

Magna Mining Inc.

Management Discussion and Analysis
For the three and six months ended June 30, 2024

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

INTRODUCTION

This management's discussion and analysis ("MD&A") of financial condition and results of operations focuses upon the activities, results of operations, liquidity and capital resources of Magna Mining Inc. (the "Company" or "Magna") for the three and six months ended June 30, 2024. In order to better understand this MD&A, it should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022, as well as the condensed interim consolidated financial statements for the three and six months ended June 30, 2024, and the related notes thereon (the "financial statements"). The Company's financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards"), including International Accounting Standard 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). This MD&A is current to August 23, 2024, and was reviewed and approved by the Board of Directors. All amounts are expressed in Canadian dollars, unless otherwise stated.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein, such as statements about the size and timing of future exploration on, and the development of, the Company's properties, are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Company's common share price and volume and other reports and filings with the TSX Venture Exchange ("TSXV") and applicable Canadian securities regulators. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date such statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Investors are cautioned against attributing undue certainty to forward-looking statements.

This MD&A has been prepared in accordance with the requirements of National Instrument 51-102 "Continuous Disclosure Obligations."

The technical information in this document has been reviewed and approved by David King, MSc, P.Geo., the Company's Senior Vice President, Exploration and Geoscience. Mr. King is a qualified person under Canadian National Instrument 43-101. Mr. King is not independent by virtue of his position as an officer of the Company.

OVERVIEW

Description of Business

Magna Mining Inc. is a mineral exploration and development company and is engaged in the exploration of mineral properties. Its assets consist of the Shakespeare Nickel Project and the Crean Hill Ni-Cu-PGE Project, both located near Sudbury, Ontario, Canada.

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HIGHLIGHTS DURING AND SUBSEQUENT TO THE SIX MONTHS ENDED JUNE 30, 2024

Exploration

Crean Hill Project

- On February 20, 2024, the Company announced initial drilling results from the 2024 exploration program at Crean Hill, targeting the near surface advanced exploration area of the 109 FW Zone. Highlights from the assay results include 0.3% Ni, 2.0% Cu, 8.6 g/t Pt + Pd + Au over 14.0 metres ("m") in drillhole MCR-24-060 and 0.6% Ni, 1.0% Cu, 9.5 g/t Pt + Pd + Au over 14.7 m in drillhole MCR-234-061, both in the 109 FW Zone.
- On March 4, 2024, the Company announced the filing of the amended Crean Hill Closure Plan. This allows the Company to move forward with an advanced exploration plan, which includes a surface bulk sample and development of a ramp from surface to perform test mining in the 101 Footwall, 109 Footwall, and Intermediate mineralized zones.
- On March 27, 2024, the Company announced the signing of a Definitive Off-Take Agreement with Vale Base Metals' wholly-owned subsidiary, Vale Canada, for the advanced exploration portion of the Crean Hill Project.
- On April 3, 2024, the Company announced additional drilling results from the 2024 exploration program at Crean Hill. Highlights from the assay results included 3.2% Ni, 11.3% Cu, 10.6 g/t Pt + Pd + Au over 4.4 m in drillhole MCR-24-068, and 2.5% Ni, 9.6% Cu, 17.4 g/t Pt + Pd + Au over 6.8 m in drillhole MCR-24-070, both in the 109 FW Zone.
- On April 23, 2024, the Company announced that the Permit to Take Water for the Crean Hill Project had been approved by the Ministry of Environment, Conservation and Parks. This is the final permit required to enable dewatering of the existing mine workings and allow Magna to move forward with their advanced exploration plan, including a surface bulk sample and development of a ramp from surface to perform test mining in the 101 Footwall, 109 Footwall and Intermediate Zones.
- On May 8, 2024, the Company announced additional drilling results from the 2024 exploration program at Crean Hill. Highlights from the assay results include 0.9% Ni, 2.9% Cu, 9.5 g/t Pt + Pd + Au over 6.3 m in drillhole MCR-24-029 and 0.7% Ni, 0.8% Cu, 6.8 g/t Pt + Pd + Au over 7.0 m in drillhole MCR-24-031, both in the 109 FW Zone.
- On June 4, 2024, the Company announced the signing of the toll milling agreement for the surface bulk sample program of the 109 FW Zone at the Crean Hill Project. The bulk sampling work is expected to be completed during the second half of 2024.
- On June 11, 2024, the Company announced that it had awarded the advanced exploration contract at the Crean Hill Project to a local partnership. The initial phase of the advanced exploration is expected to consist of the previously announced bulk sampling of 200,000 tonnes from the 109 FW Zone.
- On June 25, 2024, the Company announced additional drilling results from the 2024 exploration program at Crean Hill. Highlights from the assay results included 0.2% Ni, 0.2% Cu, 18.2 g/t Pt + Pd + Au over 15.0 m in drillhole MCR-24-077 from the 109 FW Zone, and 0.4% Ni, 0.5% Cu, 34.3 g/t Pt + Pd + Au over 4.1 m in drillhole MCB-24-037 from the 109 FW Zone surface sample.
- On July 8, 2024, the Company announced additional drilling results from the 2024 exploration program at Crean Hill. Highlights from the assay results included 0.7% Ni, 5.0% Cu, 12.8 g/t Pt + Pd + Au over 15.2 m in drillhole MCR-24-087 from the 109 FW Zone. Additionally, the Company announced that the bulk sample work has commenced with most of the site preparation completed.

CREAN HILL PROJECT PRELIMINARY ECONOMIC ASSESSMENT ("PEA")

On July 31, 2023, the Company announced the successful completion of its Preliminary Economic Assessment by Stantec on its 100% owned Crean Hill Nickel Project located in Sudbury, Ontario, Canada.

The Base Case scenario ("Base Case") for the PEA envisions a combination of open pit and underground mining, with Life of Mine ("LOM") potential mineable resource being sold to an existing third-party mill in Sudbury. Initial

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underground mining would be accessed from a new ramp developed from surface, prior to rehabilitation of the existing shaft to access and hoist from the lower elevations. Resources would be mined, crushed, and sampled onsite, then trucked to the third-party mill for processing. An alternative milling scenario was studied comparing the economics of the Base Case with an Alternative Processing scenario ("Alternative Processing") through a future mill at the Company's Shakespeare Project.

Financial Analysis

Both the Base Case and Alternative Processing used metal prices of US\$9.50/lb nickel, US\$3.50/lb copper, US\$22.00/lb cobalt, US\$1,000/oz platinum, US\$1,800/oz Palladium, US\$1,700/oz gold, and a 1.3 C\$/US\$ exchange rate. The Base Case generated a pre-tax NPV (8%) of \$290.4 million and an Internal Rate of Return ("IRR") of 23.9%, after-tax NPV (8%) was \$230.4 million, with an IRR of 23.4%. The Alternative Processing generated a pre-tax NPV (8%) of \$668.8 million, and an IRR of 39.6%, after-tax NPV (8%) was \$516.1 million, with an IRR of 38.4%. A summary of the PEA results is as follows:

	Base Case	Alternative Processing
Total Resource Mined (Tonnes)	20,102,605	28,197,495
UG Resource Mined (Tonnes)	16,274,220	21,791,858
OP Resource Mined (Tonnes)	3,828,385	6,405,636
OP Waste Mined (Tonnes)	29,349,432	37,406,582
Strip Ratio	7.7	5.8
Mine Life (Years)	15	19
Ni in Resource Sold (Million lbs)	276.6	351.2
Cu in Resource Sold (Million Lbs)	243.5	309.0
Co in Resource Sold (Million lbs)	9.8	12.5
Pt in Resource Sold (Thousands oz)	367.5	464.8
	Base Case	Alternative Processing
Pd in Resource Sold (Thousands oz)	401.6	496.8
Au in Resource Sold (Thousands oz)	220.2	273.8
Average NSR (C\$/Tonne)	\$ 179.07	\$ 165.20
Operating Cost (C\$/Tonne)	\$ 116.57	\$ 88.33
Pre-Tax NPV (8%) (C\$ million)	\$ 290.4	\$ 668.8
Pre-Tax IRR	23.9%	39.6%
Post Tax NPV (8%) (C\$ million)	\$ 230.4	\$ 516.1
Post Tax IRR	23.4%	38.4%
Advanced Exploration Capital (C\$ million)	\$ 48.4	\$ 47.9
Initial Project Capital (C\$ million)	\$ 81.1	\$ 81.3
Sustaining Capital (C\$ million)	\$ 248.9	\$ 256.7

Qualified Persons

The following Qualified Persons ("QPs") oversaw the completion of the work in preparation of the PEA, are responsible for the contents, and are Independent Qualified Persons in accordance with the guidelines of the Canadian Securities Administrators' NI 43-101:

- Geology and Mineral Resource Estimates - Mr. Allan Armitage, Ph.D., P.Geo., of SGS Geological Services.
- Underground Mining and Financial Analysis - Mr. Michael K. Murphy, B.Sc. Engineering (mining), P.Eng. of Stantec Consulting Ltd.
- Open Pit Mining and Financial Analysis - Mr. Christiaan Terblanche, P.Eng, B.Comm, MBA, of Stantec Consulting Ltd.
- Processing and Recovery - Mr. Gordon Marrs, P.Eng., of XPS, Expert Process Solutions.
- Environment - Mr. Sheldon Smith, MES., P.Geo., of Stantec Consulting Ltd.

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MINERAL RESOURCE ESTIMATES ("MRE")

Crean Hill Deposit In-Pit (A) and Underground (below-pit) (B) MRE, August 19, 2022

(A)

Cut-off Grade	Tonnes	Ni%	Cu%	Co%	Pt g/t	Pd g/t	Au g/t	NiEq%
Indicated								
0.3% NiEq	16,760,000	0.53	0.49	0.02	0.48	0.37	0.25	1.08
Inferred								
0.3% NiEq	434,000	0.43	0.49	0.02	0.29	0.14	0.07	0.82

(B)

Cut-off Grade	Tonnes	Ni%	Cu%	Co%	Pt g/t	Pd g/t	Au g/t	NiEq%
Indicated								
1.1% NiEq	14,531,000	0.96	0.84	0.03	0.88	1.02	0.54	2.07
Inferred								
1.1% NiEq	1,170,000	0.61	0.46	0.02	0.64	1.09	0.21	1.41

Notes on Crean Hill Mineral Resource Assumptions:

- (1) The classification of the current Mineral Resource Estimate into Indicated and Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
- (2) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- (3) All Resources are presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
- (4) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- (5) It is envisioned that parts of the Crean Hill deposit (previously referred to as "Dension") may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 0.3% nickel equivalent ("NiEq") within a conceptual pit shell.
- (6) The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
- (7) Underground (below-pit) Mineral Resources are estimated from the bottom of the pit and are reported at a base case cut-off grade of 1.1 % NiEq. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows good deposit continuity with limited orphaned blocks. Any orphaned blocks are connected within the models by lower grade blocks.
- (8) Based on the size, shape, location and orientation of the Crean Hill deposit (previously referred to as "Denison"), it is envisioned that the deposit may be mined using longhole open stoping (a bulk mining method that has long been utilized in the Sudbury region).
- (9) High grade capping was done on 10 ft (3.05 m) composite data.
- (10) Bulk density values were determined based on physical test work from each deposit model and waste model.
- (11) NiEq cut-off grades are based on metal prices of \$8.50/lb Ni, \$3.75/lb Cu, \$22.00/lb Co, \$1000/oz Pt, \$2,000/oz Pd and \$1,750/oz Au and considers metal recoveries of 78% for Ni, 95.5% for Cu, 56% for Co, 69.2% for Pt, 68% for Pd and 67.7% for Au.
- (12) The in-pit base case cut-off grade of 0.3% NiEq considers a mining cost of US\$2.50/t rock and processing, treatment and refining, transportation and G&A cost of US\$38.00/t mineralized material, and an overall pit slope of 55 degrees. The below-pit base case cut-off grade of 1.1% NiEq considers a mining cost of US\$80.00/t rock and processing, treatment and refining, transportation, and G&A cost of US\$42.50/t mineralized material.
- (13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

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Qualified Person

The Crean Hill project's (previously referred to as "Denison") 2022 Mineral Resource Estimate was prepared by Allan Armitage, Ph.D., P.Geo., of SGS Geological Services, an independent Qualified Person, in accordance with the guidelines of the Canadian Securities Administrators' NI 43-101, with an effective date of August 19, 2022.

Shakespeare Deposit MRE

The MRE for the Shakespeare deposit includes an open pit and an underground Mineral Resource (Shakespeare Project Feasibility Study Technical Report, March 2022).

Highlights are as follows:

	Cut-off Grade	Category	Tonnes (000)	Ni%	Cu%	Co%	Pt g/t	Pd g/t	Au g/t	NiEq %
Open pit	0.2% NiEq	Indicated	16,508	0.34	0.36	0.02	0.33	0.36	0.19	0.56
Underground	0.4% NiEq	Indicated	3,832	0.31	0.36	0.02	0.30	0.32	0.19	0.53
Underground	0.4% NiEq	Inferred	2,355	0.33	0.40	0.02	0.34	0.37	0.20	0.57
Total		Indicated	20,340	0.33	0.36	0.02	0.32	0.35	0.19	0.55
		Inferred	2,355	0.33	0.40	0.02	0.34	0.37	0.20	0.57

Notes on Shakespeare Deposit Mineral Resource Assumptions:

Mineral Resources are exclusive of material mined.

- (1) CIM (2014) definitions were followed for Mineral Resources Reporting.*
- (2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.*
- (3) Shakespeare Open pit Mineral Resources are reported at a base case cut-off grade of 0.2% NiEq within a conceptual pit shell.*
- (4) Shakespeare Underground (below-pit) Mineral Resources are estimated from the bottom of the pit and are reported at a base case cut-off grade of 0.4% NiEq. The underground Mineral Resource grade blocks were quantified above the base case cut-off grade, below the constraining pit shell and within the constraining mineralized wireframes. At this base case cut-off grade the deposit shows excellent deposit continuity.*
- (5) Based on the size, shape, and orientation of the Deposit, it is envisioned that the underground mineralization may be mined using the longitudinal longhole retreat mining method (a branch of the generic mining method known as sublevel stoping).*
- (6) A fixed specific gravity value of 3.00 was used to estimate the resource tonnage from block model volumes; an SG of 2.85 for waste.*
- (7) NiEq Cut-off grades are based on metal prices of \$7.50/lb Ni, \$3.25/lb Cu, \$21.00/lb Co, \$1,000/oz Pt, \$2,000/oz Pd and \$1,600/oz Au, and metal recoveries of 75% for Ni, 96% for Cu, 56% for Co, 73% for Pt, 39% for Pd and 36% for Au.*
- (8) The results from the pit optimization are used solely for the purpose of testing the "reasonable prospects for economic extraction" by an open pit and do not represent an attempt to estimate mineral reserves. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.*
- (9) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that all or any part of the Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.*

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Qualified Person

The Shakespeare Project's 2021 Mineral Resource Estimate was prepared by Allan Armitage, Ph.D., P.Geo., of SGS Geological Services, an independent Qualified Person, in accordance with the guidelines of the Canadian Securities Administrators' NI 43-101, with an effective date of June 1, 2021.

Combined MRE

The total combined MRE for the Company when combining the Shakespeare and Crean Hill deposits is:

Indicated Resources									
Location	Mining	Cut-off Grade	Tonnes (000)	Ni%	Cu%	Co%	Pt g/t	Pd g/t	Au g/t
Shakespeare	Open pit	0.2% NiEq	16,508	0.34	0.36	0.02	0.33	0.36	0.19
Crean Hill	Open pit	0.3% NiEq	16,760	0.53	0.49	0.02	0.48	0.37	0.25
		Sub-Total	33,268	0.44	0.43	0.02	0.41	0.37	0.22
Shakespeare	Underground	0.4% NiEq	3,832	0.31	0.36	0.02	0.30	0.32	0.19
Crean Hill	Underground	1.1% NiEq	14,531	0.96	0.84	0.03	0.88	1.02	0.54
		Sub-Total	18,363	0.82	0.74	0.03	0.76	0.87	0.47
		Total	51,631	0.57	0.54	0.02	0.53	0.55	0.31

Inferred resources									
Location	Mining	Cut-off Grade	Tonnes (000)	Ni%	Cu%	Co%	Pt g/t	Pd g/t	Au g/t
Shakespeare	Open pit	0.2% NiEq	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Crean Hill	Open pit	0.3% NiEq	434	0.43	0.49	0.02	0.29	0.14	0.07
		Sub-total	434	0.43	0.49	0.02	0.29	0.14	0.07
Shakespeare	Underground	0.4% NiEq	2,355	0.33	0.40	0.02	0.34	0.37	0.20
Crean Hill	Underground	1.1% NiEq	1,170	0.61	0.46	0.02	0.64	1.09	0.21
		Sub-total	3,525	0.42	0.42	0.02	0.44	0.61	0.20
		Total	3,959	0.42	0.43	0.02	0.42	0.56	0.19

EXPLORATION AND EVALUATION ASSETS

The Company's primary exploration and evaluation assets are comprised of the past producing Crean Hill and Shakespeare projects. The Company also holds interests in other exploration and evaluation assets.

All of the Company's properties are located near Sudbury, Ontario, Canada.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

The Company is required to make a \$24,000 per year advance royalty payment in order to maintain certain property agreements in good standing, as outlined below. The Company is also required to make statutory license and property tax expenditures each year to maintain its properties in good standing.

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Crean Hill Project

The Crean Hill Project is located in Denison Township within the City of Greater Sudbury, Ontario, Canada, approximately 30 km southwest of downtown Sudbury. The Crean Hill property is an area of Patented Surface and Mining Rights, consisting of approximately 255.9 hectares ("ha"), located within the southern half of Lots 3, 4, and 5 and parts of the northern half of Lots 3, 4, and 5 of Concession 5, Denison Township, District of Sudbury. The area is more particularly described as parts 1 to 16, inclusive, on registered plan 53R – 21031, filed with the Land Titles Division of Sudbury. The Patents do not have an expiry date but are subject to an annual rent of \$4/ha plus municipal taxes. The Crean Hill Project was acquired as part of the Company's November 2022 acquisition of Lonmin Canada Inc.

Shakespeare Project

The Shakespeare Project is currently comprised of 29 patented claims, three leased claims, and 787 mining claims within Dunlop, Porter, Shakespeare, Hyman, and Baldwin Townships and covers an area of 18,074.94 ha. Magna currently has a 100% interest in most of the Shakespeare Project, with 83.9% ownership of a joint venture on certain claims, leases, and patents surrounding the Shakespeare Mine.

In 2010, the Company's subsidiary, Ursa Major Mining Inc., declared commercial production at the Shakespeare Mine. Subsequently, it suspended production, and the mine remains on care and maintenance.

In April of 2024, the Company acquired the remaining 50% ownership of certain claims that had previously been 50% owned, resulting in a 100% interest in those claims.

Spanish River

On November 2, 2020, Magna entered into an option agreement to acquire 100% of 7 claim units located in Baldwin Township, Ontario. The terms of the agreement were as follows:

- Within ten days from the date of the signing (November 12, 2020), \$6,000 in cash was paid, and 40,625 common shares of Magna were issued with a fair value of \$13,250.
- Before the 1st anniversary date of the signing (November 2, 2021), \$14,000 in cash was paid, and 40,625 common shares of Magna were issued with a fair value of \$16,250.
- Before the 2nd anniversary date of the signing (November 2, 2022), \$25,000 in cash was paid, and 40,625 common shares of Magna were issued with a fair value of \$13,609.
- Before the 3rd anniversary date of the signing (November 12, 2023), \$30,000 in cash was paid, and 40,625 common shares of Magna were issued with a fair value of \$17,469.

Magna has also met the requirement to complete cumulative exploration expenditures totalling \$100,000 prior to the third-anniversary date of signing the agreement (November 2, 2023), completing the earn-in on the property. The Optionor retained a 1.5% net smelter return royalty of which Magna can repurchase 50% (0.75%) for \$1,000,000 at any time.

Shining Tree Nickel Project

Magna has a 100% interest in a nickel-copper deposit located near Shining Tree, Ontario. The Shining Tree Nickel Project is located in Fawcett Township, 110 km north of Sudbury, Ontario, and consists of certain claims covering an area of approximately 647.5 Ha.

In late fall of 2023, Magna mining geologists conducted a site visit at the Shining Tree Nickel Project to prepare for downhole geophysical surveying that was completed on two historical drillholes in the first quarter of 2024.

STOCK OPTIONS

The Company did not issue stock options during the six months ended June 30, 2024.

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On November 23, 2023, the Company granted 250,000 stock options to certain officers and employees. The stock options have a term of five years, one-third vested immediately and one-third annually thereafter, and have an exercise price of \$0.47 per common share.

On November 2, 2023, the Company granted 2,281,000 stock options to certain officers, employees, and consultants. The stock options have a term of five years, one-third vested immediately and one-third annually thereafter, and have an exercise price of \$0.44 per common share.

On August 9, 2023, the Company granted 915,800 stock options to certain directors and officers. The stock options have a term of five years, vested immediately, and have an exercise price of \$0.58 per common share.

On May 1, 2023, the Company granted 175,000 stock options to certain employees and officers. The stock options have a term of five years, one-third vested immediately and one-third annually thereafter, and have an exercise price of \$0.87 per common share.

No stock options were exercised during the six months ending June 30, 2024.

During the year ended December 31, 2023, a total of 2,572,187 shares were issued upon the exercise of options for proceeds of \$618,862. A total of \$456,199 was reallocated from reserves to share capital in connection with options exercised.

RESTRICTED SHARE UNITS

The Company has established a restricted share unit ("RSU") plan, which grants RSUs to directors, senior officers, employees, and consultants of the Company and its subsidiaries. The RSU plan is intended to provide an incentive to eligible persons to acquire a proprietary interest in the Company, to continue their participation in the affairs and to increase their efforts on its behalf. The RSU plan is administered by the Board of the Company. The RSU plan is a "fixed" RSU plan, whereby the maximum number of common shares that may be reserved for issue and which can be issued upon the settlement of all RSUs granted is approved by the Company's shareholders. Currently, the maximum number of common shares the Company can issue under the RSU plan, as ratified at its annual and special meeting of shareholders held in June 2024, is 3,000,000.

The Company did not issue any RSUs during the six months ended June 30, 2024.

On May 1, 2023, the Company granted an officer 25,000 RSUs with a fair value of \$21,000. The RSUs will fully vest at the end of three years from the grant date.

On November 2, 2023, the Company granted 961,000 RSUs to certain directors, officers, and employees. The RSUs will fully vest on the date three years from the grant date.

The aggregate number of common shares reserved for issuance under the stock option plan and RSU plan may not exceed 10% of the issued and outstanding common shares on the grant date, and the aggregate number of common shares currently reserved for issuance under the RSU plan may not exceed 3,000,000.

OUTLOOK

The Company expects to obtain financing in the future through the sale of equity instruments, government grants, and/or a by-product metal stream or royalty. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually forfeit or sell its interest in its exploration and evaluation assets.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table summarizes selected financial data reported by the Company for the years ended December 31, 2023, 2022, and 2021. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS Accounting Standards, and the related notes thereon.

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Expenditures in 2023 and 2022 have increased over prior years based on management's plans and successful financing to support those plans.

		June 30, 2024	2023	Years ended December 31, 2022	2021
	(Note 1)				
Exploration and evaluation	\$	5,434,476	\$ 7,646,763	\$ 3,261,717	\$ 3,741,715
Property maintenance	\$	141,016	\$ 504,178	\$ 228,486	\$ 199,717
General and administrative	\$	1,833,808	\$ 2,110,059	\$ 1,133,742	\$ 642,689
Share-based compensation	\$	445,939	\$ 1,458,031	\$ 741,790	\$ 643,252
Depreciation	\$	46,041	\$ 62,081	\$ 32,443	\$ 15,821
Net loss and comprehensive loss	\$	7,052,396	\$ 9,721,879	\$ 5,416,336	\$ 6,732,716
Loss per share - basic and fully diluted	\$	0.04	\$ 0.06	\$ 0.06	\$ 0.11
Total assets	\$	24,509,454	\$ 30,281,215	\$ 25,072,706	\$ 7,812,501
Total liabilities	\$	5,464,713	\$ 5,432,465	\$ 5,073,623	\$ 2,242,609
Shareholders' equity	\$	19,044,741	\$ 24,848,750	\$ 19,999,083	\$ 5,569,892

Note:

- (1) During the six months ended June 30, 2024, the Company changed its accounting policy to capitalize rather than expense the acquisition costs of exploration and evaluation assets, resulting in changes to prior period results, which are discussed below under the section entitled "Change in Accounting Policy" and in Note 3 of the condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023.

SUMMARY OF QUARTERLY RESULTS

The following summary information is taken from the Company's quarterly and annual financial reports covering the last eight reporting quarters. Exploration and evaluation expenses have had a gradual trend upwards over the period, based on increased exploration activity as a result of increased funding. General and administrative expenses have gradually increased, mainly due to additional hiring that occurred in 2022 and 2023. Share-based compensation has gradually trended upwards due to increased options and restricted share units issued.

		June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
	(Note 1)				
Exploration and evaluation	\$	2,752,147	\$ 2,682,329	\$ 1,142,530	\$ 2,835,058
Property maintenance	\$	69,539	\$ 71,477	\$ 179,977	\$ 141,830
General and administrative	\$	958,568	\$ 875,240	\$ 604,132	\$ 640,142
Share-based compensation	\$	219,435	\$ 226,504	\$ 690,220	\$ 358,967
Depreciation	\$	25,153	\$ 20,888	\$ 19,429	\$ 15,799
Net loss and comprehensive loss	\$	3,947,420	\$ 3,104,976	\$ 2,476,929	\$ 3,060,688
Basic and diluted loss per share	\$	0.02	\$ 0.02	\$ 0.02	\$ 0.02
Total assets	\$	24,509,454	\$ 9,826,026	\$ 30,281,215	\$ 34,953,554
Total liabilities	\$	5,464,713	\$ 5,369,705	\$ 5,432,465	\$ 8,591,930
Total Shareholders' equity	\$	19,044,741	\$ 4,456,321	\$ 24,848,750	\$ 26,361,624
Weighted average shares outstanding		163,533,837	163,379,860	163,201,426	161,705,989

		June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
	(Note 1)				
Exploration and evaluation	\$	1,932,943	\$ 1,736,232	\$ 1,078,887	\$ 551,712
Property maintenance	\$	98,437	\$ 83,934	\$ 85,567	\$ 31,518
General and administrative	\$	440,299	\$ 425,486	\$ 457,743	\$ 217,961
Share-based compensation	\$	225,998	\$ 182,846	\$ 646,112	\$ 22,814
Depreciation	\$	14,025	\$ 12,828	\$ 10,244	\$ 7,995
Net loss and comprehensive loss	\$	2,067,751	\$ 2,116,511	\$ 1,843,471	\$ 974,421
Basic and diluted loss per share	\$	0.01	\$ 0.01	\$ 0.02	\$ 0.01
Total assets	\$	37,648,487	\$ 40,928,330	\$ 25,072,706	\$ 24,378,456
Total liabilities	\$	9,031,641	\$ 10,588,564	\$ 5,073,623	\$ 22,285,751
Total Shareholders' equity	\$	28,616,846	\$ 30,339,766	\$ 19,999,083	\$ 2,092,705
Weighted average shares outstanding		161,519,774	157,392,394	119,015,664	71,753,906

Note:

- (1) During the six months ended June 30, 2024, the Company changed its accounting policy to capitalize rather than expense the acquisition costs of exploration and evaluation assets, resulting in changes to prior period results, which are discussed below under the section entitled "Change in Accounting Policy" and in Note 3 of the condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three months ended June 30, 2024 and 2023

During the three months ended June 30, 2024, the Company reported a net loss and comprehensive loss of \$3,947,420 (three months ended June 30, 2023 – \$2,067,751), an increased loss of \$1,879,669 compared to the same period in 2023. The primary contributors were the following:

- Exploration and evaluation expenses in the three months ended June 30, 2024 increased by \$920,985 compared to the same period in the previous year due to increased exploration activity in relation to regional exploration and the Shakespeare and Crean Hill projects.
- General and administrative expenses in the three months ended June 30, 2024 increased by \$518,327 compared to the same period in the previous year, mainly due to additional hiring that occurred through 2023, and increased general office and administrative expenses, primarily related to increases to insurance and rent expenses.
- Professional fees during the quarter increased by \$321,840 versus the comparable quarter due to increased legal, accounting, audit, and tax preparation expenses.
- Interest income decreased during the quarter by \$172,969 versus the comparable quarter in 2023 due to lower average cash balances in the second quarter of 2024.
- Interest expense increased during the current quarter by \$31,846 when compared to the period in the previous year, with interest expense recorded on the deferred acquisition cost of Lonmin Canada Inc. in 2023 being more than offset by interest expense accrued in 2024 related to the Part XII.6 tax on unspent flow-through proceeds renounced under the Lookback Rule in 2023 in accordance with flow-through regulations as outlined in the Income Tax Act (Canada).

The above factors were partially offset by:

- Flow-through premium income increased marginally by \$3,133 in the three months ended June 30, 2024, compared to the same period in the previous year due to increased flow-through eligible exploration activity.
- Property maintenance expenses during the quarter decreased by \$28,898 versus the comparative quarter in 2023 due to reduced expenses on road maintenance and property maintenance-related wages.
- Share-based compensation expenses in the three months ended June 30, 2024 decreased slightly by \$6,563 compared to the same period in the previous year due to reduced options and RSUs vesting in the quarter.
- A foreign exchange loss of \$5,941 was recognized in the three months ended June 30, 2024, compared to a loss of \$29,021 in the same period in the previous year due to fluctuations in exchange rates that impact accrued liabilities in foreign currencies.

Six months ended June 30, 2024 and 2023

During the six months ended June 30, 2024, the Company reported a net loss and comprehensive loss of \$7,052,396 (six months ended June 30, 2023 – \$4,184,262), an increased loss of \$2,868,134 compared to the same period in 2023. The primary contributors were the following:

- Exploration and evaluation expenses in the six months ended June 30, 2024 increased by \$1,867,082 compared to the same period in the previous year due to increased exploration activity in relation to regional exploration and the Crean Hill Project.
- General and administrative expenses in the six months ended June 30, 2024 increased by \$968,023 compared to the same period in the previous year, mainly due to additional hiring that occurred through 2023 and increased general office and administrative expenses, primarily related to increases to insurance and rent expenses.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

- Professional fees during the quarter increased by \$295,560 versus the comparable quarter due to increased legal, accounting, audit, and tax preparation expenses.
- Interest income decreased during the six-month period in 2024 by \$178,518 versus the comparable period in 2023 due to lower average cash balances in the first half of 2024.
- A foreign exchange loss of \$18,643 was recognized in the six months ended June 30, 2024, compared to a gain of \$4,678 in the same period in the previous year due to fluctuations in exchange rates that impact accrued liabilities in foreign currencies.
- Share-based compensation expenses in the three months ended June 30, 2024 increased by \$37,095 compared to the same period in the previous year due to increased expenses related to options and RSUs vesting in the first half of 2024.

The above factors were partially offset by:

- Flow-through premium income increased by \$398,017 in the six months ended June 30, 2024, compared to the same period in the previous year due to increased flow-through eligible exploration activities.
- Interest expense decreased by \$66,689 in the six months ended June 30, 2024, compared to the same period in the previous year, as the interest expense in the prior period consisted largely of interest related to the deferred acquisition cost of Lonmin Canada Inc., which was not present in the six months ended June 30, 2024. Interest expense during the first half of 2024 is related mainly to Part XII.6 tax on unspent flow-through proceeds, as discussed above.

General and administrative expenses

A breakdown of the material components of the Company's general and administrative expenses for the six months ended June 30, 2024 and 2023 is as follows:

			Six months ended
		June 30, 2024	June 30, 2023
General office and administrative	\$	252,739	\$ 108,458
Management compensation		1,326,591	636,404
Investor relations		254,478	120,923
	\$	1,833,808	\$ 865,785

Increases to management compensation are mainly related to additional hiring and increases to salaries during the six months ended June 30, 2024, while increases to general office and administrative expenses are mainly related to insurance and rent expenses.

Exploration and evaluation expenditures

Magna engages principally in the exploration of resource properties. The Company expenses all direct and indirect costs pertaining to the exploration and evaluation of mineral properties in the period they are incurred. These direct exploration and evaluation expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors.

Exploration expenditures at the Shakespeare Mine in the three and six months ended June 30, 2024 were primarily related to geology. Regional exploration and exploration expenditures at the Crean Hill Project during the three and six months ended June 30, 2024 were primarily related to diamond drilling, geophysics and technical studies.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

The Company performed the following work on its properties during the three and six months ended June 30, 2024 and 2023:

	Three months ended		Six months ended	
	2024	June 30, 2023	2024	June 30, 2023
Shakespeare Mine				
Assays	\$ -	\$ -	\$ 3,974	\$ 26,191
Drilling	896	100,661	3,934	131,094
Claim maintenance	14,087	1,296	27,600	7,001
Exploration support	52,184	15,227	74,064	22,456
Geology	183,314	188,677	291,118	303,401
Geology software	28,000	-	28,000	-
Geophysics	-	-	600	-
Technical studies	-	39,827	-	108,796
Environmental studies	6,415	-	6,415	-
Government grants	-	(101,781)	-	(101,781)
	\$ 284,896	\$ 243,907	\$ 435,705	\$ 497,158
Crean Hill Project				
Assays	\$ 112,618	\$ 274,727	\$ 188,281	\$ 406,825
Drilling	891,390	1,004,244	2,409,430	1,851,920
Engineering	72,044	-	143,855	-
Exploration support	63,589	26,413	101,148	109,446
Geology	132,456	46,891	238,155	64,834
Geology software	41,275	-	41,275	-
Geophysics	220,331	70,571	274,756	83,515
Technical studies	104,863	149,326	228,147	507,261
Claim maintenance	-	-	13,817	-
Environmental studies	119,642	-	119,642	-
	\$ 1,758,208	\$ 1,572,172	\$ 3,758,507	\$ 3,023,801
Regional Exploration				
Advanced royalty	\$ -	\$ -	\$ 24,000	\$ 24,000
Exploration support	5,407	6,093	20,783	9,024
Drilling	391,825	-	770,331	-
Claim maintenance	7,108	3,342	9,837	3,342
Geology	25,064	5,005	48,317	5,005
Assays	58,627	-	98,341	-
Geophysics	221,012	600	241,262	4,200
	\$ 709,043	\$ 15,040	\$ 1,212,871	\$ 45,571
Spanish River				
Claim maintenance	\$ -	\$ -	\$ 792	\$ 780
	\$ -	\$ -	\$ 792	\$ 780
Shining Tree				
Exploration & evaluation expenses	\$ -	\$ 43	\$ -	\$ 84
Geophysics	-	-	26,600	-
	\$ -	\$ 43	\$ 26,600	\$ 84
Exploration & evaluation expenses	\$ 2,752,147	\$ 1,831,162	\$ 5,434,476	\$ 3,567,394

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Six months ended June 30, 2024

As at June 30, 2024, the Company reported net working capital of \$1,371,048 (December 31, 2023 – \$7,345,851). The decrease in working capital was mainly the result of cash used on exploration and evaluation, and general and administrative expenses during the first half of 2024, partially offset by cash received on the exercise of warrants.

Cash used in operating activities during the six months ended June 30, 2024 was \$7,069,433 (six months ended June 30, 2023 - \$5,450,106). The main use of cash in the six months ended June 30, 2024 and 2023 was for exploration and evaluation activities, and the increase in cash used in operating activities between the periods was mainly due to the increased exploration and evaluation expenditures and general and administrative expenses during the six months ended June 30, 2024. This was partially offset by net changes in non-cash working capital balances.

Cash used in investing activities during the six months ended June 30, 2024 was \$182,324 (six months ended June 30, 2023 – \$29,542). During the six months ended June 30, 2024, the Company posted an additional \$168,248 in cash as collateral for a letter of credit provided as financial assurance for work commencing at the Crean Hill Project. Additionally, cash was used for investing activities in the six months ended June 30, 2024 and 2023 on the equipment purchases.

Cash used in financing activities during the six months ended June 30, 2024, was \$780,104 (cash provided by financing activities during the six months ended June 30, 2023 - \$17,824,731). During the six months ended June 30, 2024, cash was provided by the exercise of 1,981,352 warrants, partially offset by the payment of leases. In the first half of 2023, cash was provided through the issuance of common shares on the completion of a private placement and the exercise of both warrants and options, partially offset by the payment of leases.

Financing activities

During the six months ended June 30, 2024, a total of 1,981,352 common shares were issued upon the exercise of warrants for proceeds of \$802,448.

On January 25, 2023, the Company completed a private placement of (i) 8,236,914 flow-through common shares at a price of \$1.815 per share for gross proceeds of \$14,949,999, and (ii) 2,681,872 common shares at a price of \$1.10 per common share for gross proceeds of \$2,950,059. In addition, the Company also sold an additional 45,400 common shares at a price of \$1.10 per common share for gross proceeds of \$49,400 on a non-brokered private placement basis.

The Company paid \$284,496 in legal fees, exchange fees, agents' expenses, and other items related to the financing. The Company also incurred agents' fees of \$1,017,000 and issued 603,306 agents' warrants with a fair value of \$306,629. Each agents' warrant entitles the holder thereof to one common share of the Company at a price of \$1.10 per common share until the close of business on the date, which is 24 months from the issue date.

During the year ended December 31, 2023, 2,572,187 common shares were issued upon the exercise of options for proceeds of \$618,862. A total of \$456,199 was reallocated from share-based payment reserve to share capital in connection with options exercised.

During the year ended December 31, 2023, 2,890,532 common shares were issued upon the exercise of warrants for proceeds of \$1,165,704. A total of \$75,170 was reallocated from warrants reserve to share capital in connection with the warrants exercised.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

Going concern

The financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through the sale of equity instruments, government grants and/or a by-product metal stream. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise funding as required in the long term but recognizes there will be risks involved that may be beyond its control.

Dividends

The Company has neither declared nor paid any dividends on its common shares to date. The Company does not anticipate paying any dividends on its common shares in the foreseeable future.

Contractual commitments

The Company is required to make certain option payments totalling \$24,000 per annum in order to maintain its property agreements in good standing. These payments are not considered to be commitments as the applicable agreements may be terminated by the Company at short notice without penalty.

Exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its materially in compliance with all applicable laws and regulations. Management believes that the Company has made appropriate expenditures to comply with such laws and regulations.

In connection with financings completed by the issuance of flow-through shares, the Company provides subscribers with an indemnification for any tax liability that may arise if the Company is found to have not incurred the qualifying exploration expenditures in accordance with the flow-through subscription agreements. The Company's remaining flow-through spending obligation is \$4,146,659 as at June 30, 2024 (December 31, 2023 - \$8,248,368), of which 100% is required to be spent before December 31, 2024. The Company is also subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with flow-through regulations as outlined in the Income Tax Act (Canada). As of June 30, 2024, the Company had accrued \$134,731 as a financial expense related to Part XII.6 tax.

As at June 30, 2024, conditional bonuses of \$238,406 have been approved by the Board and will be paid out if and when financing is obtained during the year ended December 31, 2024.

On November 7, 2022, the Company completed the acquisition of Lonmin Canada Inc. ("Loncan"), which included the Denison Project and the past producing Crean Hill Ni-Cu-PGE mine, pursuant to a share purchase agreement dated August 15, 2022 (the "Share Purchase Agreement"). Under the terms of the Share Purchase Agreement, Magna acquired 100% of the issued and outstanding shares of Loncan in exchange for an aggregate purchase price of \$16,000,000, comprised of a closing payment of \$13,000,000 in cash, which was paid on closing, and a deferred payment of \$3,000,000 (the "Deferred Acquisition Cost"). The Deferred Acquisition Cost was payable on or before the twelve-month anniversary of the closing of the acquisition. As ongoing security pending the settlement of the Deferred Acquisition Cost, the Company granted a pledge of the shares of Loncan in favour of the vendors.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

The Deferred Acquisition Cost was discounted over the twelve-month deferral period, and a liability was recorded on the statement of financial position of \$2,584,483 as of the acquisition date. During the six months ended June 30, 2023, the Company recorded interest expense of \$202,971 related to the accretion of the Deferred Acquisition Cost which was included in the statement of operations and comprehensive loss.

The Company settled the Deferred Acquisition Cost by making a cash payment of \$3,000,000 in November 2023, and the pledge against the shares of Loncan was released. As at June 30, 2024 and December 31, 2023, the carrying value of the Deferred Acquisition Cost was \$Nil.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

During the six months ended June 30, 2024 and 2023, the Company entered into various transactions with related parties. The transactions are measured at the exchange amounts, which are the amounts of consideration established between the related parties.

Key management consists of the Company's executives, directors, and officers. The Company considers any member of key management to be a related party.

Compensation to related parties during the six months ended June 30, 2024 and 2023 is summarized as follows:

	Six months ended	
	June 30, 2024	June 30, 2023
Salaries, consulting and management fees ⁽¹⁾	\$ 1,273,893	\$ 592,486
Share-based compensation ⁽²⁾	388,736	290,040
Total remuneration	\$ 1,662,629	\$ 882,526

(1) Salaries, consulting and management fees represent CEO, CFO, Vice President, and Director compensation.

- Derrick Weyrauch was a related party to the Company and is related to Weyrauch and Associates Inc. In the six months ended June 30, 2023, the Company paid or accrued \$42,500 to Weyrauch and Associates Inc. while Derrick Weyrauch was a related party to the Company, and there was \$Nil outstanding at June 30, 2024 and December 31, 2023.
- David King, Senior Vice President, Technical Services, is a related party to the Company and is related to King Geoscience. In the six months ended June 30, 2024, \$16,000 (six months ended June 30, 2023 - \$102,000) was paid or accrued to King Geoscience while David King was a related party to the Company, and there was \$Nil outstanding at June 30, 2024 and December 31, 2023.
- Derek Teevan, the former Vice President, ESG, was a related party to the Company and is related to AS Williams Consulting. In the six months ended June 30, 2024, \$87,927 (six months ended June 30, 2023 - \$57,811) was paid or accrued to AS Williams Consulting while Derek Teevan was a related party to the Company, and there was \$Nil outstanding at June 30, 2024 and December 31, 2023.

(2) Share-based compensation represents stock option and RSU issuance to executives, officers, and directors.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

OUTSTANDING SHARE DATA

The Company has authorized capital of an unlimited number of common shares with no par value. The Company's capital structure as of the date hereof is:

	Number of shares	Exercise price	Expiry date
Issued and outstanding common shares	170,361,212		
Share purchase warrants	28,184,907	\$ 0.41	November 4, 2025
Share purchase warrants	603,306	\$ 1.10	January 25, 2025
Stock options	925,000	\$ 0.50	May 28, 2026
Stock options	575,000	\$ 0.40	December 23, 2026
Stock options	3,665,000	\$ 0.47	November 10, 2027
Stock options	175,000	\$ 0.87	May 1, 2028
Stock options	915,800	\$ 0.58	August 9, 2028
Stock options	2,281,000	\$ 0.44	November 2, 2028
Stock options	250,000	\$ 0.47	November 23, 2028
Restricted share units	93,000	n/a	May 28, 2024
Restricted share units	225,000	n/a	July 27, 2024
Restricted share units	510,000	n/a	November 10, 2025
Restricted share units	25,000	n/a	May 1, 2026
Restricted share units	961,000	n/a	November 2, 2026
Fully diluted common shares	209,750,225		

FINANCIAL INSTRUMENTS

Carrying value and fair value

The Company's financial instruments are comprised of cash, restricted cash, accounts receivable, investments, and accounts payable and accrued liabilities.

Financial instruments recognized at fair value on the consolidated statements of financial position are classified in fair value hierarchy levels as follows:

- Level 1: Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

Cash, restricted cash, accounts receivable, and investments are recorded in the financial statements at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are recorded in the financial statements at amortized cost.

Fair value

The carrying values of cash, restricted cash, accounts receivable, investments, and accounts payable and accrued liabilities do not materially differ from their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign exchange risk, and interest rate risk.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, accounts receivable, and restricted cash. The carrying value of the Company's financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash with major Canadian financial institutions. The Company's receivables mainly consist of sales tax receivable due from the Government of Canada. Management believes the credit risk is low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada and, therefore, currently has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. Other than Canadian dollar balances, the Company holds balances in cash and royalties payable that are denominated in US\$, as outlined below. Accordingly, the Company is subject to foreign exchange risk relating to such balances in connection with fluctuations against the Canadian dollar. The Company has no program in place for hedging foreign currency risk.

The Company held the following foreign currency-denominated balances as at June 30, 2024 and December 31, 2023.

		June 30, 2024	December 31, 2023
Cash (US \$)	\$	1,532	\$ 2,068
Accrued liabilities (US \$)		(346,628)	(346,628)
		(345,096)	(344,560)
Foreign exchange rate		1.37	1.32
Equivalent in Canadian dollars (\$)	\$	(472,782)	\$ (454,819)

Based on the balances held as at June 30, 2024, a 10% change in the Canadian dollar per US dollar exchange rates would have resulted in an increase or decrease in the net loss for the period then ended of approximately \$47,300 (December 31, 2023: \$45,500).

Interest rate risk

Interest rate risk is the risk that cash flows will fluctuate due to changes in market interest rates. While the Company's financial assets are generally not exposed to significant interest rate risk because of their short-term nature, changes in interest rates will have a corresponding impact on interest income realized on such assets.

The Company did not have any interest-bearing liabilities outstanding as at June 30, 2024 and December 31, 2023.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company has limited exposure to other price risks.

Magna Mining Inc.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

CAPITAL MANAGEMENT

The Company's objectives in managing its capital are as follows:

- to safeguard its ability to continue as a going concern; and
- to have sufficient capital to be able to meet its strategic objectives, including the continued exploration and development of its existing mineral projects and the identification of additional projects.

Given the current exploration stage of its projects, the Company's primary source of capital is derived from equity issuances. As at June 30, 2024, capital consists of equity attributable to common shareholders of \$46,586,532 (December 31, 2023 - \$45,784,084).

The Company has no externally imposed capital requirements and manages its capital structure in accordance with its strategic objectives and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new shares in the form of private placements and/or secondary public offerings.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

New standards and interpretations

Amendments to IAS 1: Classification of Liabilities as Current or Non Current

In October 2022, the IASB made amendments to IAS 1. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and have been evaluated to have no impact on the Company for the six months ended June 30, 2024.

CHANGE IN ACCOUNTING POLICY

During the six months ended June 30, 2024, the Company changed its accounting policy to capitalize rather than expense the acquisition costs of exploration and evaluation assets. The capitalization of acquisition costs is a standard approach in the mineral exploration and development industry, and the Company believes this accounting policy change provides more reliable and relevant financial information. Under the new policy, exploration and evaluation expenditures incurred on the Company's exploration and evaluation assets will continue to be expensed until it has been established that a mineral property is commercially viable and the Company has made a mine development decision. Thereafter, the Company capitalizes expenditures subsequently incurred to develop the mine prior to the start of mining operations. These interim condensed consolidated financial statements reflect the capitalization of \$17,513,957 in acquisition costs and include the following transactions:

- i. the acquisition of Ursa Major Minerals Inc. on February 7, 2017, which included mineral exploration properties with a value of \$774,046;
- ii. the Spanish River option agreement the Company entered into on November 2, 2020, which included cash and share payments between 2020 and 2023 with an aggregate value of \$135,578;
- iii. the acquisition of Lonmin Canada Inc. on November 7, 2022, which included mineral exploration properties with a value of \$16,514,635; and
- iv. a change in the asset retirement obligation estimate on the Company's Shakespeare property for \$89,698 in 2023, originally recorded as exploration and evaluation expense.

The consolidated statement of financial position as at December 31, 2023 has been restated to reflect adjustments made as a result of this change in accounting policy. The accumulated effect of the change of \$17,376,790 has been reflected in the opening deficit of the consolidated financial statements as of January 1, 2023.

This change in accounting policy had no impact on the consolidated statements of operation and comprehensive loss or the consolidated statement of cash flows for the three and six months ended June 30, 2023.

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The following is a summary of the changes to the Company's consolidated statements of financial position as at December 31, 2023 and January 1, 2023:

	As at December 31, 2023			
	As previously reported		Adjustment	Restated
Exploration and evaluation assets	\$ -	\$	17,513,957	\$ 17,513,957
Total assets	\$ 12,767,258	\$	17,513,957	\$ 30,281,215
Total liabilities	\$ 5,432,465	\$	-	\$ 5,432,465
Deficit	\$ (42,862,317)	\$	17,513,957	\$ (25,348,360)
Total shareholders' equity	\$ 7,334,793	\$	17,513,957	\$ 24,848,750

	As at January 1, 2023			
	As previously reported		Adjustment	Restated
Exploration and evaluation assets	\$ -	\$	17,376,790	\$ 17,376,790
Total assets	\$ 7,695,916	\$	17,376,790	\$ 25,072,706
Total liabilities	\$ 5,073,623	\$	-	\$ 5,073,623
Deficit	\$ (33,003,271)	\$	17,376,790	\$ (15,626,481)
Total shareholders' equity	\$ 2,622,293	\$	17,376,790	\$ 19,999,083

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the consolidated financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. The judgments which may have an effect on the amounts recognized in the consolidated financial statements include the following:

- the assessment of the going concern assumption;
- the carrying values and impairment assessment of exploration and evaluation assets;
- the recognition of deferred tax assets;
- the valuation of stock options issued;
- the valuation of restricted share units ("RSUs") issued; and
- the valuation of warrants issued.

RISKS AND UNCERTAINTIES

Risks Related to the Industry

Mineral Exploration, Development and Operating Risks

Operations in which Magna has a direct or indirect interest are subject to all of the risks normally incidental to the exploration for, and the development and operation of, mineral properties, any of which could result in damage to properties or production facilities, delays, work stoppages, monetary losses, environmental damage, damage to or destruction of equipment, personal injury or death and possible legal liability. Magna has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and to ensure safe, reliable and efficient operations in all phases of its operations.

Magna maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. While Magna believes its insurance coverage adequately addresses material risks to which it is exposed and is at a level customary for its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which Magna is exposed. In addition, no assurance can be given that such insurance will be adequate to cover Magna's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If Magna were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if such liability was incurred at a time when they are unable

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to obtain liability insurance, the business, results of operations and financial condition of Magna could be materially adversely affected. Magna may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of Magna's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by Magna will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of Magna. There can be no assurance that Magna's mineral exploration activities will be successful. In the event that such commercial viability is never attained, Magna may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Estimation of Mineralization, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. These estimates depend upon geological interpretation and statistical inference drawn from drilling and sampling analysis, which may prove unreliable. There can be no assurance such estimates will be accurate. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material changes in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Exploration Costs

Magna's exploration costs are based on certain cost estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Magna's viability.

Regulatory Risks

All of Magna's activities take place within Canada. Magna's exploration activities are subject to, and any future development and production operations will be subject to, regulation by governmental authorities. Achievement of its business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and Magna's ability to obtain and retain all necessary regulatory approvals for the operation of its mining exploration activities. While Magna believes that it will be able to maintain its existing approvals and obtain regulatory approvals in a time and cost-effective manner in the future, changes to regulatory requirements could result in delays and could have a material adverse effect on the business, results of operations and financial condition of Magna.

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Change in Laws, Regulations and Guidelines

Magna's operations are subject to a variety laws, regulations and guidelines relating to exploration, management transportation, storage and disposal of mining materials or discharge, and laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. While, to the knowledge of Magna's management, Magna is currently in compliance with all such laws, changes to such laws, regulations and guidelines may have a material adverse effect on the business, results of operations and financial condition of Magna.

Permits

Magna requires licenses and permits from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex and time-consuming process. There can be no assurance that Magna will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Magna from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that Magna will have the resources or expertise to meet its obligations under such licenses and permits.

Title to Properties

Acquisition of rights to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although Magna has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, Magna cannot give an assurance that title to such properties will not be challenged or impugned. Magna can never be completely certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. Magna does not carry title insurance on its properties. A successful claim that Magna does not have title to a property could cause Magna to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Aboriginal Title and Rights Claims

Magna operates in some areas presently or previously inhabited or used by Indigenous peoples. Various national and international laws, codes, resolutions, conventions, guidelines and other materials relate to the rights of Indigenous peoples. Many of these materials impose obligations on the government to respect the rights of Indigenous peoples. Some mandate that the government consult with Indigenous peoples regarding government actions which may affect them, including actions to approve or grant mining rights or permits. The obligations of the government and private parties under the various national and international materials pertaining to Indigenous peoples continue to evolve and be defined. Magna's current and future operations are subject to the risk that one or more groups of Indigenous peoples may oppose the continued operation, further development or new development of those projects or operations in which Magna holds an interest. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Magna's activities. Opposition by Indigenous peoples to Magna's activities may require modification of, or preclude operation or development of, Magna's projects or may require Magna to enter into agreements with Indigenous peoples with respect to Magna's projects. Such agreements may have a material adverse effect on Magna's business, financial condition and results of operations.

On June 26, 2014, the Supreme Court of Canada issued a decision in the case *Tsilhqot'in Nation v. British Columbia* (the "Tsilhqot'in Decision") that may affect the Shakespeare Project located in Ontario. In the Tsilhqot'in Decision, the Court issued the first declaration of Aboriginal title in Canadian history. The Court confirmed that the Tsilhqot'in Nation held Aboriginal title to an area in northern British Columbia within their traditional territory. While the Shakespeare Project is not located within the areas involved in the Tsilhqot'in Decision, the decision has legal precedent implications for all areas in Canada where Indigenous peoples claim Aboriginal title and may lead other communities or groups to pursue similar claims in the area where the Shakespeare Project is located. While an Aboriginal title claim remains unsettled either by a treaty or court ruling, there is the potential for Aboriginal title to

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be established, along with the inherent rights associated with Aboriginal title, which includes the exclusive right to decide how the land is used and the right to benefit from those uses.

In areas where Indigenous peoples claim treaty or Aboriginal rights, including Aboriginal title, the Crown (federal and provincial governmental agencies) must act honourably in its dealings which may affect treaty or Aboriginal rights, whether proven or asserted. When a Crown action – such as granting a permit – may adversely affect those rights, then the Crown has a duty to consult with the affected Indigenous group before deciding on the permit. The Crown must then consider the potential impacts on the interest being claimed and how any impact may be avoided, mitigated or accommodated. Magna relies on the Crown to adequately discharge its duty of consultation before issuing any permit or right to Magna, including the grant of mineral titles and associated rights. To assist in managing the risk associated with any adverse impact on treaty or Aboriginal rights, Magna works to establish good relations and relationship agreements with affected Indigenous communities to confirm their support or consent for Magna's rights and permits.

Magna cannot accurately predict whether Aboriginal rights and title claims will have a material adverse effect on its ability to carry out the intended exploration and work programs on its properties located in Canada. The legal basis for, and the strength of, an Aboriginal rights or title claim is a complex issue, and the prospect and impact of any resolution of any such claim through court decision or settlement with the government is beyond the control of Magna and cannot be predicted with certainty.

Acquisition of Additional Mineral Properties

If Magna loses or abandons its interest in one or more of its properties, then there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should Magna wish to acquire any additional properties.

Technology

Magna operates in a competitive environment where its products and services are subject to technological change and evolving industry standards. Magna's future success will depend on its ability to enhance existing operations, accurately predict and anticipate evolving technology, and respond to technological advances in its industry. If Magna is unable to respond to technological changes, or fails or delays to incorporate technological enhancements in a timely and cost-effective manner, its operations may become uncompetitive and it may be unable to recover its exploration expenses, which could negatively affect its profitability and the continued viability of its business.

Reliance on Management

The success of Magna's business is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of key personnel could have a material adverse effect on the business, operating results or financial condition of Magna.

Factors which may Prevent Realization of Growth Targets

Magna is currently in the exploration stage. Magna's growth strategy contemplates focusing on certain parts of the Shakespeare and Crean Hill projects to identify mineral resources. There is a risk that proposed exploration activities may not be achieved on time, on budget, or at all, as it could be adversely affected by a variety of factors, including: delays in obtaining, or conditions imposed by, regulatory approvals; facility design errors; environmental pollution issues; non-performance by third party contractors; increases in materials or labour costs; construction performance falling below expected levels of output or efficiency; breakdown, aging or failure of equipment or processes; contractor or operator errors; labour disputes; disruptions or declines in productivity; inability to attract sufficient numbers of qualified workers; disruption in the supply of energy and utilities; and major incidents and/or catastrophic events, such as fires, explosions, earthquakes or storms.

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Additional Financing Requirements

In order to execute its anticipated growth strategy, Magna may require additional equity and/or debt financing to support ongoing operations, undertake capital expenditures, or undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available to Magna when needed or on terms which are acceptable. Magna's inability to raise additional financing could limit its growth and may have a material adverse effect upon its business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Magna to obtain additional capital and to pursue business opportunities.

Liquidity and Funding

As at the date hereof, Magna has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither Magna nor any of the directors of Magna, nor any other party, can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to Magna, or at all. Any additional equity funding will dilute existing shareholders of Magna. Further, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project will be dependent on many factors, including, for example, exploration success, subsequent development, commissioning and operational performance.

Repatriation of Earnings

There is no assurance that any countries other than Canada in which Magna may carry on business in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Unprofitable Operations

Magna is not yet generating revenue from its exploration activities and does not expect to earn any revenue in the near future. Magna may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Magna expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Magna's revenues do not increase to offset these expected increases in costs and operating expenses, Magna may not be profitable.

Competition

Magna is expected to face competition from other companies, some of which can be expected to have longer operating histories and more financial resources than Magna. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Magna.

Reliance on Key Inputs

Magna's business is dependent on a number of key inputs, including supplies and equipment required to continue operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of Magna. Further, some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Magna might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Magna in the future. Any inability to secure required supplies and services, or to do so on acceptable terms, could have a material adverse impact on the business, financial condition and operating results of Magna.

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Dependence on Suppliers and Skilled Labour

The ability of Magna to compete and grow will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Magna will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the exploration program contemplated by Magna may be significantly greater than anticipated by Magna's management and/or may cost more than the funds available to Magna, in which circumstance Magna may curtail, or extend the timeframes for completing, its expansion plan. This could have a material adverse effect on the financial results and operations of Magna.

Management of Growth

Magna may be subject to growth-related risks, including capacity constraints and pressure on internal systems and controls. The ability of Magna to manage growth effectively will require it to continue to implement and improve its operational and financial systems, and to expand, train and manage its employee base. The inability of Magna to deal with this growth may have a material adverse effect on the business, financial condition, results of operations and prospects of Magna.

Conflicts of Interest

Certain of the directors and officers of Magna are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of Magna and as officers and directors of such other companies.

Litigation

Magna may become party to litigation from time to time in the ordinary course which could adversely affect its business. Should any such litigation be determined against Magna, such a decision could adversely affect its ability to continue operating and the market price for its securities. Even if successful, such litigation would require Magna to expend significant time and money.

Market Conditions

Share market conditions may affect the value of Magna's securities regardless of its operating performance. Share market conditions are affected by many factors, such as: general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Magna does not warrant the future performance of Magna or any return on an investment in Magna.

Commodity Prices

The price of the common shares and Magna's profitability, financial results and exploration activities may in the future be significantly adversely affected by declines in the price of base and precious metals. Metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of Magna, including the U.S. dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of nickel has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting Magna's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to metal equities, and therefore, the ability of Magna to raise capital. A sustained, significant decline in the price of nickel could also cause development of any properties in which Magna may hold an interest from time to time to be impracticable. Future production from

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Magna's future properties, if any, will be dependent upon, among other things, the price of nickel, copper, cobalt and platinum group metals being adequate to make these properties economic. There can be no assurance that the market price of nickel will remain at current levels, that such price will increase or that market prices will not fall.

Dividends

Magna has no dividend record and does not anticipate paying any dividends on the common shares in the foreseeable future. Any dividends paid by Magna would be subject to tax and, potentially, withholdings.

Environmental and Employee Health and Safety Regulations

Magna's operations are subject to environmental and safety laws and regulations concerning, among other things: emissions and discharges to water, air and land; the handling and disposal of hazardous and non-hazardous materials and wastes; and employee health and safety. Magna expects to incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or restrictions on Magna's operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof, or other unanticipated events, could require extensive changes to Magna's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Magna.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve the potential risk of releases of metals, chemicals, fuels, liquids having acidic properties and other contaminants to soil, surface water and groundwater. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for all mining companies. Magna may be liable for environmental contamination and natural resource damages relating to the properties that it currently owns or operates or at which environmental contamination occurred while or before Magna owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca