MAGELLAN AEROSPACE CORPORATION

ANNUAL INFORMATION FORM

MARCH 31, 2005

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ADVISORY

In the interest of providing the shareholders and potential investors of Magellan Aerospace Corporation ("Magellan" or the "Corporation") with information regarding the Corporation, including management's assessment of the Corporation's future plans and operations, this Annual Information Form and certain documents incorporated by reference into this Annual Information Form contain forward-looking information that represents the Corporation's internal projections, expectations, estimates or beliefs concerning, among other things, future operating results and various components thereof or the Corporation's future economic performance. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. The projections, expectations, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which may cause the Corporation's actual performance and financial results in future periods to differ materially from any projections, expectations, estimates and beliefs of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, such risk and uncertainties described in this Annual Information Form and in documents incorporated by reference into this Annual Information Form and the Corporation's other reports and filings with the Canadian securities authorities. Magellan believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be. Accordingly, shareholders and potential investors are cautioned that events or circumstances could cause actual results to differ materially from those predicted.

In particular, this Annual Information Form, and the documents incorporated by reference, contain forward-looking statements pertaining to the following:

- Expectations relating to renegotiation of credit facilities, such as set forth under "*Recent Developments*";
- Projections of market prices and costs;

- Supply and demand for products and services in the aerospace industry;
- Expectations regarding the ability to raise capital;
- Treatment under governmental regimes; and
- Capital expenditure programs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- the state of the North American economy in general and the aerospace industry in particular;
- competition for, among other things, capital, supply contracts and skilled personnel;
- incorrect assessments of the value of acquisitions;
- increased learning in manufacturing new products;
- foreign exchange fluctuations;
- changes in income tax laws or changes in tax laws; and
- the other factors discussed under "*Risks Inherent in Magellan's Business*".

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Magellan does not undertake any obligation to publicly update or revise any forward-looking statements.

All dollars amounts in this Annual Information Form are expressed in Canadian dollars unless specifically designated to be in United States dollars or United Kingdom pounds sterling.

THE CORPORATION

General

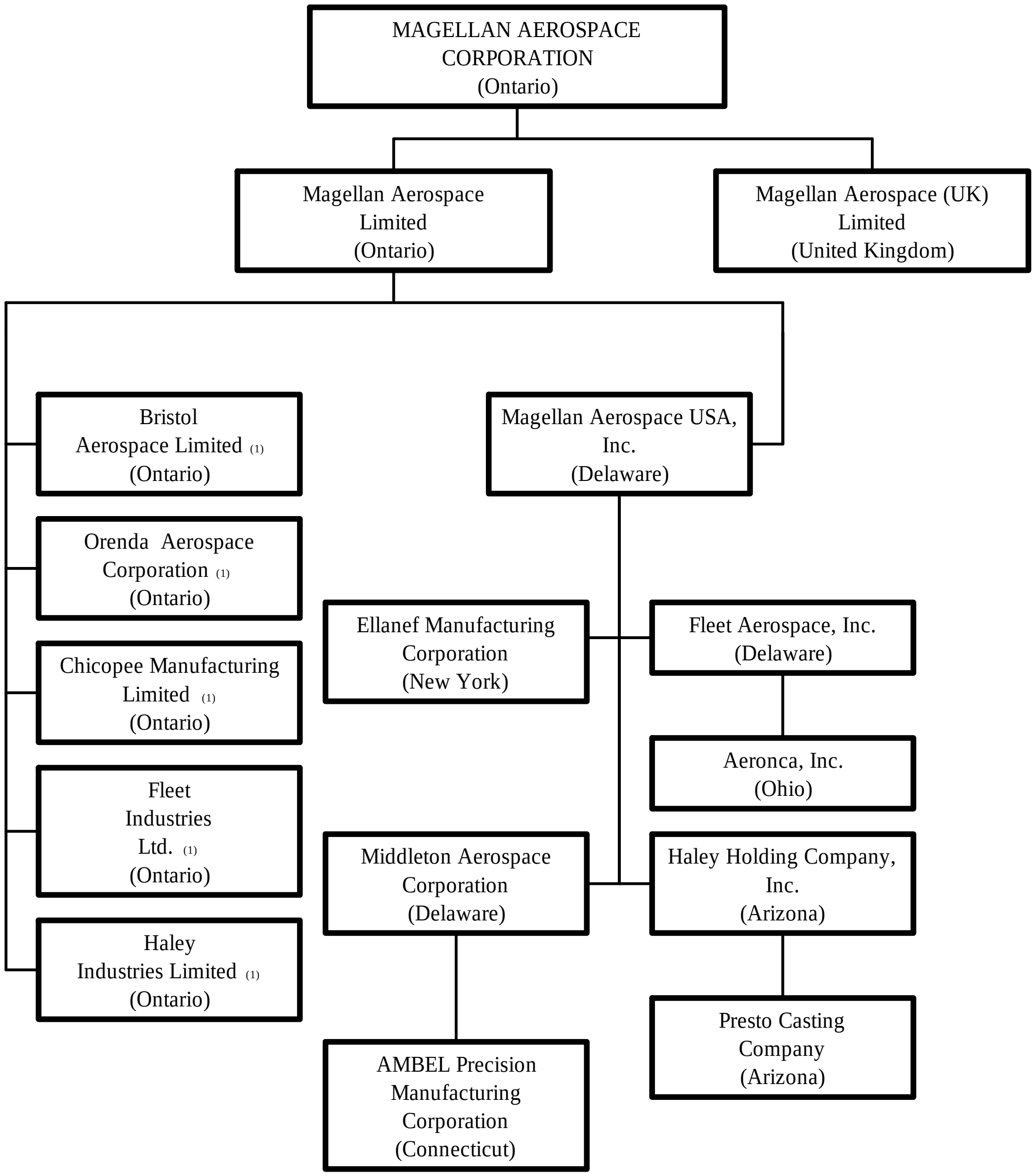
Magellan Aerospace Corporation ("Magellan" or the "Corporation") was incorporated on February 15, 1996 under the name 1169525 Ontario Inc. under the *Business Corporations Act* (Ontario). On April 3, 1996, as part of a statutory arrangement (the "Arrangement"), 1169525 Ontario Inc. changed its name to Fleet Aerospace Corporation. On October 17, 1996 the Corporation changed its name to Magellan Aerospace Corporation.

Magellan, through its wholly-owned subsidiaries: Bristol Aerospace Limited ("Bristol"), located in Winnipeg and Rockwood, Manitoba; Orenda Aerospace Corporation ("Orenda"), located in Mississauga, Ontario; Fleet Industries Ltd. ("Fleet Industries"), located in Fort Erie, Ontario; Chicopee Manufacturing Limited ("Chicopee"), located in Kitchener, Ontario; Haley Industries Limited ("Haley") located in Haley, Ontario; Ellanef Manufacturing Corporation ("Ellanef"), located in Corona and Bohemia, New York; Middleton Aerospace Corporation ("Middleton"), located in Middleton and Peabody, Massachusetts; Aeronca, Inc. ("Aeronca"), located in Middletown, Ohio; AMBEL Precision Manufacturing Corporation ("AMBEL"), located in Bethel, Connecticut; Presto Casting Company ("Presto") located in Glendale, Arizona; and Magellan Aerospace (UK) Limited ("MALUK"), located in Wrexham, Bournemouth and Filton, United Kingdom, is involved in the design, engineering, and manufacture of aeroengine and aerostructure components for aerospace markets, advanced products for military and space markets, and complementary specialty products.

The Corporation's principal office is located at 3160 Derry Road East, Mississauga, Ontario, L4T 1A9.

Corporate Structure

The following chart shows Magellan's material active subsidiaries and their respective holding companies, all wholly-owned, directly or indirectly, and their respective jurisdiction of incorporation as at December 31, 2004.



(1) These corporations operate business as directed by, and as agent on behalf of, Magellan Aerospace Limited

GENERAL DEVELOPMENT OF THE BUSINESS

General

The Corporation's principal business activities are the engineering, manufacture and repair and overhaul of sophisticated equipment and components for the aerospace industry, modernizing, repairing and overhauling jet engines, defence aircraft and helicopters and the manufacture of rocket systems, systems and the design and production of magnesium and aluminium castings, primarily for the aerospace industry.

In 2002 the Corporation acquired Haley Industries Limited (including its subsidiary Presto Casting Company) whose business is the design and production of magnesium and aluminium castings, primarily for the aerospace industry, for $23.4 million, consisting of 748,686 Common Shares and the balance in cash.

In 1994, Orenda Recip Inc. ("Recip"), a Canadian subsidiary of the Corporation, acquired the proprietary technology for the design and production of a series of high performance reciprocating aero engines capable of producing between 500 hp and 750 hp at a cost well below that of small turbine engines. In light of the significant downturn in the general aviation market and the general economic environment impacting Recip, a decision was made to discontinue development of the Orenda reciprocating engine effective December 31, 2002. As a result the Corporation recorded a provision of $30.2 million at December 31, 2002 to write down the assets of Recip to their net realizable value.

On January 7, 2003, the Corporation completed an offering of $70.0 million of 8.5 percent convertible unsecured subordinated debentures ("Convertible Debentures") due January 31, 2008. The net proceeds of the Convertible Debenture offering of $68.0 million were applied as to $34.0 million towards the permanent reduction of the principal amount of the term bank loan, as to $8.9 million towards repayment of the long-term indebtedness of Haley Industries Limited, which was assumed by the Corporation upon the acquisition of Haley Industries Limited, and as to the remaining amount of $25.1 million, by paying down, but not permanently reducing, the Corporation's revolving lines of credit.

On February 13, 2003, due to the prolonged strike and the associated economic consequences of this strike, the Corporation announced its decision to cease operations at its Fleet Industries plant in Fort Erie, Ontario. Strike-bound for four months, Fleet Industries had a long history of troubled labour relations. When it became clear that disruptions to customer relations at the facility had become untenable, the course of action taken to safeguard commitments to customers was to transfer the majority of the work to other Magellan divisions and to close the plant. Management estimated the potential costs and losses resulting from this decision and recorded a charge to net earnings of $33.3 million in 2003. In 2004, the Corporation reached final agreements on ending customer programs and, as a result, recorded an additional charge of $5.6 million which is the estimated amount to reflect additional costs of completing contractual obligations. Magellan’s operations at this plant are scheduled to cease by the end of the second quarter of 2005.

On December 22, 2003 the Corporation completed an offering of 8,750,000 Common Shares of the Corporation, which included 2,000,000 Common Shares that were issued on exercise of underwriters' option for net proceeds of $21,217,000. The offering was made on a bought deal basis through a syndication of underwriters. The Corporation also concurrently closed a private placement with the Corporation's principal shareholder, N. Murray Edwards, and certain other directors and officers of the Corporation, including certain associates and affiliates thereof, to purchase 3,250,000 Common Shares, on the same terms and conditions as pertain to the offering for net proceeds of $8,288,000. The Common Shares were issued at a price of $2.55 per share. The net proceeds of the offering and concurrent private placement were used to fund acquisitions, including the Corporation's acquisition of the Mayflower Assets (as described below), and for other working capital purposes.

On September 29, 2003, Magellan announced that Kimball Capital Corporation ("Kimball"), which is controlled by Larry A. Moeller, a director of the Corporation, indirectly acquired through a receivership process, substantially all of the aerospace business and assets ("Mayflower Assets") of the Mayflower Aerospace Ltd. corporate group located in the United Kingdom for £6,100,000 (then approximately $13.4 million). Kimball granted Magellan a right to acquire the Mayflower Assets at the same price and on the same terms as those applicable to Kimball, including Kimball's financing costs, subject to Magellan securing all bank and other approvals required to complete the acquisition. Kimball obtained its financing from N. Murray Edwards, a director and principal shareholder of Magellan. The acquisition was approved by the members of the board of directors of Magellan other than N. Murray Edwards and Larry Moeller who did not vote. On November 28, 2003, Magellan obtained the approvals required to complete the acquisition of the Mayflower Assets from Kimball. Accordingly, Magellan exercised its right to acquire the Mayflower Assets and completed the transaction on December 31, 2003.

Effective December 31, 2003, the Corporation announced that it had signed a long-term Revenue Sharing Agreement with General Electric Company's GE Aircraft Engines unit (GEAE) to produce major components for the GE F414 military aircraft engine of the Boeing F/A-18E/F Super Hornet aircraft. Under the Revenue Sharing Agreement, Magellan will earn revenue on every GE F414 engine sale with a market potential of engine sales for 25 years or more. Magellan's investment under the agreement will be $US 27.9 million over the next four years, funded from internally generated cash flow and bank lines. The agreement covers orders of the F414 engine for current requirements and for new applications, for the life of the F414 program. The F414 powers the Boeing F/A 18E/F Super Hornet aircraft in service with the United States Navy. In December 2003, the United States Navy awarded Boeing a second multiyear procurement contract for an additional 210 F/A-18 Super Hornets, and a new contract for the design and development of the EA-18G airborne electronic attack aircraft. The European Aeronautics Defence and Space Company (EADS) has also chosen the F414 for application in the Mako family of advanced trainer and light combat aircraft, currently in development. Magellan will build the engine front frame and exhaust frame for the F414 engine. The work packages for Magellan will be performed in Magellan divisions based in the U.S. and Canada**.** Magellan had previously been a source of the exhaust frames for the F414. The agreement adds the F414 front frame and increases the volume of exhaust frame orders for the life of the program. Deliveries on the exhaust frame represented revenues of approximately $5.6 million in 2004.

On May 6, 2004 the Corporation announced the signing of a new supply agreement with Airbus UK, which represents additional revenues of approximately $24.0 million annually, across the full range of Airbus products with significant content on the Airbus A380. The work consists of complex machining of aluminium and hard metal alloys. Along with the Airbus work, the Corporation has secured additional work from AgustaWestland and the GKN Group, representing approximately $10.0 million of additional annual revenue.

In order to accommodate the expanded workload and to meet anticipated increases in volume on current contracts, Magellan acquired certain assets of Moores (Wallisdown) Limited, for a net purchase price of $10.4 million in the second quarter of 2004. These assets are located adjacent to existing Magellan Aerospace (UK) Limited ("MALUK") facilities in the United Kingdom, and will provide an opportunity to rationalize the increased workload across all divisions, reduce overhead costs and absorb the cost reduction demands that are now a feature of aerospace lean manufacturing.

On September 21, 2004, the Corporation completed an offering of 11,337,568 Common Shares of the Corporation pursuant to a rights offering for net proceeds of $31.1 million. Each shareholder of record on

August 27, 2004 was issued transferable rights certificates to subscribe for Common Shares on September 21, 2004. The holders of rights were entitled to acquire one common share for every seven rights held upon payment of the subscription price of $2.75 per share. The net proceeds were applied as to one-half as a permanent reduction of the principal amount of the term bank loan, as to one-half to pay down, but not permanently reduce, the Corporation's revolving lines of credit.

RECENT DEVELOPMENTS

Subsequent to the year-end, the Corporation reached an agreement with its lenders under its operating and term facilities, to waive certain of its financial covenants as at December 31, 2004 and amend certain of its financial covenants as at March 31, 2005, and accordingly at December 31, 2004 the Corporation was in compliance with the amended agreement and related covenants. Subsequent to the year-end, the Corporation also requested and received a waiver of the covenant prohibiting acquisitions of businesses in 2004. The Corporation is currently in negotiations to replace its operating and long-term credit facilities. The total amount of the operating line available to the Corporation is approximately $102.0 million. The majority (approximately $48.0 million) of the Corporation's long-term debt with its principal bankers is due on August 29, 2005. In conjunction with these negotiations, the Corporation has received an extension of its operating credit facility to May 13, 2005. Should the Corporation fail to comply with the amended covenants during 2005 and the lenders are unwilling to waive such a covenant breach or amend the agreement and related financial covenants, the lenders could demand payment of the term bank loan and any amounts drawn under the operating credit facility. The Corporation expects to close these facilities in the second quarter of 2005. *See "Risk's Inherent in Magellan's Business- Banking Facility Commitments and Financial Condition."*

Labour agreements with unionized employees at three facilities expire in 2005. The Corporation anticipates reaching agreement with employees this year at those facilities with no impact to operations. See "*Risk's Inherent in Magellan's Business - The agreements with labour unions representing certain of the Corporation's employees are subject to renewal*".

DESCRIPTION OF THE BUSINESS

The Corporation operates a single business segment: the manufacture and related services of aerospace components. In this segment, the Corporation has four product groupings: aerostructure components, aeroengine components, rockets and space, and specialty products. Aerostructure and aeroengine products are used both in new aircraft, as well as for spares and replacement parts.

Magellan is a diversified supplier of components to the aerospace industry. Through its wholly owned subsidiaries, Magellan designs, engineers, and manufactures aeroengine and aerostructure components for aerospace markets, advanced products for military and space markets, and complementary specialty products. The Corporation also supports the aftermarket through supply of spare parts as well as performing repair and overhaul services. The Corporation relies on a mix of commercial and defence aerospace program

The Corporation's strategy has been to focus on several core competencies within the aerospace industry. These include precision machining of a wide variety of aerospace material, composites, complex high technology magnesium and aluminum alloy castings, repair and overhaul technologies and design of structures. The Corporation is now seeking to leverage these core competencies by seeking growth in both aerospace and non-aerospace applications where these abilities are critical in meeting customer needs. The Corporation believes that the available capacity at its facilities is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

The aerospace manufacturing industry differs from traditional manufacturing industries in a number of material respects. An aerospace manufacturer develops very small quantities of highly specialized products on a contract basis. Accordingly, an aerospace manufacturer is more like a contractor, hired to complete a very customized and specialized project to the specifications of a customer. The up-front costs in developing such products that are incurred prior to the completion of the first production unit are significant. Up-front costs generally include engineering, design and manufacture of tooling, test units required for certification and learning curve hours (first units have much higher production hours due to employee training and modification of tools and fixtures). These up-front costs of developing products are borne by the manufacturer, not the customer, and are, therefore, only recovered when the project reaches the production phase and then usually on an amortization basis over the projected program life.

The business carried on by the Corporation involves firm contracts generally having terms of one to five years. Component products and systems supplied are related to end-product sales by the Corporation's customers, and in accordance with industry practice, are generally subject to termination, modification or reduction at the option of the Corporation's customers. However, if a program is so terminated, the terms of the underlying contracts generally provide that the Corporation will be reimbursed for its allowable costs to the date of termination plus any proportionate amount of profits attributable to the work actually performed. Products that are delivered directly to the end-user generally involve contracts for specific quantities over specific time periods, and are less likely to experience variations to the terms.

From time to time circumstances under which long-term contracts are negotiated change and require amendment so that the Corporation does not incur a loss. At December 31, 2004 no amendments to material contracts were under negotiation. The 2004 financial statements reflect the outcome of any contracts amended during the year.

The total revenue, the number of principal customers accounting for more than 10% of the consolidated revenues in each of the last two completed financial years, and the percentage of total revenues in each of Canada, the United States and the United Kingdom from the operations of the Corporation's business are set forth in the following table:

(thousands of dollars)	Year ended Dec. 31 2004	Year ended Dec. 31 2003
Canadian operations		
Total revenues	$287,613	$254,453
Number of principal customers	2	3
Percentage of total revenue from principal customers	25%	34%
U.S. operations		
Total revenues	$185,591	$202,595
Number of principal customers	4	2
Percentage of total revenue from principal customers	65%	41%
U.K. operations		
Total revenues	$100,575	$21,265
Number of principal customers	1	3
Percentage of total revenue from principal customers	65%	68%
Total Corporation		
Total revenues	$573,779	$478,313
Number of principal customers	2	2
Percentage of total revenue from principal customers	26%	30%

See “*Risk’s Inherent in Magellan’s Business - The loss of one of the Corporation’s key customers could have a material adverse effect on the Corporation - Banking Facility Commitments and Financial Condition”*.

Bristol Aerospace

Bristol's main facility is company owned and is comprised of a 65,000 square metre (700,000 sq. ft.) plant located in Winnipeg, Manitoba. Bristol also operates a solid fuel rocket propellant manufacturing and test facility, company owned, on a 2,400 hectare (6,000 acre) site, 30 kilometers north of Winnipeg at Rockwood, Manitoba. Bristol currently employs approximately 690 employees. In addition to an experienced manufacturing and technical workforce, Bristol has strong engineering, marketing and administrative organizations. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Bristol specializes in precision manufacturing of structures and engine components for the commercial and military aircraft industry. The products are supplied to the prime aircraft and aircraft engine manufacturers throughout the world. Bristol's major commercial aerospace customers include The Boeing Company, Bombardier Inc., General Electric Aircraft Engines, and Pratt & Whitney Canada. Major defence customers include the United States Department of Defence and NATO. Bristol also manufactures rocket systems, target systems and the Black Brant, a solid propellant high altitude research rocket. The rocket systems are sold to the Canadian Armed Forces, United States Department of Defence and other national defence agencies. Bristol commenced deliveries of the exhaust frame for the GE F414 military aircraft engine in accordance with the terms of the Revenue Sharing Agreement with General Electric Company's GE Aircraft Engines in 2004.

Chicopee Manufacturing

Chicopee operates from a company owned 8,000 square meter (80,000 square feet) industrial building situated on 8.5 acres of land in Kitchener, Ontario and employs approximately 120 people. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Chicopee produces precision machined medium and large components and sub-assemblies from high-strength steels, titaniums and a variety of aluminum alloys. Major aerospace customers include The Boeing Company, Lockheed Martin, and Goodrich Corporation.

Fleet Industries

The Corporation owns a 46,500 square meters (501,000 square feet) manufacturing facility located on a 152 acre (62 hectare) site in Fort Erie, Ontario. The Corporation announced on February 13, 2003, that work performed at Fleet Industries would be transferred to other facilities and the Fort Erie plant would close. Certain work has now transferred to other facilities and the Corporation has reached final agreements on ending other customer programs. The Corporation expects to close the plant by mid 2005.

Haley Industries

Haley conducts its business in a company-owned facility, comprised of 19,000 square metres (192,000 square feet) located in Haley, Ontario and currently employs 450 employees. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Haley produces precision magnesium and aluminum sand castings for the aerospace industry. Castings range in size from 300 mm to 3 metres in length and up to 455 kg (1000 lbs.). Typical parts include engine inlet cases, accessory gearbox housings, helicopter transmission housings, compressor inlet housings, generator housings and constant speed drive housings.

Haley's principal customers include Avio-Diepen, Hamilton Sundstrand, Pratt & Whitney and Pratt & Whitney Canada.

Orenda Aerospace

Orenda conducts its activities in an owned 70,000 square meter (750,000 square feet) facility in Mississauga, Ontario near Toronto's Lester B. Pearson International Airport. Approximately 430 people are employed at the Mississauga facility. The Corporation believes that the available capacity at its Orenda facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Orenda is a precision manufacturer of high quality components for commercial, regional and military jet engines. Orenda also provides services for the GE J85 (used in F-5 and CT-114 aircraft) and F404 (used in CF-18 aircraft) engines for the Canadian Armed Forces and overhaul of exhaust frames for F404 engines used in the United States Department of Defence F-18 fighter aircraft. Orenda expects to commence deliveries of the front frame for the GE F414 military aircraft engine in accordance with the terms of the Revenue Sharing Agreement with General Electric Company's GE Aircraft Engines in 2005. Another Orenda customer is Honeywell Engine Systems.

Aeronca, Inc.

Aeronca is located in Middletown, Ohio occupying a 17,800 square meter (190,000 square feet) building which is company owned. Aeronca employs approximately 200 people. The Corporation believes that the facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry. As the Corporation attracts new programs, retooling of existing equipment and the purchase of additional specialized equipment may be required for such programs.

Through Aeronca, the Corporation manufactures jet engine nacelle and exhaust components primarily for the commercial aerospace and defence industries. Aeronca has developed significant manufacturing expertise in brazed structures, especially titanium honeycomb structures, and conventional sheet metal structures which enables it to produce a wide variety of light-weight, high-strength products, including variable exhaust nozzles for jet engines, fairings for engines and wings, speed brakes and wing components. Aeronca's major customers include The Boeing Company and Hurel-Hispano S.A.

Aeronca manufactures its products to meet demanding performance and environmental product specifications. These specifications include high strength, the capability to absorb high levels of energy and the ability to withstand extreme temperatures, shocks and vibrations. Aeronca's expertise in designing and manufacturing brazed structures allows it to address these product specifications because brazed structures are generally lighter, more temperature resistant and stronger than bonded or riveted structures.

AMBEL Precision Manufacturing Corporation

AMBEL is conducting its business in leased premises of approximately 2,000 square meters (22,000 square feet) in Bethel, Connecticut. AMBEL employs approximately 80 people. The Corporation believes that the available capacity at this facility is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

AMBEL is a precision machining company, supplying high quality jet engine components for both military and commercial aircraft. Its primary customers include Pratt & Whitney Canada, Honeywell Engine Systems and the United States Department of Defense.

Ellanef Manufacturing Corporation

Ellanef operates from two company-owned premises in New York. Machining and assembly operations are performed at the Corona (Queens) location that consists of six buildings totalling approximately 15,000 square meters (156,000 square feet). Ellanef's large-scale machining operations occur at the Bohemia facility, which is approximately 13,000 square meters (142,000 square feet) in size. Ellanef currently employs approximately 320 people. The Corporation believes that the available capacity at these facilities is sufficient to meet its current and anticipated manufacturing requirements as indicated by current growth trends in the industry.

Ellanef is a leading speciality contract engineering and manufacturing company which engineers, manufactures and assembles complex components and sub-assemblies for original equipment manufacturers of commercial and military aircraft. Ellanef's core competency is the manufacture of close-tolerance machined components and assemblies using high heat-treat and speciality metals such as aluminum, titanium and inconel. Parts and sub-assemblies manufactured by Ellanef comprise primary aerospace product categories: mechanical and electromechanical assemblies, structural parts and assemblies, landing gear components and gearboxes. This range of components and sub-assemblies differentiates Ellanef from other aerospace component suppliers.

Ellanef's major customers include The Boeing Company (Commercial and Military), Northrop Grumman, Goodrich Corporation and Wyman-Gordon. A significant portion of Ellanef's revenue for Boeing Commercial Aircraft is parts and sub-assemblies for the successful Boeing 737 Next Generation aircraft.

Middleton Aerospace Corporation

Middleton employs approximately 125 people and conducts its business in two leased facilities. One facility of approximately 4,300 square meters (46,000 square feet) is located in Middleton, Massachusetts and an additional 2,000 square meters (22,000 square feet) of manufacturing space is located in nearby Peabody, Massachusetts.

Middleton manufactures critical rotating and non-rotating parts for major engine builders and the United States Department of Defense. It has agreements in place with General Electric, Rolls-Royce Aerospace Group and the United States Department of Defense.

Middleton manufactures both prototype and production parts using numerically controlled machines, and can turn, mill and grind parts as large as 60 inches in diameter. In addition, Middleton is using its five-axis machining capability to develop high value-added components for the medical equipment industry. Middleton has very strong exposure to the regional jet engine market through participation on both engines that dominate this market, namely the Rolls-Royce AE3007 and the General Electric CF34.

Presto Casting Company

Presto conducts its business in a company-owned 8,000 square metre (89,000 square feet) facility located in Glendale, Arizona, USA and employs approximately 153 people.

Presto produces small to medium, magnesium and aluminum sand castings for the aerospace industry. Casting range in size from 150 mm to 700 mm in length and up to 100 lbs. Typical parts include generator housings and pump housings, engine accessory gearbox housings, and auxiliary power unit gearboxes and aircraft air conditioning unit housings.

Presto's principal customers include Hamilton Sundstrand and Honeywell Engine Systems.

Magellan Aerospace (UK) Limited

MALUK is comprised of four manufacturing sites and two engineering sites located in the United Kingdom. The owned manufacturing facilities, located in Wrexham and Bournemouth, occupy a total of 15,000 square metres (161,000 square feet). The leased engineering sites, located in Filton and Hansford, occupy, in the aggregate, approximately 700 square metres (7,500 square feet). MALUK employs approximately 800 people. Through a receivership process, MALUK acquired substantially all of the aerospace business and assets of the Mayflower Aerospace Ltd. corporate group located in the United Kingdom in 2003.

MALUK's business is comprised of airframe component design and manufacturing, including long bed machining involving large and medium sized parts for wings and other components. MALUK's principal customers include Airbus, BAE Systems, AgustaWestland and GKN Group.

Environmental Matters

The Corporation is subject to environmental regulations under provincial, state and federal legislation. This legislation provides for restrictions and prohibitions on releases or emissions of various substances produced in association with manufacturing operations. The Corporation's environmental programs are monitored to ensure that they comply with all government environmental regulations and with the Corporation's own environmental policies. The results of these programs are reviewed with Magellan's management and operations personnel. See "*Risks Inherent in Magellan's Business - Any exposure to environmental liabilities may adversely affect the Corporation*".

RISKS INHERENT IN MAGELLAN'S BUSINESS

The following risks and uncertainties apply to the Corporation.

Bank Facility Commitments and Financial Condition.
The majority of the Corporation's long-term debt is due on August 29, 2005. As a result, the balance of the Corporation's long-term debt under the term credit agreement with its bankers has been recorded as a current liability. The Corporation is currently in negotiations with its lenders to replace both its operating and long-term debt facilities. The Corporation expects to close these facilities in the second quarter of 2005. There is no assurance that the Corporation will be successful in securing equity financing or in refinancing its operating and long-term debt or that further refinancing of bank indebtedness may not be necessary in the future. Although Magellan expects to be able to negotiate covenants it expects to achieve, there is no assurance that Magellan will be in compliance with all of its bank covenants at all times during the upcoming twelve months due to unforeseen events or circumstances, some of which are outlined below.

Factors that have an adverse impact on the aerospace industry may adversely affect the Corporation's results of operations.
The majority of the Corporation's gross profit and operating income is derived from the aviation industry. The Corporation's aerospace operations are focused on engineering and manufacturing aircraft

components on new aircraft, selling spare parts and performing repair and overhaul services on existing aircraft and aircraft components. Therefore, the Corporation's business is directly affected by economic factors and other trends that affect the Corporation's customers in the aerospace industry, including a possible decrease in outsourcing by aircraft operators and original equipment manufactures ("OEMs"), decreased demand for air travel or projected market growth that may not materialize or be sustainable. When these economic and other factors adversely affect the aerospace industry, they tend to reduce the overall customer demand for the Corporation's products and services, which decreases the Corporation's operating income. Economic and other factors, both internal to the aviation industry or general economic factors that might affect the aerospace industry may have an adverse impact on the Corporation's results of operations.

Fluctuations in the value of foreign currencies could result in currency exchange losses.
A portion of the Corporation's revenues and expenses are not currently denominated in Canadian dollars, and it is expected that some revenues and expenses will continue to be based in currencies other than the Canadian dollar. Therefore, fluctuations in the Canadian dollar exchange rate will impact the Corporation's results of operations and financial condition from period to period. In addition, such fluctuations affect the translation of the Corporation's results for purposes of its consolidated financial statements. The Corporation's currency hedging activities may not be successful.

The Corporation may be adversely impacted by its level of indebtedness.
The Corporation and its subsidiaries have significant debt obligations. The degree to which this indebtedness could have consequences on the Corporation's prospects include the effect of such debts on the ability to obtain additional financing for working capital, capital expenditures or acquisitions, the portion of available cash flow that will need to be dedicated to repayment of principal and interest on indebtedness, thereby reducing funds available for expansion and operations and the Corporation's vulnerability to economic downturn and its ability to withstand competitive pressure. If the Corporation is unable to meet its debt obligations, it may need to consider refinancing or adopting alternative strategies to reduce or delay capital expenditures, selling assets or seeking additional equity capital.

The loss of one of the Corporation's key customers could have a material adverse effect on the Corporation.
For the period ended December 31, 2004, direct sales to The Boeing Company represented approximately 15% of net sales and this is expected to increase to approximately 17% of net sales in 2005. In 2004, direct sales to Airbus represented approximately 11% of net sales and this is expected to increase to approximately 17% of net sales in 2005. The loss of either of these customers or any significant decline in purchasing by either customer from the Corporation could have a material adverse impact on the Corporation.

A reduction in defence spending by the United States or other countries could result in a decrease in revenue.
The Corporation relies on sales to military customers particularly in the United States. A significant reduction in military expenditures by the United States or other countries with which the Corporation has contracts could materially adversely affect the Corporation's business and financial condition. The loss or significant reduction in government funding of a large program in which we participate could also materially adversely affect our sales and earnings.

The agreements with labour unions representing certain of the Corporation's employees are subject to renewal.
The Corporation is party to collective bargaining agreements throughout its business which are subject to expiration at various times in the future. During 2005 labour agreements at three sites will expire. If the Corporation is unable to renew these agreements, or others as they become subject to renegotiation from

time to time, it could result in work stoppages and other labour disturbances which could have a material adverse effect on its business. This risk may be mitigated by the ability of the Corporation to transfer work from one location to another.

Competitive pressures may adversely affect the Corporation.

The Corporation competes in the aerospace industry primarily with OEMs and the manufacturers that supply them, some of which are divisions or subsidiaries of OEMs, and other large companies that manufacture aircraft components and subassemblies. Competition for the repair and overhaul of aviation components comes from three primary sources: OEMs, major commercial airlines and other independent repair and overhaul companies. Some of the competitors' financial and other resources are substantially greater than the Corporation's. Competitive pressures may materially adversely affect the Corporation's operating revenues and, in turn, the Corporation's business and financial condition.

The Corporation may need to expend significant capital to keep pace with technological developments in its industry.

The aerospace industry is constantly undergoing development and change and it is likely that new products, equipment and methods of repair and overhaul service will be introduced in the future. In order to keep pace with any new developments, the Corporation may need to expend significant capital to purchase new equipment and machines or to train the Corporation's employees in the new methods of production and service. In addition, the Corporation makes significant expenditures for the research and development of new products and services. The Corporation may not be successful in developing new products and these capital expenditures may have a material adverse effect on the Corporation.

The Corporation may incur significant expenses to comply with new or more stringent governmental regulation.

The aerospace industry is highly regulated in most countries by specialized government agencies. The Corporation must be certified in such jurisdictions and, in some cases, by individual OEMs in order to engineer and service parts and components used in specific aircraft models. If any of the Corporation's material authorizations or approvals were revoked or suspended, the Corporation's operations would be adversely affected. Although it is not expected, new or more stringent governmental regulations may be adopted, or industry oversight heightened, in the future, and the Corporation may incur significant expenses to comply with any new regulations or any heightened industry oversight.

The Corporation may be unable to successfully achieve "key supplier" status with OEMs, and may be required to risk capital to achieve key supplier status.

Many OEMs are moving toward developing strategic partnerships with their key suppliers. Each key supplier provides an array of integrated services including purchasing, warehousing and assembly for OEM customers. The Corporation has been designated as a key supplier by some OEMs and is striving to achieve a higher level of integrated supply with other OEMS. In order to achieve key status, the Corporation may need to expand the Corporation's existing capacities or capabilities, and there is no assurance that the Corporation will be able to do so.

Many new aircraft programs require that major suppliers become risk-sharing partners, meaning that the cost of design, development and engineering work associated with the development of the aircraft is partially born by the supplier, usually in exchange for a life-time agreement to supply those critical parts once the aircraft is in production. In the event that the aircraft fails to reach the production stage, inadequate number of units is produced, or actual sales otherwise do not meet projections, the Corporation may incur significant costs without any corresponding revenues.

The Corporation may not realize the Corporation's anticipated return on capital commitments made to expand its capabilities.

From time to time, the Corporation makes significant capital expenditures to implement new processes and to increase both efficiency and capacity. Some of these projects require additional training for the Corporation's employees and not all projects may be implemented as anticipated. If any of these projects do not achieve the anticipated increase in efficiency or capacity, the Corporation's returns on these capital expenditures may not be as expected.

Most of the Corporation's contracts are subject to competitive bidding. If the Corporation is unable to successfully compete in the bidding process, the Corporation's results of operations could suffer.

The Corporation obtains most of its contracts through a competitive bidding process that subjects it to the risk that it will expend substantial time and effort on the design, development and marketing of proposals for contracts that may not be awarded to it. The Corporation is sometimes required to bid on programs in advance of the completion of the prime vehicle or system design. This creates a risk that it will experience unforeseen technological difficulties and cost overruns. The Corporation cannot ensure that it will continue to win competitively awarded contracts at the same rate as in the past.

The Corporation may not be able to successfully negotiate long-term contracts to eliminate losses.

From time to time circumstances under which long-term contracts are negotiated change and require amendments so the Corporation does not incur a loss. At December 31, 2004 no amendments to material contracts were under negotiation. If in the future negotiations are not successful or the final terms are different from what the Corporation expects, the Corporation may be required to record a loss provision on these contracts which will be materially adverse to the Corporation. The amount of such provision, if any, cannot be reasonably estimated until such amendments are finalized.

The Corporation may be affected by interest rate fluctuations.

The Corporation's operations have been significantly financed by debt, and it has significant debt obligations. The majority of the Corporation's interest bearing long-term debt bore a variable interest rate. Consequently, the Corporation is sensitive to fluctuations in interest rates. Interest rate risk is generally managed by maintaining a balance between long and short-term exposure, which the Corporation believes provides the best effective cost for the level of exposure management deems appropriate.

The Corporation may need additional financing for acquisitions and capital expenditures and additional financing may not be available on acceptable terms.

A key element of the Corporation's strategy has been, and continues to be, internal growth and growth through the acquisition of additional companies and product lines engaged in the aerospace industry. In order to grow internally, the Corporation may need to make significant capital expenditures and may need additional capital to do so. The Corporation's ability to grow is dependent upon, and may be limited by, among other things, availability under the credit facilities and by particular restrictions contained therein and the Corporation's other financing arrangements. In that case, additional funding sources may be needed, and the Corporation may not be able to obtain the additional capital necessary to pursue its internal growth and acquisition strategy or, if the Corporation can obtain additional financing, the additional financing may not be on financial terms which are satisfactory to it.

Cancellations, reductions or delays in customer orders may adversely affect the Corporation's results of operations.

The Corporation's overall operating results are affected by many factors, including the timing of orders from large customers and the timing of expenditures to manufacture parts and purchase inventory in anticipation of future sales of products and services. A large portion of the Corporation's operating expenses is relatively fixed. Because several of the Corporation's operating locations typically do not obtain long-term purchase orders or commitments from customers, the Corporation must anticipate the future volume of orders based upon the historic purchasing patterns of customers and upon discussions with customers as to their anticipated future requirements. These historic patterns may be disrupted by many factors, including changing economic conditions, inventory adjustments, work stoppages or labour disruptions, cancellations, reductions or delays in orders by a customer or group of customers could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Any exposure to environmental liabilities may adversely affect the Corporation.
The Corporation's business, operations and facilities are subject to numerous stringent federal, provincial, state, local and foreign environmental laws and regulations. In Canada, the Corporation is required to maintain Certificates of Approval with respect to its water discharge, air emissions and land fill sites. The provincial Ministry of Environment in each province conducts periodic compliance reviews, and the Corporation is required to perform ongoing tests of its discharges. From time to time due to noncompliance matters which arise, remediation and containment orders are received which require action by the Corporation. The Corporation commits financial and technical resources as it deems necessary, including outside consultants, to develop action plans in accordance with the requirements of the various jurisdictions within which it operates. Currently, the Corporation is negotiating with regulatory bodies in respect of a remediation plan at its Fleet Industries site and expects to be able to conclude a mutually acceptable plan. Although management believes that the Corporation's operations and facilities are in material compliance with such laws and regulations, future changes in these laws, regulations or interpretations thereof or the nature of the Corporation's operations may require the Corporation to make significant additional capital expenditures to ensure compliance in the future.

In December 2002 the Government of Canada ratified the Kyoto Protocol and it became legally binding on February 16, 2005. This protocol calls for Canada to reduce its greenhouse gas emissions to 6 percent below 1990 levels during the period between 2008 and 2012. Details of specific requirements relating to the aerospace industry have not been enacted and accordingly the impact of the Kyoto Protocol is unknown.

DIVIDENDS

The Corporation has not declared or paid any dividends on any of its shares in the last three financial years. It is intended that the Corporation will not pay any dividends in the near future and that future earnings will be retained to finance further expansion of the business and operations of the Corporation. Any decision to pay dividends on the Corporation's common shares will be made by the board of directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF SHARE CAPITAL

Common Shares

Magellan has authorized for issuance an unlimited number of Common Shares of which 90,746,736 Common Shares were outstanding as at March 24, 2005. The holders of Common Shares are entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of Magellan; to receive dividends as and when declared by the Board of Directors of Magellan on the Common Shares as a class, and subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes; and in the event of any liquidation, dissolution or winding-up of Magellan, whether voluntary or involuntary, or any other distribution of the assets of Magellan among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of Magellan ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the shares of any other class of shares of Magellan ranking equally with the common shares in respect of return of capital on dissolution, in such assets of Magellan as are available for distribution.

Preference Shares

Magellan also has authorized an unlimited number of Preference Shares which may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Board of Directors of Magellan shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out in the Corporation's articles, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series. The Preference Shares of each series shall rank on parity with the Preference Shares of every other series with respect to accumulated dividends and return of capital. The Preference Shares are entitled to a preference over the common shares and over any other shares of the Corporation ranking junior to the Preference Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. As at the date hereof, no Preference Shares have been issued or are outstanding.

Convertible Debentures

The Corporation has issued $70,000,000 of 8.5 percent convertible unsecured subordinated debenture due January 31, 2008 ("Convertible Debentures") pursuant to the Trust Indenture dated as of the 7th day of January 2003 between the Corporation and Computershare Trust Company of Canada. The Convertible Debentures pay interest on a semi-annual basis on January 31 and July 31 in each year commencing July 31, 2003. The Convertible Debentures are convertible, at any time prior to the maturity date, by holders into Common Shares of the Corporation at a conversion price of $4.50 per Common Share. The Convertible Debentures are redeemable by the Corporation between January 31, 2006 and January 31, 2007 at a price equal to the principal amount, plus accrued and unpaid interest, if any, provided that the current market price is not less than 125 percent of the conversion price, and after January 31, 2007 and prior to the maturity date at a price equal to the principal amount, plus accrued and unpaid interest, if any. Upon redemption or at maturity the Corporation may, at its option (provided that there has not then occurred an event of default), elect to satisfy its obligation to pay the principal amount of the Convertible Debentures by issuing and delivering to holders, that number of Common Shares obtained by dividing such amount by 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange for the twenty consecutive trading days prior to the date fixed for the redemption or the date of maturity, as applicable. The Convertible Debentures are unsecured obligations of the Corporation and are subordinated in right of payment to all of the Corporation's existing and future senior indebtedness.

MARKET FOR SECURITIES

The Corporation's Common Shares and Convertible Debentures are listed and posted for trading on the Toronto Stock Exchange under the symbol "MAL" and "MAL.DB", respectively.

The following chart shows the high and low closing prices and the aggregate volumes traded of the Corporation's Common Shares on the Toronto Stock Exchange for each month in 2004:

Toronto Stock Exchange			
Month	Low	High	Volume
January	2.74	3.30	3,433,006
February	3.16	3.95	4,261,424
March	3.10	3.74	1,225,524
April	2.50	3.44	1,438,241
May	3.06	3.45	2,683,543
June	3.01	3.76	2,513,897
July	3.32	3.72	1,424,351
August	2.62	3.45	4,341,864
September	2.78	3.20	3,025,475
October	2.72	2.99	1,742,165
November	2.76	3.15	2,403,100
December	2.55	2.93	4,579,068

The following chart shows the high and low closing prices and the aggregate volumes traded of the Corporation's Convertible Debentures on the Toronto Stock Exchange for each month in 2004:

Toronto Stock Exchange			
Month	Low	High	Volume
January	103.00	108.00	21,590
February	106.00	114.45	62,390
March	106.00	110.00	11,380
April	105.00	109.00	7,120
May	104.50	107.50	19,060
June	104.00	107.00	14,940
July	106.00	108.00	5,630
August	98.00	108.00	69,081
September	103.00	105.50	9,190
October	103.25	105.74	17,930
November	103.60	105.50	9,240
December	103.00	105.00	41,492

DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Corporation, the offices held by them in the Corporation, their principal occupations and the year each director first became a director are set out below. Each of the directors, except for Larry G. Moeller who was not a director for the period from August 14, 1999 to March 3, 2000, has served continuously as a director since the date he was first elected or appointed, which date is indicated below such director's name. The present term of each director will expire immediately prior to the election of directors at the next annual meeting of shareholders, which is scheduled for May 12, 2005. The information below concerning each of the Corporation's directors (except for information relating to the committee on which such director is a member) has been provided by the individual director.

Name and Municipality of Residence	Office Held	Principal Occupation
N. MURRAY EDWARDS [5] Calgary, Alberta, Canada (1995)	Chairman of the Board and Director	President, Edco Financial Holdings Ltd. (private consulting and management company)
RICHARD A. NEILL Oakville, Ontario, Canada (1996)	President, Chief Executive Officer and Director	President and Chief Executive Officer, Magellan Aerospace Corporation
HON. WILLIAM G. DAVIS [3][6] Brampton, Ontario, Canada (1989)	Director	Counsel, TORYS LLP (law firm)
WILLIAM A. DIMMA [1][2] Toronto, Ontario, Canada (1989)	Director	Corporate Director
BRUCE W. GOWAN [1][3] Huntsville, Ontario, Canada (1990)	Director	Corporate Director
DONALD C. LOWE [1][4] Toronto, Ontario, Canada (1992)	Director	Corporate Director
LARRY G. MOELLER [4][5] Calgary, Alberta, Canada (1995)	Director	Vice-President, Finance, Edco Financial Holdings Ltd. (private consulting and management company)
JAMES S. PALMER [2][3] Calgary, Alberta, Canada (1995)	Director	Chairman, Burnet, Duckworth & Palmer LLP (law firm)
HON. M. DOUGLAS YOUNG [2][4] Ottawa, Ontario, Canada (1999)	Director	Chairman, Summa Strategies Canada Inc. (strategic counselling firm)
JO-ANN C. BALL Aurora, Ontario, Canada	Vice President, Human Resources	Vice President, Human Resources, Magellan Aerospace Corporation
JAMES S. BUTYNIEC Carlisle, Ontario, Canada	Executive Vice President and Chief Operating Officer, North America	Executive Vice President and Chief Operating Officer, North America, Magellan Aerospace Corporation
JOHN B. DEKKER Burlington, Ontario, Canada	Vice President, Finance and Corporate Secretary	Vice President, Finance and Corporate Secretary, Magellan Aerospace Corporation
KONRAD B. HAHNELT Waterloo, Ontario, Canada	Vice President, Strategic Global Sourcing	Vice President, Strategic Global Sourcing, Magellan Aerospace Corporation

Name and Municipality of Residence	Office Held	Principal Occupation
WILLIAM A. MATTHEWS Mississauga, Ontario, Canada	Vice President, Marketing	Vice President, Marketing, Magellan Aerospace Corporation
LARRY A. WINEGARDEN Markham, Ontario, Canada	Vice President, Corporate Strategy	Vice President, Corporate Strategy, Magellan Aerospace Corporation
STEVEN P. GROOT Burlington, Ontario, Canada	Corporate Controller and Treasurer	Corporate Controller and Treasurer, Magellan Aerospace Corporation

Notes:
(1) Member of the Audit Committee
(2) Member of the Governance and Nominating Committee
(3) Member of the Human Resources and Compensation Committee
(4) Member of the Environmental and Safety Committee
(5) N. Murray Edwards and Larry G. Moeller were each directors of Imperial Metals Corporation, a corporation engaged in mining, oil and gas exploration in the year prior to that corporation implementing a plan of arrangement under the *Company Act* (British Columbia) and under the *Companies' Creditors Arrangement Act* (Canada) in 2003, which resulted in the separation of its two businesses. The reorganization resulted in the creation of two public corporations, Imperial Metals Corporation and IEI Energy Inc. (now Rider Resources Ltd.) both of which trade on the Toronto Stock Exchange. Mr. Moeller is currently a director of Imperial Metals Corporation.
(6) William G. Davis was a director of Dylex Limited during the period 1995 to May 16, 2001 when he resigned as a result of a change of control transaction. Subsequently Dylex Limited was adjudged bankrupt in September 2001 with an effective date of mid-June 2001. The Trustee in Bankruptcy of Dylex Limited has commenced proceedings against the former directors, officers and legal counsel of Dylex Limited in connection with the change of control transaction (the "Claim"). The Claim is being defended.

During the past five years, all of the directors and officers of the Corporation have been engaged in their principal occupations or in other executive capacities with the corporations or firms with which they currently hold positions.

As at March 24, 2005, the directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 27,200,606 Common Shares representing approximately 30.0% of the outstanding Common Shares of the Corporation.

Circumstances may arise where members of the Board of Directors of Magellan serve as directors or officers of corporations which are in competition to its interests. No assurances can be given that opportunities identified by such board members will be provided to the Corporation.

The *Business Corporations Act* (Ontario) provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under such Act. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of such Act.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and officers of the Corporation, other than as set out in the table below, no person beneficially owns or exercises control or direction over shares carrying more than 10% of the voting rights attached to any class of voting shares of the Corporation.

Name and Address of Holder	Class of Shares	Type of Ownership	Number of Shares	Percentage of Common Shares
N. Murray Edwards Calgary, Alberta	Common Shares	Direct and Indirect	25,276,319[1]	27.9%

Note:

1. In addition, Mr. Edwards beneficially owns directly or indirectly $15 million principal amount of 8.5% convertible debentures issued by the Corporation on January 7, 2003.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada Inc., Toronto, Ontario is the transfer agent and registrar for the Corporation's Common Shares and Convertible Debentures.

MATERIAL CONTRACTS

The only material contract of the Corporation that was entered into within the most recently completed financial year, or entered into after January 1, 2002 and before the most recently completed financial year which is still in effect, other than contracts entered into in the ordinary course of business, is the Trust Indenture dated as of the 7th day of January 2003 between the Corporation and Computershare Trust Company of Canada Agreement. For information, see "*Description of Share Capital- Convertible Debenture*". A copy of this document was filed January 9, 2003 under the heading "*Other*" on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Corporation during, or related to, its most recently completed financial year other than Ernst & Young LLP, the Corporation's external auditors. At the time Ernst & Young LLP prepared the report, Ernst and Young LLP and its employees held no interest in Common Shares or Convertible Debentures of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional information relating to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's voting shares and options to purchase the Corporation's shares is contained in the Corporation's Management Information Circular dated March 30, 2005 prepared in connection with the annual meeting of shareholders of the Corporation to be held on May 12, 2005. Additional financial information is provided in the Corporation's financial statements for the year ended December 31, 2004 and Management's Discussion and Analysis which have been filed on SEDAR at www.sedar.com

Copies of the Management Information Circular, the financial statements, including any interim financial statements, Management's Discussion and Analysis, additional copies of this Annual Information Form, any other documents incorporated therein by reference may be obtained upon request from the Secretary of the Corporation at the head office, Magellan Aerospace Corporation, 3160 Derry Road East, Mississauga, Ontario, L4T 1A9. Telephone: (905) 677 1889; Facsimile: (905) 677 5658.