

MAGELLAN AEROSPACE CORPORATION

MINUTES of the meeting of the Board of Directors of MAGELLAN AEROSPACE CORPORATION (the "Corporation") held on the 10th day of May, 2007 at the hour of 10:00 o'clock in the forenoon at the Living Arts Centre, 4141 Living Arts Drive, Mississauga, Ontario.

PRESENT:

N. Murray Edwards
William G. Davis
William A. Dimma
Bruce W. Gowan
Donald C. Lowe
Larry G. Moeller
Richard A. Neill
James S. Palmer
M. Douglas Young

MANAGEMENT:

James S. Butyniec – President & Chief Operating Officer
John B. Dekker – Vice President Finance & Corporate Secretary
Elena Milantoni – Corporate Controller
Craig Vaughan - Assistant Treasurer
William Matthews – Vice President Marketing
Larry Winegarden – Vice President Corporate Strategy
Konrad B. Hahnelt – Vice President Strategic Global Sourcing
Donald Boitson – General Manager, Bristol Aerospace
Paul Heide – General Manager, Haley Industries
Robert Segal – General Manager Middleton Aerospace Corporation
Phil Underwood – General Manager, Magellan Aerospace (UK) Limited
Daniel Zanatta – Program Director
Dr. Karen Yoshiki-Gravelsins – Senior Manager of Quality Control and Environmental Compliance, Orenda Aerospace Corporation

CHAIRMAN:
SECRETARY:

N. Murray Edwards
John B. Dekker

1 CONSTITUTION

Notice of the meeting having been given to all directors and all directors being in attendance, the meeting was declared duly constituted.

2 IN CAMERA MEETING

The directors agreed that it was not necessary for this meeting to meet privately at the commencement of this meeting of the Board of Directors.

3 PREVIOUS MINUTES

Minutes for the meetings of the Board of Directors held on March 13, 2007, March 16, 2007 and March 30 were tabled for review. After a brief discussion and on motion duly made, seconded and unanimously carried the following resolution was passed.

BE IT RESOLVED THAT the Minutes of the Board of Directors meetings on held March 13, 2007, March 16, 2007 and March 30 are hereby approved.

4 OPERATIONS REVIEW

A financial and operating review for the quarter ended March 31, 2007 and challenges and improvement initiatives for 2007 was presented in detail by Mr. Butyniec. The challenges, opportunities, and performance for the 2007 fiscal year were detailed and discussed for each operation.

Mr. Butyniec provided the directors with an update in respect of the Aeronca's contractual issue with Aircelle on pricing for the A380, A340 and A318 and the contractual pricing issues and operation challenges at Haley and Ellanef's contractual negotiations with Boeing.

A detailed discussion ensued wherein Messrs. Butyniec and Dekker responded to questions from the Board.

For the next meeting, management undertook to provide:

- a) a more detailed analysis of inventory showing the breakdown of inventory categories and inventory turns by division. Investment inventory will be shown on the divisional slides;
- b) a detailed report on the four major facility up-grades that have taken place; and
- c) status report on HTF7000 program (formerly AS907).

Consolidated Operations

Mr. Dekker having presented in detail the consolidated results of operations for the quarter ended March 31, 2007 to the Audit Committee and all directors having attended the meeting of the Audit Committee, the Board agreed it was not necessary to repeat the presentation.

10 May

5 REPORT OF THE AUDIT COMMITTEE

Mr. Dimma, Chairman of the Audit Committee, provided an in depth review of the meeting of the Audit Committee of the Corporation held immediately prior to this meeting of the Board of Directors. Mr. Dimma reported that the Committee had met jointly with senior management and Ernst & Young, the Corporation's external auditors. Mr. Dimma advised that the Committee had agreed to retain Ernst & Young to conduct a quarterly review of the Company's financial statements. Mr. Dimma advised the Board that PricewaterhouseCoopers ("PwC") had completed its investigation in respect of the allegations raised by Brian Little and had issued a draft report. Based upon the draft report and discussions with PwC, the Company's legal counsel has advised that PwC had found nothing that would undermine the integrity of the accuracy of the Corporation's financial statements.

Final DRAFT REPORT DATED 9 MAY 2007
↓
ORDERED FOR DISCLOSURE

Mr. Dimma also reported that no new claims or potential claims had been received under the Whistleblower Protection Policy since the last meeting of the Board. He reported that a detailed review had been completed of the financial statements, the notes to the financial statements, management's discussion and analysis and the press release for the period ended March 31, 2007. The Committee met privately with Ernst & Young. Mr. Butyniec and Mr. Dekker had signed the certifications in respect of the financial statements. Mr. Dekker had reported that the Corporation continues to meet its timetable with respect to compliance with Bill 198.

Mr. Dimma informed the Board that the Audit Committee recommended approval of the financial statements, management's discussion and analysis and the press release for the first quarter of 2007.

After a discussion and on motion duly made, seconded and unanimously carried the following resolution was passed.

BE IT RESOLVED THAT the report of the Audit Committee is hereby accepted.

6 FINANCIAL STATEMENTS

The financial results, management's discussion and analysis and the press release for the period ended March 31, 2007 (the "Q1 Financial Report") having been discussed by all the directors while in attendance at the meeting of the Audit Committee and the Audit Committee having recommended the approval of the Q1 Financial Report, the following resolution was passed on motion duly made, seconded and unanimously carried.

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Administrative and General Expenses

	Three-months ended March 31		Change	% Change
	2007	2006		
<i>(Expressed in thousands)</i>				
Administrative and general expenses	\$ 11,548	\$ 10,268	\$ 1,280	12.5%
Foreign exchange loss/(gain)	369	(282)	651	230.9%
Total administrative and general expenses	\$ 11,917	\$ 9,986	\$ 1,931	19.3%
Percentage of revenue	8.3 %	7.3%		

Total administrative and general expenses were \$11.9 million in the first quarter of 2007. Included in total administration and general expenses is a foreign exchange loss of \$0.4 million. Without this item, administrative and general expenses were \$11.6 million (or 8.0% of revenues) in the first quarter of 2007 compared to \$10.3 million (or 7.5% of revenues) in the same period in 2006. Also included in total administrative and general expenses for the quarter were legal and accounting fees of approximately \$2.0 million incurred by the Corporation in relation to a detailed investigation of concerns raised by a former employee regarding the integrity of the Corporation's financial statements. The concerns were thoroughly investigated by PricewaterhouseCoopers ("PWC") who, under the direction of the Corporation's audit committee, prepared a report for the audit committee on their findings. The Corporation's legal counsel has advised the Board of Directors that PWC met with the audit committee and the Corporation's external auditors, and based on the report prepared by PWC, PWC has advised the audit committee that they have not found anything that would undermine the integrity or accuracy of the Corporation's financial statements.

Interest Expense

	Three-months ended March 31		Change	% Change
	2007	2006		
<i>(Expressed in thousands)</i>				
Interest on bank indebtedness and long-term debt	\$ 2,788	\$ 2,024	\$ 764	37.7%
Convertible debenture interest	1,488	1,488	-	-
Accretion charge for convertible debt	584	573	11	1.9%
Discount on sale of accounts receivable	814	910	(96)	-10.5%
Total interest expense	\$ 5,674	\$ 4,995	\$ 679	-13.6%

Interest on bank indebtedness and long-term debt increased in 2007 compared to the same period in 2006 due mainly to increased debt levels in the first quarter of 2007. Discount on the sale of accounts receivable decreased due to a lower amount of receivables sold during the quarter. Accretion charge represents the value of the call option related to the Corporation's convertible debentures that is expensed in the period and added to the face value of the convertible debentures.

Provision for (Recovery of) Income Taxes

	Three-months ended March 31		Change	% Change
	2007	2006		
<i>(Expressed in thousands)</i>				
Provision for current income taxes	\$ 90	\$ 92	\$ (2)	-2.2%
Recovery of future income taxes	(685)	(101)	(584)	578.2%
Total recovery of income taxes	\$ (595)	\$ (9)	\$ (586)	651.1%
Effective Tax Rate	25.4 %	1.4 %		

Draft printed: 5/11/2007

MAGELLAN AEROSPACE CORPORATION

MINUTES of the meeting of the Audit Committee of MAGELLAN AEROSPACE CORPORATION (the "Corporation") held by telephone on the 3rd day of May, 2007 at the hour of 8:30 o'clock in the forenoon (Toronto time).

PRESENT: William A. Dimma
Donald C. Lowe
Bruce W. Gowan

PRESENT BY INVITATION:
Management Richard A. Neill
John B. Dekker

PricewaterhouseCoopers John Tracey
Samantha Ashfield

The Chairman William A. Dimma took the chair and, with the consent of the meeting, John B. Dekker acted as Secretary.

1 CONSTITUTION

With all of the members being in attendance, the meeting was declared duly constituted.

2 PURPOSE OF THE MEETING

The purpose of the meeting was to provide John Tracey with comments regarding factual corrections on the portion of the draft PricewaterhouseCoopers ("PwC") report he had circulated.

The Committee and management made a number of comments regarding factual corrections to the portion of the draft report reviewed. Management undertook to provide PwC with additional documentation to support several of the factual corrections.

John Tracey thanked the Committee and management for the input. He also noted that he appreciated the manner in which management had provided full open access to PwC to perform their investigation and had not attempted to influence the process in any way.

3 ADJOURNEMENT

There being no further business to come before the meeting, the meeting then terminated.

Chairman

John B. Dekker

Secretary

MINUTES

Minutes by Dekker ??
↓
Independence ???

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MAGELLAN AEROSPACE CORPORATION

MINUTES of the meeting of the Audit Committee of MAGELLAN AEROSPACE CORPORATION (the "Corporation") held by telephone on the 4th day of May, 2007 at the hour of 11:00 o'clock in the forenoon (Toronto time).

PRESENT: William A. Dimma
Bruce W. Gowan

APOLOGIES: Donald C. Lowe

PRESENT BY INVITATION:
Management Richard A. Neill
John B. Dekker
Jo-Ann C. Ball

TORYS Peter Jewett

The Chairman William A. Dimma took the chair and, with the consent of the meeting, John B. Dekker acted as Secretary.

1 CONSTITUTION

With a quorum of the members being in attendance, the meeting was declared duly constituted.

2 PURPOSE OF THE MEETING

The purpose of the meeting was to seek TORYS' advice on the following:

- a) direction to provide to PricewaterhouseCoopers ("PwC") as to how their report should deal with out of scope items;
- b) appropriate disclosure of the PwC investigation and related costs in the financial statement; and
- c) appropriate disclosure of the PwC investigation and related costs at the annual meeting.

The Committee asked TORYS to advise as to how PwC should address in their report any matters mentioned by Mr. Brian Little that were not included within the scope agreed to with the Committee. Mr. Jewett advised that PwC should not make any reference in their report to items outside of the agreed scope of investigation.


With respect to disclosure of this matter in the first quarter 2007 financial statements, Mr. Jewett advised the Corporation to state that concerns were raised, a thorough investigation of the concerns took place and the investigation has not lead to any concern about the integrity of the financial statements.

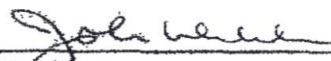
Mr. Jewett advised the Corporation to use the same text in the annual meeting as used in the first quarter 2007 financial statements and should any specific questions come up from the floor, repeat the position.

Mr. Jewett undertook to provide draft disclosure to be used for both the first quarter 2007 financial statements as well as at the annual meeting.

3 ADJOURNMENT

There being no further business to come before the meeting, the meeting then terminated.


Chairman


Secretary

MAGELLAN AEROSPACE CORPORATION

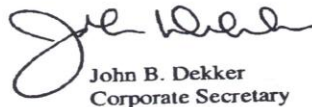
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of shareholders of MAGELLAN AEROSPACE CORPORATION (the "Corporation") will be held at The Living Arts Centre, 4141 Living Arts Drive, Mississauga, Ontario, L5B 4B8 on Thursday, the 10th of May, 2007, at 2:00 o'clock in the afternoon (Toronto time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for its financial year ended December 31, 2006, together with the report of the auditors thereon;
2. to set the number of directors to be elected at nine and to elect directors for the ensuing year;
3. to appoint auditors, with remuneration to be fixed by the directors;
4. to consider, and if thought fit, pass a resolution to approve amendments to the Employee Stock Option Plan; and
5. to transact such further or other business as may properly come before the meeting or any adjournment thereof.

DATED at Mississauga, Ontario, this 16th day of March, 2007.

By Order of the Board


John B. Dekker
Corporate Secretary

Notes:

- (1) Shareholders are requested to sign and return, in the envelope provided for that purpose, the accompanying form of proxy for use at the meeting, or to vote their shares by telephone or Internet by following the instructions on the form of proxy whether or not they are able to attend personally.
- (2) Only holders of Common Shares of the Corporation of record at the close of business on March 30, 2007 will be entitled to vote those Common Shares registered in their respective names at the meeting except to the extent that any such holder has transferred any Common Shares of the Corporation registered in such holder's name after that date and the transferee of such Common Shares establishes proper ownership and requests not later than ten days before the date of the meeting that such transferee's name be included in the list of shareholders eligible to vote at the meeting.