

7 March 2008

Manager Announcements
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge St
SYDNEY NSW 2000

Dear Sir/Madam,

JOINT VENTURE - ERONGO NUCLEAR EXPLORATION P/L – NAMIBIA

On 22nd June 2007 the Directors made an announcement to the ASX concerning the institution of review proceedings against the Namibian Minister for Mines & Energy's decision to refuse to award Exclusive Prospecting Licenses (EPL's) for nuclear fuel to Erongo Nuclear Exploration (Pty) Ltd ("Erongo"), a company incorporated in Namibia.

Erongo is fully owned by a joint venture company in which Magna Mining has the right to acquire shareholding as detailed in the announcement of 22 June 2007.

The disputed EPL's cover an area over which Magna's wholly owned subsidiary Black Range Mining (Pty) Ltd ("Black Range") holds existing EPL's for other minerals. Erongo's applications for nuclear fuel EPLs were lodged long before any competing applications were lodged over this area.

It is a preemptory requirement of the Namibian mining legislation that permission be obtained from existing holders of EPL's over the same areas for which subsequent applications are made. Erongo complied with this requirement having obtained the permission of Black Range before applying for the disputed EPLs. Nevertheless, the applications by Erongo were refused.

The disputed EPL's for nuclear fuel were subsequently issued to a third party, Ancash Investments (Pty) Ltd ("Ancash"), which did not seek, nor obtain, the required consent of Black Range as required by the mining legislation.

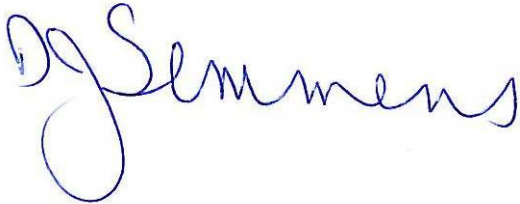
Ancash subsequently became a subsidiary of Forsys Metals Corp. Ancash received a CDN\$1m cash payment and the issue of 4,750,000 shares and 4,000,000 common share warrants in Forsys in return for a 70% stake in Ancash. The disputed EPL's are held by Ancash and were renewed recently with an expiry date of November 2009.

Given the circumstances surrounding the award of the disputed EPL's to Ancash, Erongo and Black Range as first and second applicants respectively, commenced the legal proceedings in the High Court of Namibia against the Minister and Ancash.

Black Range and Erongo have asked the Court to rescind the award of the disputed EPLs to Ancash and to award them to Erongo.

Magna has been advised that the hearing date for the Court has been set for the 7th and 8th of July of this year.

Yours faithfully,



David Semmens
Company Secretary