years experience including 10 working underground. Ex-Inco, AMEC, Wardrop and Quadra

Derek White Director

- President & CEO of KGHM International with 20+ years of financial experience in the mining and metals industry. Ex-Quadra, Impala Platinum Ltd, Gencor and BHP Billiton

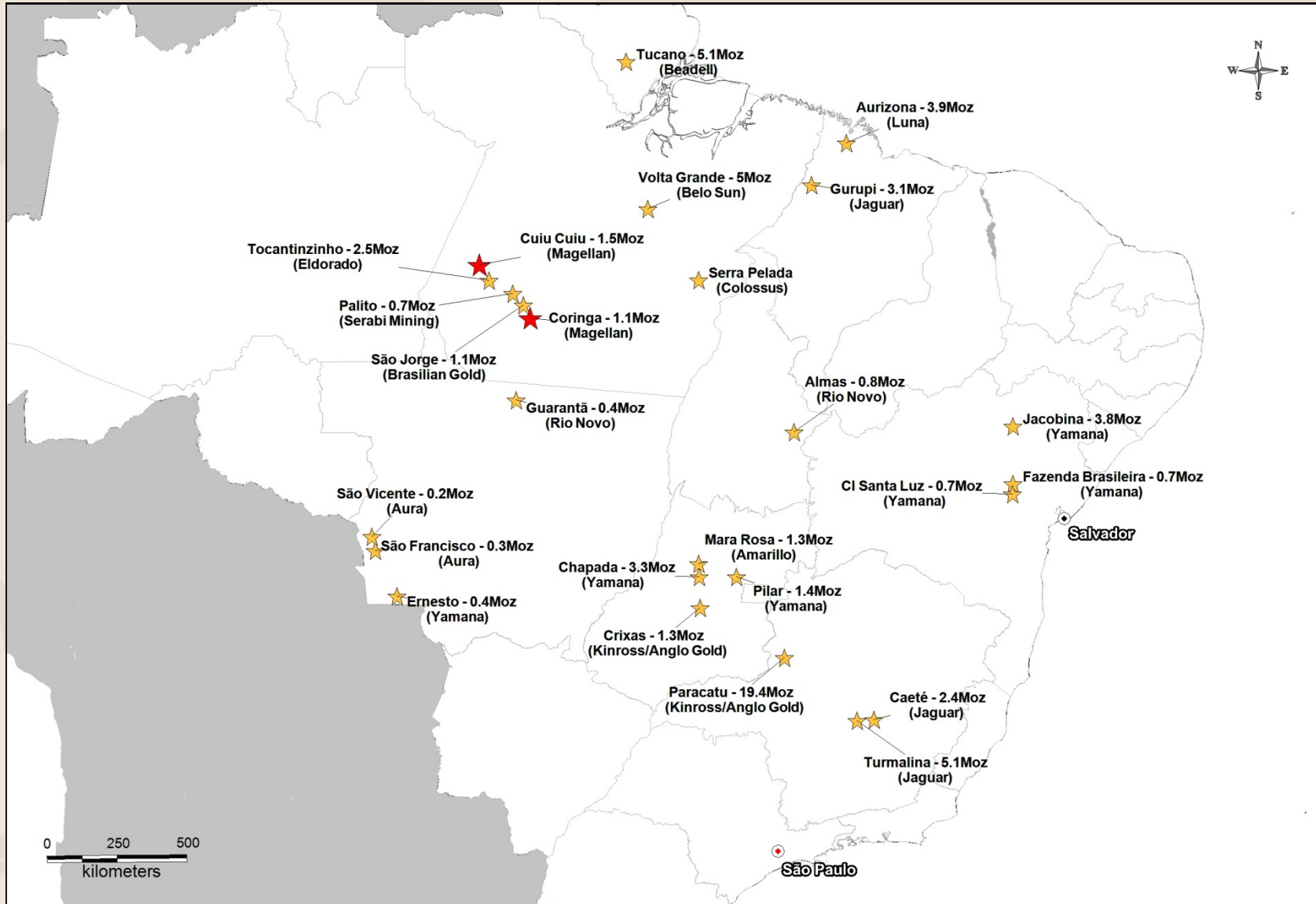
Richard Zimmer Director

- Former senior mine engineer for Teck, general manager of Mount Edon Gold Mines, and project manager of POGO project. Most recent role was President & CEO of Far West Mining Ltd

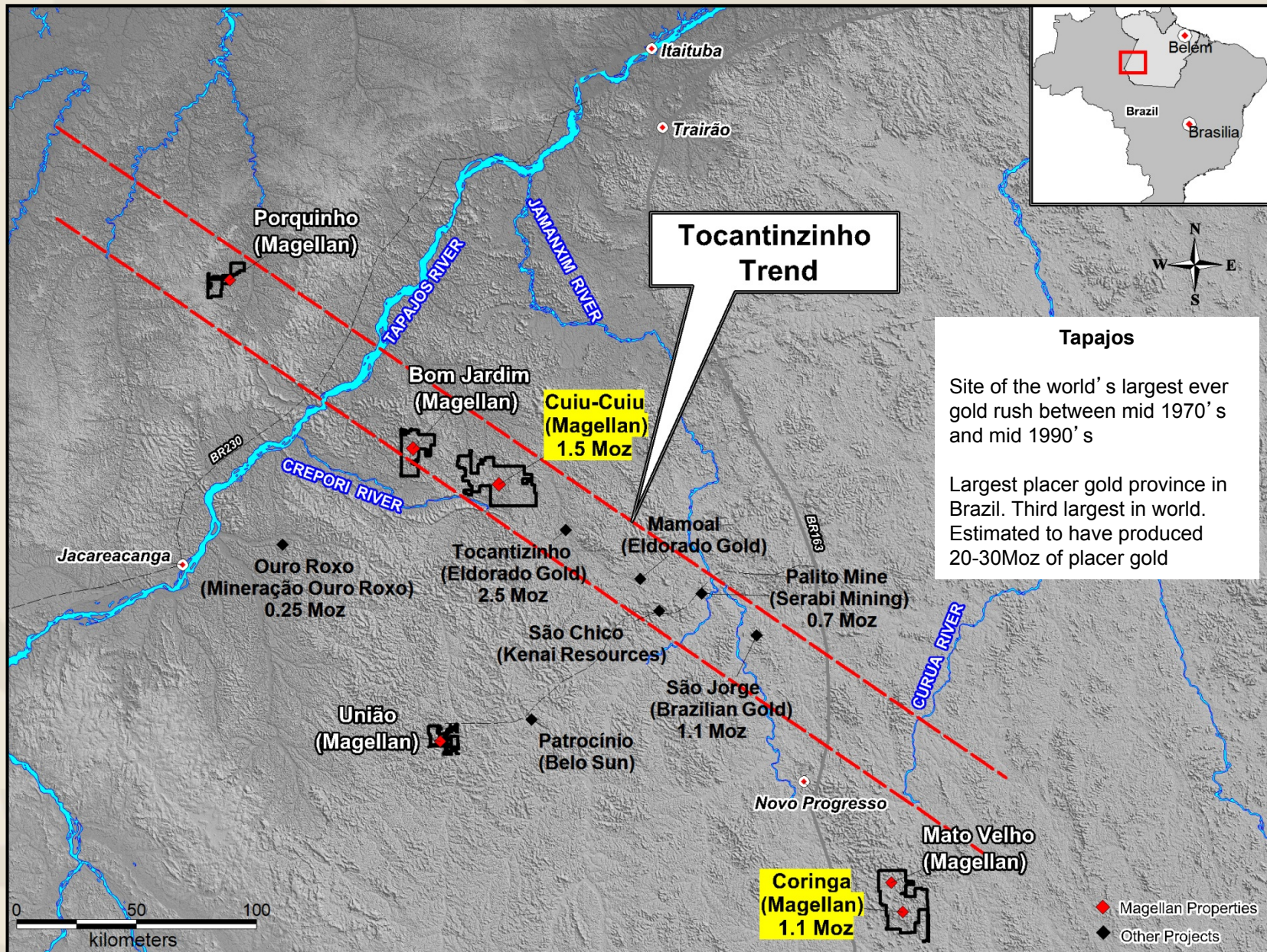
Mario Szotlender Director

- Former CEO of Rusoro Mining, Director of Endeavour Silver and Radius Gold. 20+ years of experience financing and managing companies in Latin America

Significant Gold Deposits in Brazil



Key Land Position in Competitive Belt



Coringa – Location and Infrastructure

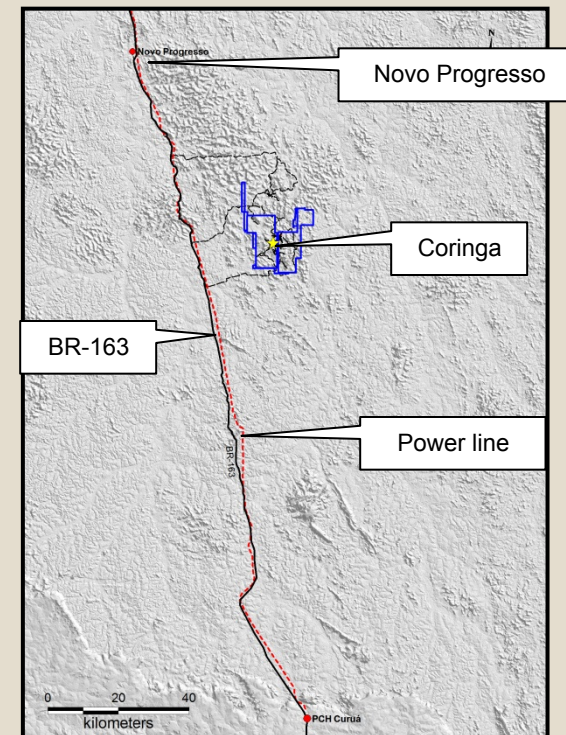
- Good infrastructure: 20km east of main BR-163 paved highway and mains power
- 65km SE of Novo Progresso, town of 10,000 people with scheduled flights to Cuiaba and Sao Paulo
- Trial mining license granted
- Airport at Novo Progresso recently upgraded with daily scheduled TRIP flights



Recently paved BR-163



Town of Novo Progresso



Coringa - Resource

- Resources are contained within five areas which include Serra (42% of Measured and Indicated, 19% of Inferred), Valdetta (2% of Measured and Indicated, 13% of Inferred), Meio – Come Quietto (42% of Measured and Indicated, 35% of Inferred), Galena – Mae de Leite (15% of Measured and Indicated, 14% of Inferred) and Demetrio (18% of Inferred)
- Using a 2g/t gold cut-off, resources total 516,000 ounces of gold in the Measured and Indicated category representing 2.26Mt @ 7.22 g/t gold and 409,000 ounces of gold in the Inferred category representing 2.72Mt @ 4.68 g/t gold

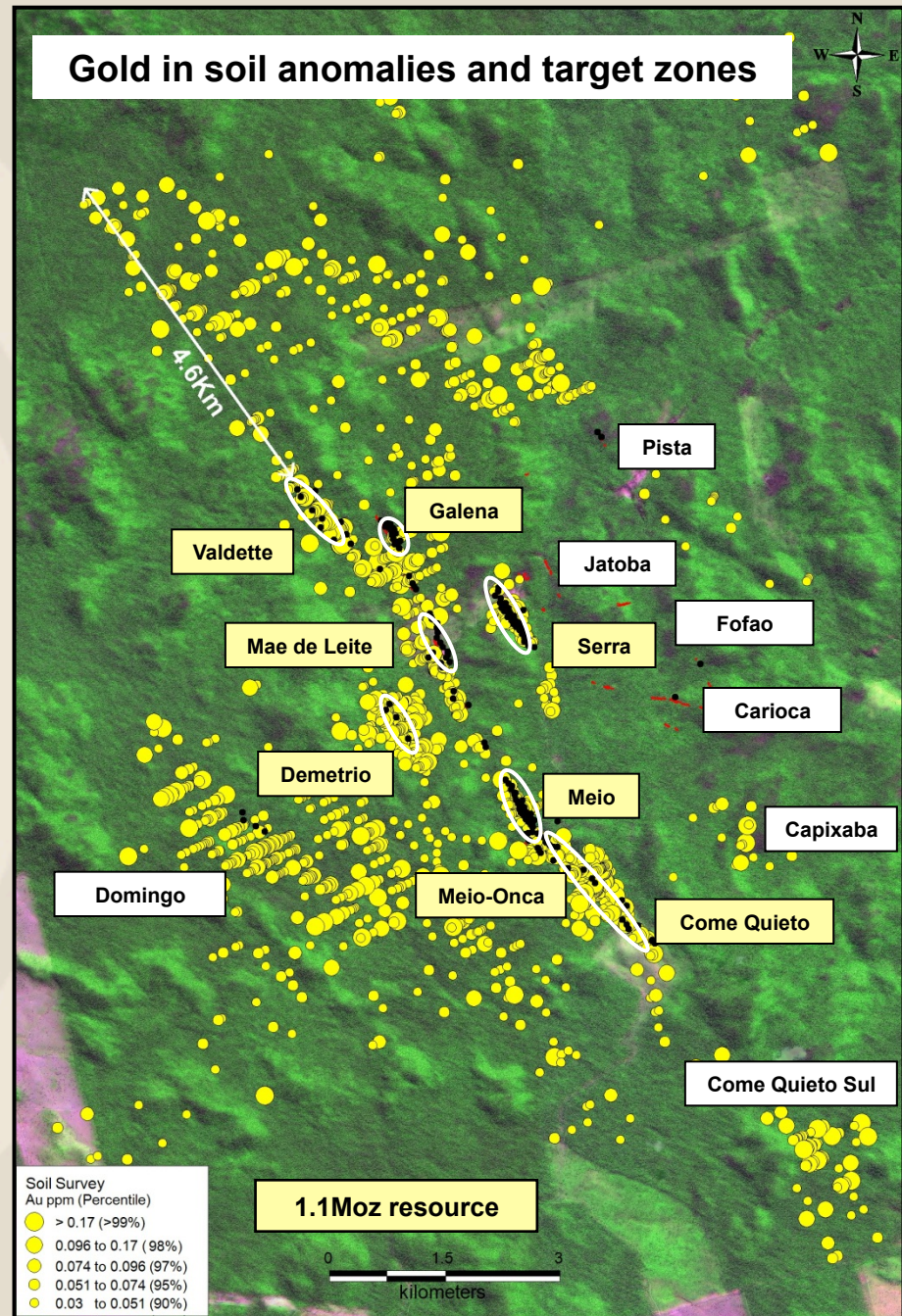
Resource Area	Tonnes	Au (gpt)	Au (grams)	Au (oz)
Measured				
Serra	520,000	7.29	3,793,000	122,000
Valdetta	18,000	1.22	22,000	1,000
Meio – Come Quietto	335,000	7.15	2,395,000	77,000
Galena – Mae de Leite	278,000	5.85	1,625,000	52,000
Demetrio				
Total	1,151,000	6.81	7,835,000	252,000
Indicated				
Serra	383,000	9.23	3,534,000	114,000
Valdetta	227,000	1.33	303,000	10,000
Meio – Come Quietto	1,196,000	4.06	4,859,000	156,000
Galena – Mae de Leite	217,000	4.23	917,000	29,000
Demetrio				
Total	2,023,000	4.75	9,613,000	309,000
Measured & Indicated				
All Areas	3,174,000	5.50	17,448,000	561,000
Inferred				
Serra	482,000	6.55	3,156,000	101,000
Valdetta	1,661,000	1.33	2,216,000	71,000
Meio – Come Quietto	1,948,000	3.01	5,865,000	189,000
Galena – Mae de Leite	564,000	4.20	2,367,000	76,000
Demetrio	856,000	3.52	3,010,000	97,000
Total	5,511,000	3.01	16,614,000	534,000

Coringa - Upside

- +20km of mineralized structures mapped to date.
- Structures tested down to a maximum depth of 180m. All bodies are open at depth
- Numerous large untested gold anomalies indicate significant potential for resources to grow



Mineralized drill core : Serra zone

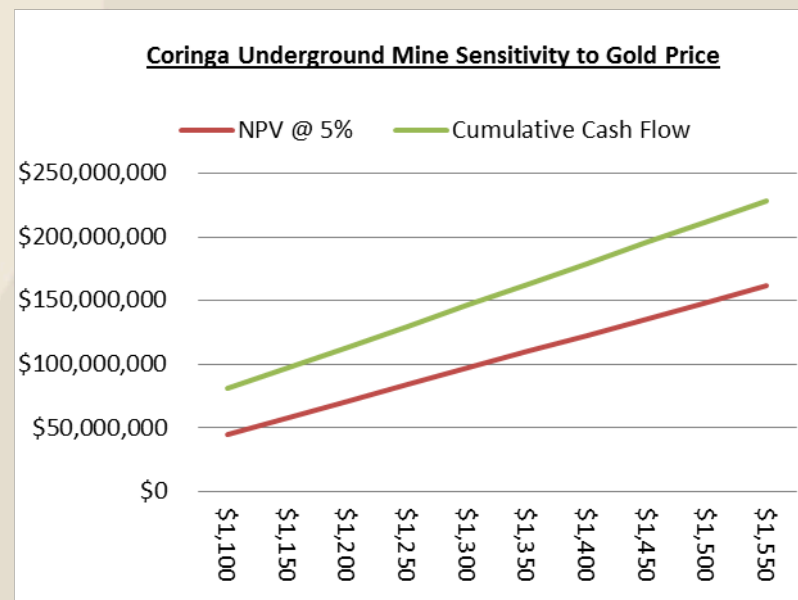


Coringa – Updated PEA (Nov 2012)

IRR	33%
NPV	\$110M
Gold Price	\$1350/oz
Mining Rate	750 tpd/ug mine
Annual Production	51,000oz / yr
Initial CAPEX	US\$64.5M
OPEX	US\$531/oz
Gold Recovery	93.5%
Payback Period	2.9 years
LOM grade	5.7g/t gold

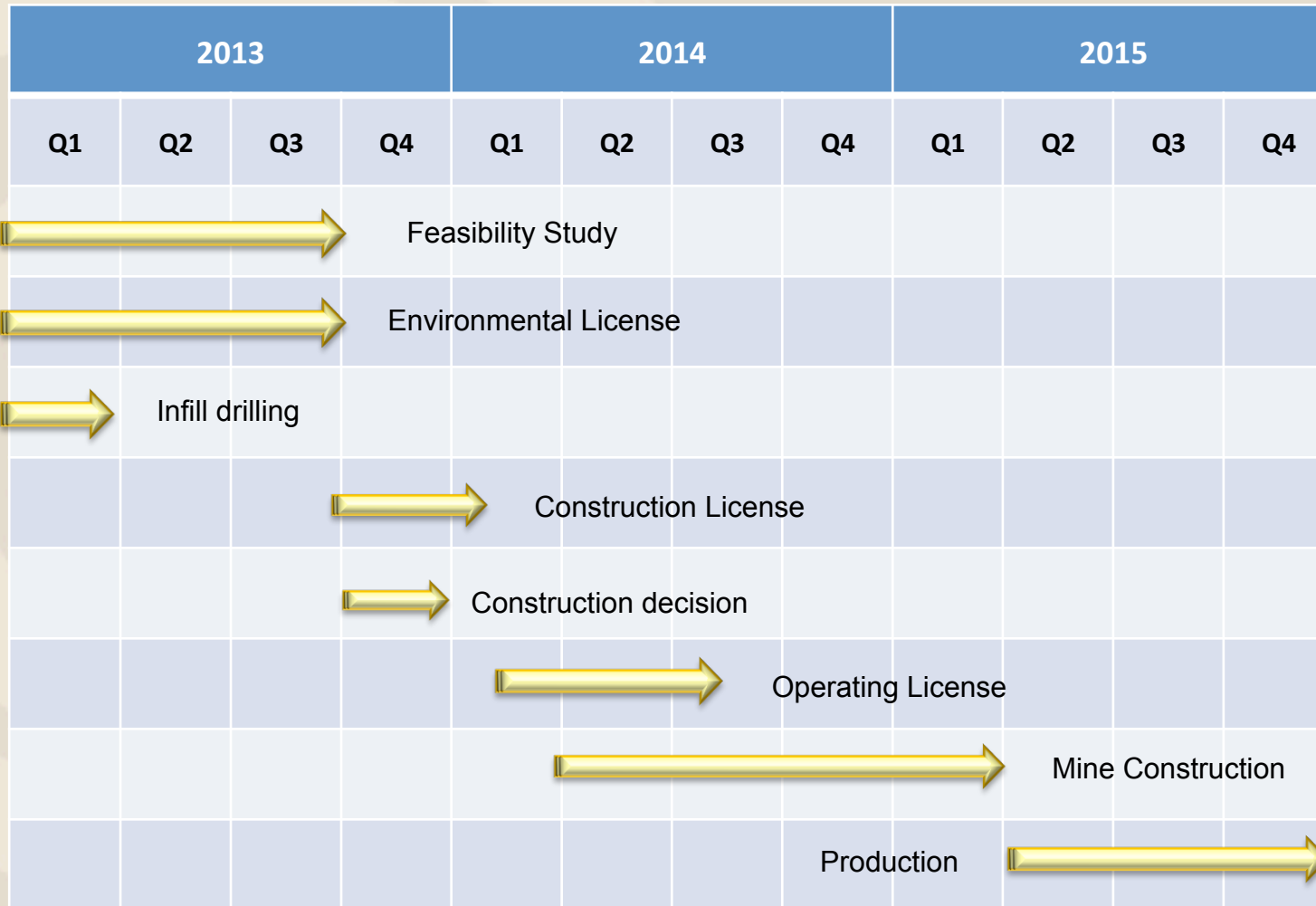


Coringa exploration camp



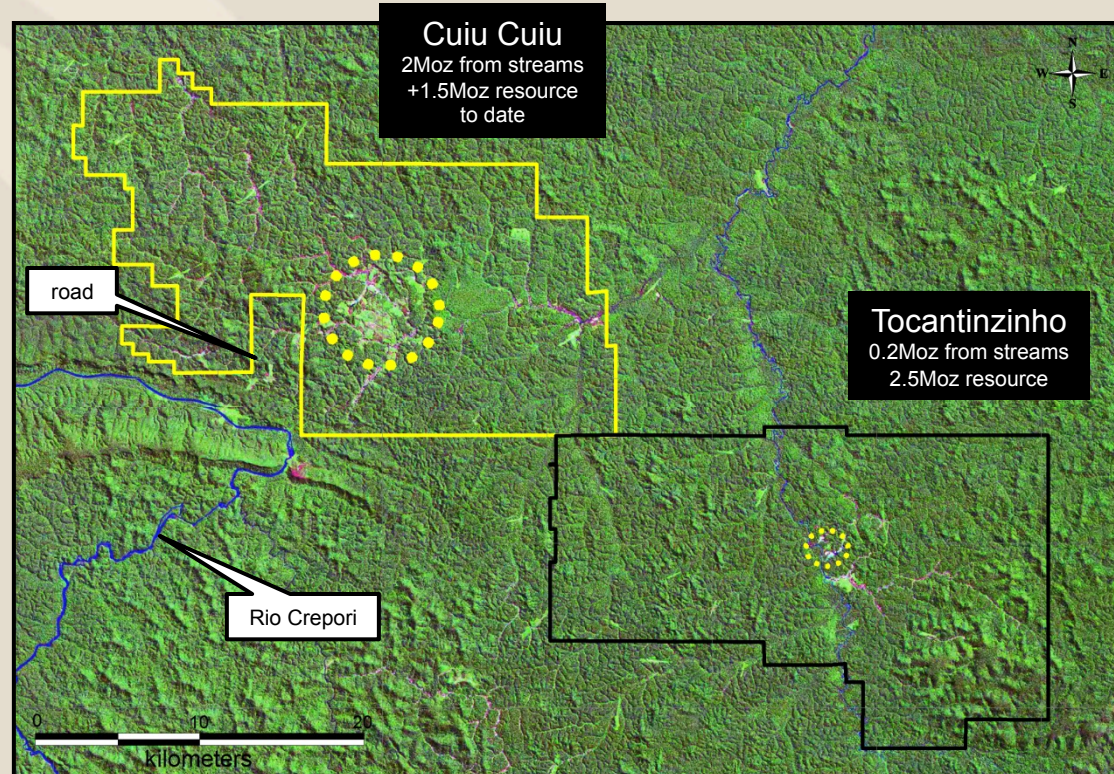
Feasibility study is being undertaken by Ausenco / Snowden and should be complete during September 2013. Permitting process is in progress. Infill drilling aimed at upgrading Inferred resources will commence during Q1 2013

Coringa Timeline



Cuiu Cuiu and Tocantinzinho

- Tocantinzinho (2.5Moz) produced an est. 200,000oz of placer gold from artisanal surface workings*. Cuiu Cuiu produced 1.5 – 2Moz of placer gold
- Eldorado's announced PFS in May 2011 on 160,000oz/yr OP mine, Capital costs of \$383M, Cash costs of \$559/oz and 11.8% IRR (14.4% with tax breaks)
- Road construction to Tocantinzinho site in progress
- January 2013 - Eldorado placed Tocantinzinho project on hold pending a review of costs and further exploration



* Source: Melho, R. 2007. A preliminary assesment of the Tocantinzinho gold project, Tapajos gold province, Para Brazil. NCL Brazil 43-101 report

Cuiu Cuiu - A growing resource

- Maiden resource estimate released in April 2011 of 1.3Moz (in pit), 1.5Moz (geological) – two deposits; Central & Moreira Gomes
- Resource based on approx. 25,000m of drilling to end 2010. During 2011 an additional 20,000m of drilling was completed
- Recent metallurgical work returned gold recoveries of 94-97% from conventional grind and CIL cyanidation
- Two new deposits discovered in 2011; Central North and Jerimum Baixo – both of which are still open
- Numerous partially tested and untested exploration targets. Gold in soil anomaly +20km in length

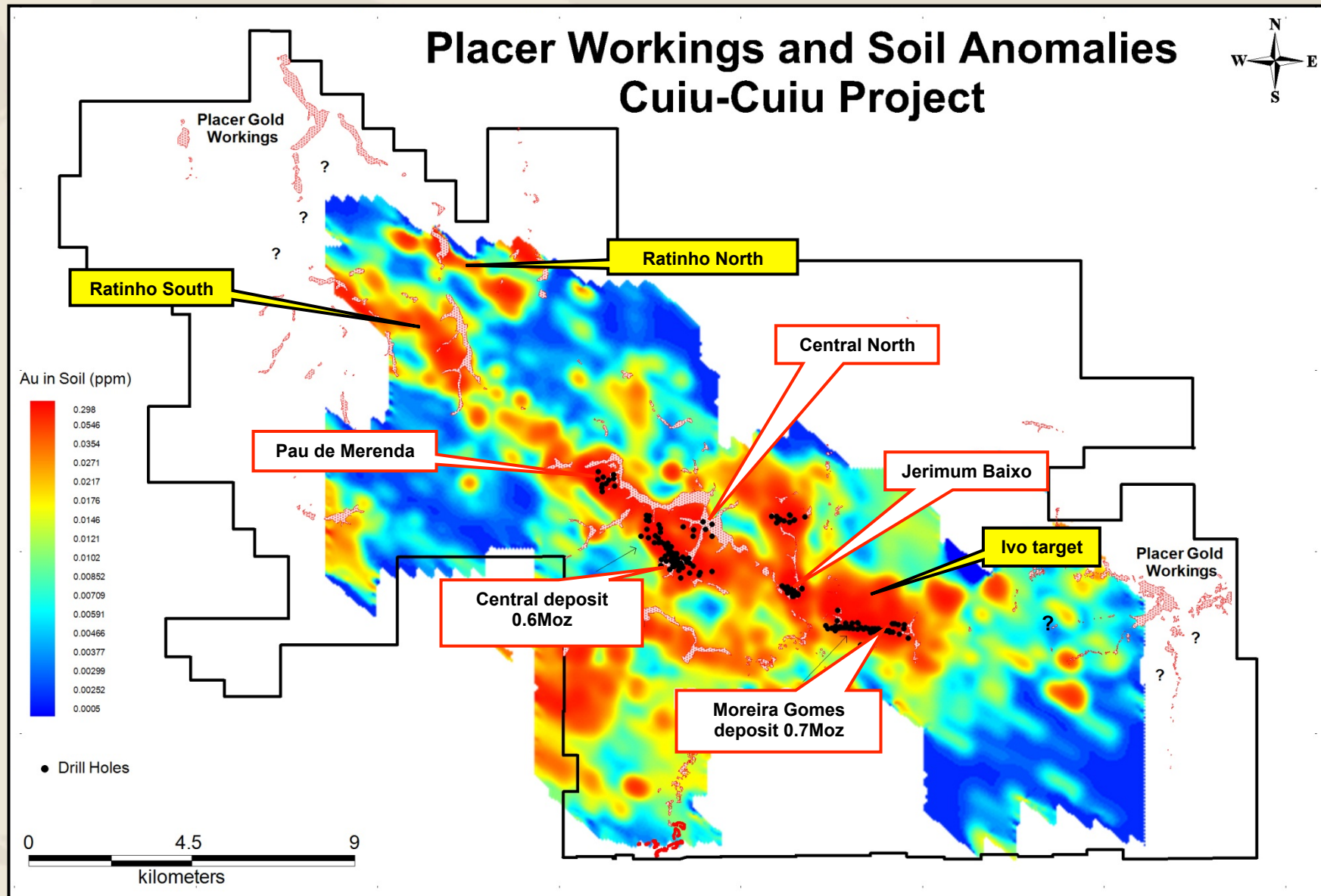
	Tonnage	Au	Contained Au
	Tonne x 1000	gpt	oz.
Central	3,400	1.0	100,000
Total Indicated Resources	3,400	1.0	100,000
Central	17,000	0.9	500,000
Moreira Gomes	14,000	1.5	700,000
Inferred Resources	31,000	1.2	1,200,000

*0.3 g/t Au cut-off grade



Cuiu Cuiu village

Cuiu Cuiu - Large areas untested



Cuiú Cuiú – Ivo Target

- Located 800m north of Moreira Gomes. Numerous high grade values on surface including **2m @104g/t gold** and **5m @ 54.8g/t gold**
- E-W trending magnetic lineament, coincident gold in soil anomaly, sheeted vein zone up to 125m width exposed on surface
- No previous drilling. Results currently pending on 4 holes from Ivo and 4 more from Ratinho North and Ratinho South

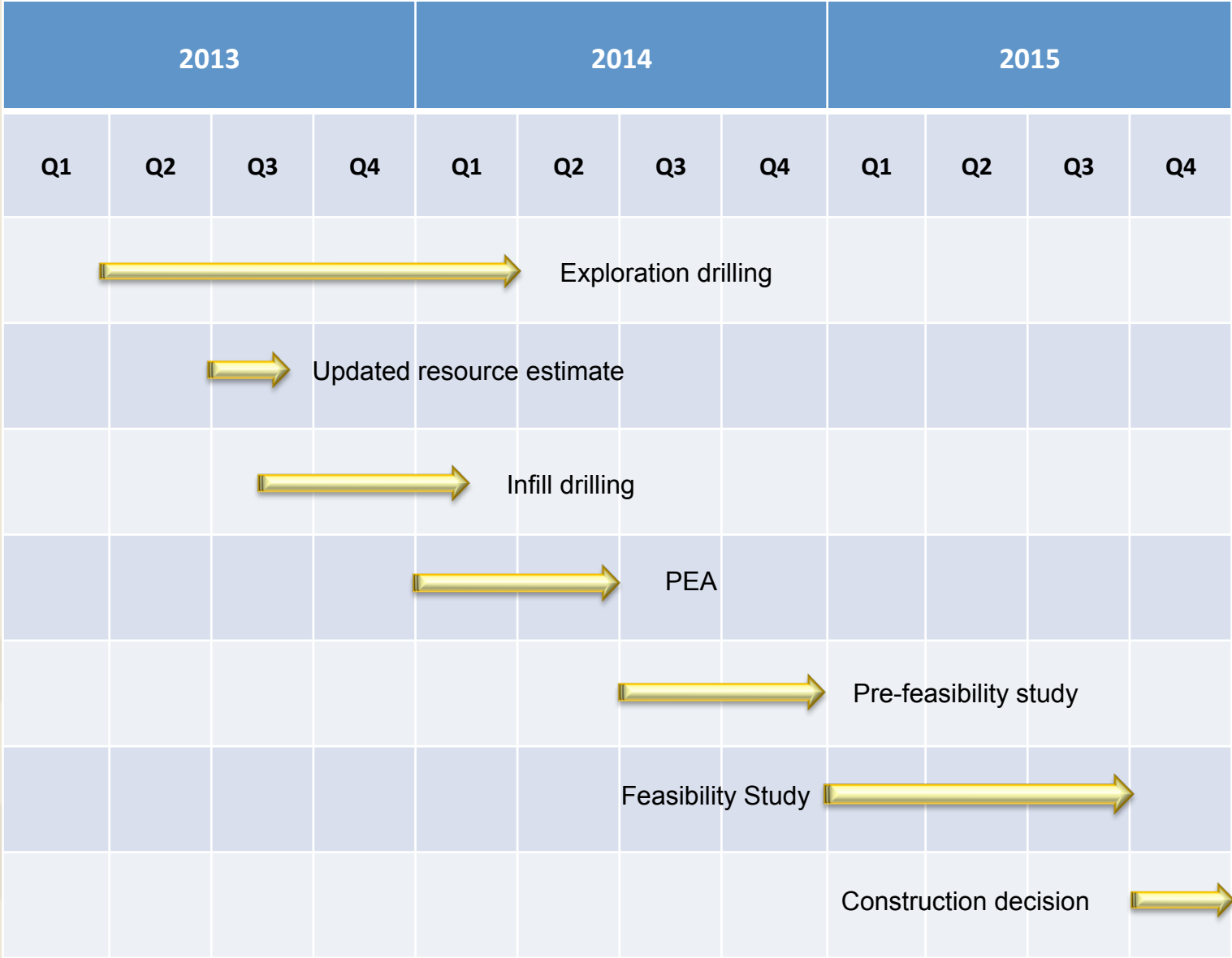


Visible gold from surface at Ivo



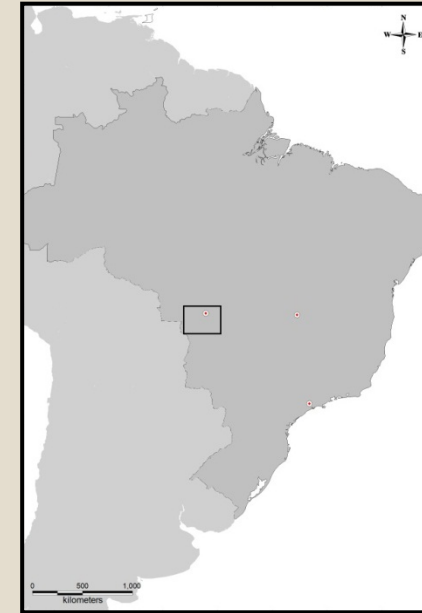
Sheeted veins exposed on surface at Ivo

Cuiu Cuiu Timeline



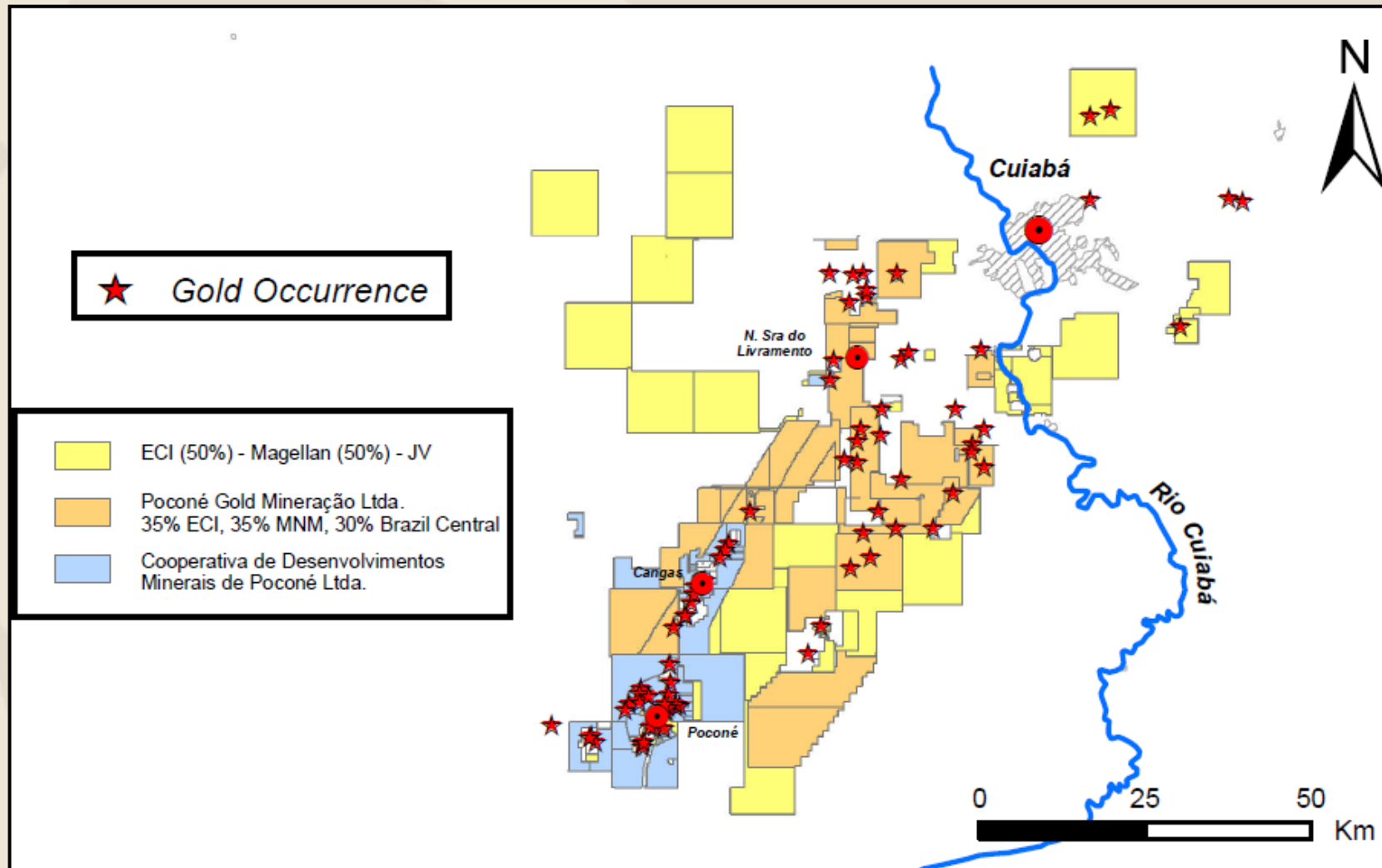
Pocone

- Magellan has interests (35 - 50%) in two joint ventures that cover 325,000 ha (approximately 85%) of the Pocone gold belt in western Brazil
- Proterozoic schist belt that extends for approximately 100km SE of Cuiaba and produced est. 6Moz of gold
- Current prod. from belt est. +150,000oz per year from ~50 small open pit mines. +100 abandoned open pits occur throughout the belt
- Magellan's partners are ECI Exploration and Mining Inc. (a private Canadian company), and Brazil Central Ltda. (a private Brazilian entity)
- Brazil Central currently operates six small open pit gold mines in the Pocone region collectively producing approximately 50kg of gold per month (20,000oz per year). Three of these mines are on ground leased from Magellan and ECI



Open pit mining at Pocone

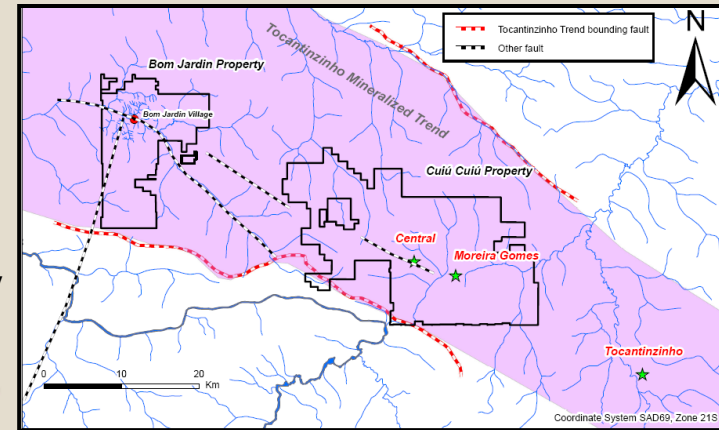
Pocone



324,244 hectares in 122 mineral tenements

Bom Jardim

- Located 25km NW of Cuiu Cuiu along main Tocantinzinho trend, 15,385 ha
- Historic placer gold production of 0.5 – 1Moz. No previous drilling. 500 soil samples and 200 rock samples collected by Magellan
- Major structural intersection. Gold-in-soil anomaly 7km in length. Stockwork-style mineralization observed on surface
- Air mag survey and 3D IP survey completed. Six recon holes drilled in one small area in late 2011 cut highly altered granites but failed to identify source of placer gold. Drilling planned for 2013



Placer gold workings at Bom Jardim

2013 Objectives

- **Complete Feasibility Study at Coringa** - expected to commence during January 2013 and should be complete during Q3 2013. Construction decision by end 2013.
- **Complete Infill drilling** (5000m program) at Coringa during Q1 2013 and move +50% of current Inferred resources (534,000oz) to Measured and Indicated category
- **Make another discovery at Cuiu Cuiu** - release drill results from Ivo, Ratinho North and Ratinho South during Q1 2013. Update resource estimate by end 2013
- **Make another gold discovery in Brazil** - First phase exploration drilling at Bom Jardim and Agua Azul planned for 2013

Corporate Information

Capital Structure

Shares Issued and Outstanding	110.6 M
Fully Diluted	118.8 M
Cash (Dec 31, 2012)	\$2.2 M

Analyst Coverage

Share Price (Dec 31, 2012)	\$0.24
Market Cap (Dec 31, 2012)	26.5 M
Avg. Daily Volume (3 months)	74,500

Analyst Coverage

Mackie Research
National Bank

Shareholders

Management	8.2%
Institutions	45%
Newmont	2.3%
Kinross	1.2%
Sandstorm	0.9%

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