

22nd June 2007

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Dear Sir / Madam,

ERONGO NUCLEAR EXPLORATION P/L (NAMIBIA)

As a result of recent overseas media commentary, the Company believes it is appropriate to make a statement at this stage although the Directors do not consider the matter to be material at this time.

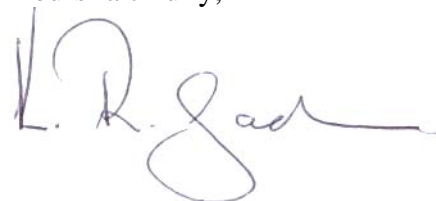
Magna had entered into a Memorandum of Agreement between four parties with the intention to enter into a Joint Venture, if tenure to specified Exclusive Prospecting Licenses (EPL's) were secured by Erongo Nuclear Exploration (Pty) Ltd ("Erongo"), a company incorporated in Namibia. The Intended Joint Venture provided mechanisms whereby Magna could earn up to 75% of the total equity in Erongo. The Memorandum of Agreement is subject to satisfying tenure to the EPLs' and other pre-conditions, none of which have been met to date.

Erongo duly applied for the EPL's with the Namibian Ministry of Mines and Energy. The application for the EPL's was refused by the Minister of Mines and Energy, who shortly after the refusal issued the same EPL's to a company called Ancash Investments Pty Ltd.

Magna considers that the application for the EPL's by Erongo were wrongly refused and thereafter improperly awarded to Ancash. As a result, Magna has recently supported the institution of review proceedings of the relevant Minister's decision to refuse the application by Erongo and to award the EPL's to Ancash. The application for review is pending.

The Directors will immediately inform the market of any material developments.

Yours faithfully,



Magna Mining NL
Kim Gardner
Director