



MAGELLAN AND CHAPLEAU ANNOUNCE BUSINESS COMBINATION

Vancouver, BC, March 23, 2009 - **Magellan Minerals Ltd. (TSX-V: MNM)** ("Magellan") and **Chapleau Resources Ltd. (TSX-V: CHI)** ("Chapleau") announced today they have entered into a binding letter of intent ("LOI") regarding their intention to merge to form a combined gold exploration and development company focused on the mineral potential of northern Brazil. Subject to the satisfaction of certain conditions, Magellan will acquire all of the issued and outstanding common shares of Chapleau through a plan of arrangement or other business combination (the "Business Combination").

Pursuant to the terms of the LOI, Magellan has agreed to offer Chapleau shareholders 0.267 Magellan shares for each Chapleau common share. All outstanding Chapleau options and warrants will be exchanged for options and warrants of Magellan in an amount and at exercise prices adjusted in accordance with the same exchange ratio.

Highlights

Relevant highlights regarding the Business Combination are as follows:

- Chapleau's key asset is the Coringa project which is located 250km south of Magellan's Cuiú-Cuiú discovery in northern Brazil, and comprises a series of gold bearing veins which extend over a combined strike extent of 10km. Drilling (8,785m) to date along 2km of these structures, has defined high-grade gold mineralization over strike lengths up to 400m with values up to 65.77g/t Au over 3m. Numerous as yet untested geophysical and geochemical anomalies exist over a 300 km² area.
- Coringa has excellent road access and is located 21km from the local grid power. Chapleau is currently engaged in discussions with a number of parties regarding the completion of a 43-101 compliant resource estimate for Coringa.
- Magellan's key asset is the Cuiú-Cuiú project where an extensive soil sampling program has identified five major gold-in-soil anomalies. Drilling at the Central anomaly returned values of up to 220m @ 2.02g/t Au during 2008. Reconnaissance drilling at the nearby Pau de Merenda anomaly, 3km to the NW, returned values up to 47m @ 1.76g/t Au, and limited drilling at the Jerimum Cima anomaly returned values up to 39m @ 5.13g/t Au.
- The Business Combination will result in an expanded land position of 840 km² in the Tapajos Gold Province of Brazil, a region which produced an estimated 30Moz of gold between 1978 and 1995, largely from alluvial sources.

The Business Combination will bring together a management group with considerable experience and several significant gold and copper discoveries in South America. The President and CEO of the combined entity will be Alan Carter who recently guided Magellan to a successful IPO and raised C\$11M in the process. Dennis Moore of Magellan will be VP Exploration. Dennis was responsible for the initial identification and later discovery of the Tocantinzinho gold deposit (2.1Moz), currently the largest known gold deposit in the Tapajos region.

Ian Gendall (currently President of Chapleau) will become COO and is credited with the discovery of several new porphyry copper-gold deposits in southern Ecuador. Jim Stypula, currently Chapleau's CEO will become Chairman of the new entity.

Commenting on the Business Combination, Alan Carter, President and CEO of Magellan, stated: "Magellan has actively been seeking to acquire gold assets in northern Brazil that have the potential to develop into significant deposits and mines. The attraction of Chapleau is the fact that it is close to completing a resource estimate, and the project has considerable upside potential."

Ian Gendall, President of Chapleau, said: "This Business Combination provides Chapleau shareholders ongoing exposure to the Coringa project and strengthens our pipeline of advanced gold projects in the Tapajos region."

Completion of the Business Combination is conditional upon:

1. Chapleau shareholders having approved the Business Combination;
2. completion of legal and financial due diligence by each of the parties;
3. execution of a definitive agreement;
4. receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange;
5. the absence of a material adverse change with respect to each party; and
6. certain other customary conditions.

Magellan and Chapleau will be seeking agreements to vote their shares in favour of the Business Combination from the directors and officers of Magellan and Chapleau, and significant shareholders of Chapleau. The business combination is expected to close on or before 15 July 2009.

The LOI includes a commitment by Chapleau not to solicit alternative transactions. If the Business Combination is completed, Magellan will have approximately 55.8M common shares issued and outstanding, of which current Magellan shareholders will own approximately 55% and former Chapleau shareholders will own approximately 45%.

Pursuant to the terms of the LOI, Magellan has agreed to invest \$500,000 as a private placement in Chapleau at a price of \$0.15 per unit. Each unit will be comprised of one common share of Chapleau and one warrant, with each warrant entitling Magellan to purchase one additional common share of Chapleau at \$0.25 for a period of 18 months. The private placement is subject to acceptance by the TSX Venture Exchange.

About Magellan

Magellan is a TSX Venture Exchange listed exploration company with a number of gold exploration properties in the Tapajos Province of northern Brazil. Magellan's key asset is the Cuiu Cuiu project where recent drilling has identified a new gold deposit at the Central zone.

For further information, please contact:

Alan Carter, President and CEO, at 604.676.5663 or info@magellanminerals.com

About Chapleau

Chapleau is a TSX Venture Exchange listed mineral exploration company with a principal focus on gold exploration in Brazil. Chapleau's gold projects in Brazil include Coringa and Mato Velho, totaling 37,128 hectares in the Tapajos Gold Province.

For further information, please contact:

Ian Gendall at 604.669.8511 or Jim Stypula at 250.489.5156 or info@chapleauresources.com

Cautionary Statements Regarding the Business Combination: Completion of the transaction is subject to a number of conditions, including regulatory approval, shareholder approvals, completion of satisfactory due diligence, a definitive agreement and approval of the British Columbia Supreme Court. There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the business combination may not be accurate or complete and should not be relied upon. Trading in the securities of exploration and development stage resource companies should be considered highly speculative.

Forward-Looking Statements: Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" and elsewhere in the corporations' periodic filings with Canadian Securities Regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. Statements in this press release other than purely historical information, including statements relating to the companies' future plans and objectives or expected results, constitute forward-looking statements. Forward looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the companies' business, including risks inherent in mineral exploration and development. The companies do not assume the obligation to update any forward-looking statement. In particular, no representation is made in this release as to the timing of the business combination, whether the business combination will complete on the terms described herein or at all, the success or value of the combined companies after the business combination. In addition, there are numerous risks and other factors that will influence a development decision, including concluding resource evaluations on mineral properties, mine design limitations, permitting risks and economic factors, all of which may be beyond our control.

U.S. Cautionary Statements: We advise US investors that while the terms "measured resources", "indicated resources" and "inferred resources" are recognized and required by Canadian regulations, the US Securities and Exchange Commission does not recognize these terms. US investors are cautioned not to assume that any part or all of the material in these categories will ever be converted into reserves.

TSX Venture Exchange: The TSX Venture Exchange has not reviewed, and does not accept, responsibility for the adequacy or accuracy of this release.