

**Magna Mining Inc. (formerly CT
Developers Ltd.)**

**Unaudited Condensed Consolidated Interim
Financial Statements for the three and nine
months ended September 30, 2021 and
September 30, 2020**

(Expressed in Canadian dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim financial statements for the three and nine months ended September 30, 2021 and 2020 have not been reviewed by the Company's auditors.

Magna Mining Inc. (formerly CT Developers Ltd.)
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2021 and December 31, 2020
(Unaudited - Expressed in Canadian dollars)

	Notes	September 30, 2021	December 31, 2020
ASSETS			
Current			
Cash		\$ 3,584,222	\$ 1,520,933
Accounts receivable		536,269	64,856
Other assets	10, 14	-	391,192
Prepaid expenses		110,496	68,718
Total current assets		4,230,987	2,045,699
Non-current			
Restricted cash	4	657,525	657,262
Equipment	5	45,813	40,776
Right of use asset		52,936	-
Total non-current assets		756,274	698,038
Total assets		\$ 4,987,261	\$ 2,743,737
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	\$ 1,237,817	\$ 858,392
Flow-through premium payable		-	10,853
Total current liabilities		1,237,817	869,245
Non-current			
Asset retirement obligation	8	693,834	680,985
Right of use lease		53,834	-
Term loan	9	28,396	27,471
Total non-current liabilities		776,064	708,456
Total liabilities		2,013,881	1,577,701
Shareholders' Equity (Deficiency)			
Share capital	10	10,697,270	4,614,474
Contributed surplus		896,809	559,269
Warrants reserve		1,198,478	263,018
Deficit		(9,819,177)	(4,270,725)
Total shareholders' equity (deficiency)		2,973,380	1,166,036
Total shareholders' equity and liabilities		\$ 4,987,261	\$ 2,743,737

Going concern (note 1)
Subsequent events (note 19)

"Jason Jessup" Director

"Derrick Weyrauch" Director

See accompanying notes to the condensed consolidated interim financial statements

Magna Mining Inc. (formerly CT Developers Ltd.)
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating expenses					
Exploration and evaluation		\$ 1,690,033	\$ 29,127	\$ 3,104,546	\$ 133,807
General and administrative		200,357	10,705	448,656	47,277
Listing Costs		-	-	1,255,151	-
Share based compensation	12, 13	45,043	13,242	388,503	37,981
Professional fees		40,552	31,027	116,182	42,427
Marketing and promotion		40,126	-	131,406	2,066
Property maintenance		37,669	36,929	140,466	138,393
Accretion of asset retirement obligation		4,310	4,203	12,849	12,532
Depreciation		943	558	2,478	2,012
Total operating expenses		2,059,033	125,791	5,600,237	416,495
Other income					
Foreign exchange gain (loss)		(12,540)	10,007	(836)	(12,179)
Flow-through premium	10	-	4,255	10,853	9,020
Other		-	42,360	40,499	65,694
Interest		118	120	1,269	4,062
Total other income (loss)		(12,422)	56,742	51,785	66,597
Net and comprehensive loss		\$ 2,071,455	\$ 69,049	\$ 5,548,452	\$ 349,898
Basic loss per common share	11	\$ 0.032	\$ 0.002	\$ 0.101	\$ 0.009
Diluted loss per common share		\$ 0.032	\$ 0.002	\$ 0.101	\$ 0.009
Weighted average number of outstanding shares					
Basic		64,219,304	38,370,174	55,076,778	37,980,841
Diluted		64,219,304	38,370,174	55,076,778	37,980,841

See accompanying notes to the condensed consolidated interim financial statements

Magna Mining Inc. (formerly CT Developers Ltd.)
Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
For the nine months ended September 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Contributed surplus	Warrants reserve	Deficit	Total equity (deficiency)
Balance at December 31, 2019	37,002,517	\$ 2,586,845	\$ 112,750	\$ -	\$ (3,179,651)	\$ (480,056)
Balance at January 1, 2020	37,002,517	2,586,845	112,750	-	(3,179,651)	(480,056)
Comprehensive loss for the period	-	-	-	-	(349,898)	(349,898)
Shares issued for cash	451,750	139,173	-	-	-	139,173
Shares issued to settle debt	590,907	200,000	-	-	-	200,000
Flow-through shares issued	325,000	107,120	-	-	-	107,120
Share-based compensation	-	-	24,739	-	-	24,739
Balance at September 30, 2020	38,370,174	\$ 3,033,138	\$ 137,489	\$ -	\$ (3,529,549)	\$ (358,922)
Balance at December 31, 2020	44,069,049	\$ 4,614,474	\$ 559,269	\$ 263,018	\$ (4,270,725)	\$ 1,166,036
Balance at January 1, 2021	44,069,049	4,614,474	559,269	263,018	(4,270,725)	1,166,036
Comprehensive loss for the period	-	-	-	-	(5,548,452)	(5,548,452)
Share issuance costs adjustment	-	(5,360)	-	-	-	(5,360)
Exercise of subscription receipts	17,501,250	5,703,748	-	703,590	-	6,407,338
Corporate finance fee	262,518	-	-	-	-	-
Acquisition of CT Developers Ltd.	2,004,612	801,845	-	-	-	801,845
Options exercised	381,875	77,451	(50,963)	-	-	26,488
Options issued	-	-	312,542	-	-	312,542
Share based payment reserves	-	-	75,961	-	-	75,961
Warrants reserve	-	(494,888)	-	231,870	-	(263,018)
Balance at September 30, 2021	64,219,304	\$ 10,697,270	\$ 896,809	1,198,478	\$ (9,819,177)	\$ 2,973,380

See accompanying notes to the condensed consolidated interim financial statements

Magna Mining Inc. (formerly CT Developers Ltd.)
Condensed Consolidated Interim Statement of Cash Flows
For the nine months ended September 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	September 30, 2021	September 30, 2020
Operating activities		
Net and comprehensive loss for the period	\$ (5,547,352)	\$ (349,880)
Items not requiring an outlay of cash:		
Depreciation of equipment	2,478	2,012
Depreciation of right of use assets	5,453	-
Flow through premium	(10,853)	18,980
Unrealized foreign exchange loss (gain)	836	12,166
Share-based compensation	388,503	37,981
Accretion of asset retirement obligation	12,849	12,532
Interest income	(263)	(3,847)
Accretion on term loan	925	-
Non-cash listing costs	750,959	-
	(4,396,465)	(270,056)
Net change in non-cash working capital balances		
Accounts receivable	(471,413)	3,972
Prepaid expenses	(41,778)	1,444
Accounts payable and accrued liabilities	354,034	(149,880)
Net change in non-cash working capital balances	(159,157)	(144,464)
Net cash used in operating activities	(4,555,622)	(414,520)
Financing activities		
Deferred financing costs	128,174	-
Proceeds from leases	59,491	-
Reduction of lease liabilities	(5,657)	-
Issuance of common shares, net of costs	6,401,978	461,749
Government loan received	-	30,000
Proceeds from exercise of options	26,488	-
Cash provided by financing activities	6,610,474	491,749
Investing activities		
Purchase of equipment	(7,513)	-
Right of use asset	(59,491)	-
Cash Received on Acquisition of CT	75,441	-
Cash provided by investing activities	8,437	-
Increase in cash during the year	2,063,289	77,229
Cash at the beginning of the period	1,520,933	163,671
Cash at the end of the period	\$ 3,584,222	\$ 240,900
Supplemental cash flow information		
Share issued to settle debt	-	200,000
Warrants issued	\$ 1,095,651	\$ -

See accompanying notes to the condensed consolidated interim financial statements

Magna Mining Inc. (formerly CT Developers Ltd.)
Notes to the Condensed Consolidated Interim Financial Statements
Period Ended September 30, 2021
(Unaudited – Expressed in Canadian dollars)

1. Reporting entity

Magna Mining Inc. (formerly CT Developers Ltd.) (the “Company”) was incorporated under the *Canada Business Corporations Act (Canada)* on April 2, 2011. On November 17, 2011, the Company completed its initial public offering and on November 23, 2011 listed its common shares on the TSX Venture Exchange (“TSXV”) as a capital pool company (“CPC”). Effective August 19, 2014, the Company’s common share listing was transferred to the NEX Board of the TSXV.

As a CPC, the Company’s business objective was to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange.

On May 4, 2021, Magna Mining (Canada) Corp. (“MMCC”) and CT Developers Ltd (“CT”) (now Magna Mining Inc.) completed a Qualifying Transaction, whereby CT acquired 100% of the issued and outstanding shares of MMCC by means of a share-for-share exchange, under which the former shareholders of MMCC acquired control of CT (now Magna Mining Inc.). (see note 3)

Trading on the TSX Venture Exchange commenced May 11, 2021 under the symbol NICU and the name Magna Mining Inc. (formerly CT Developers Ltd.)

The Company’s registered office is located at 45 Oak Street, PO Box 130, Dowling, ON P0M 1R0.

Going concern

The nature of the Company’s operations results in significant expenditures for the acquisition and exploration of mineral properties. The eventual generation of revenue is dependent upon a number of factors including the existence of recoverable reserves, the ability of the Company to obtain financing to maintain the properties in good standing and to continue exploration and development and the discovery of economically recoverable reserves. To date, the Company has not generated any revenue from mining or other operations, and it is considered to be in the exploration stage.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. For the nine month period ended September 30, 2021, the Company reported a net loss of \$5,547,352 (2020 - \$349,898), and as at that date had net working capital of \$2,993,170 (December 31, 2020 - \$1,176,454) and an accumulated deficit of \$9,818,077 (December 31, 2020 - \$4,270,725)

The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company’s existing shareholders and/or new shareholders or through other arrangements. There is no assurance that the Company will be successful in this regard. These events and conditions indicate a material uncertainty that may cast a significant doubt on the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Magna Mining Inc. (formerly CT Developers Ltd.)
Notes to the Condensed Consolidated Interim Financial Statements
Period Ended September 30, 2021
(Unaudited – Expressed in Canadian dollars)

COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations and the ability to finance its operations. The extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated at this time. Additionally, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting and should be read in conjunction with the Company's audited consolidated financial statements as at and for the fiscal year ended December 31, 2020 ("last annual financial statements"), which were prepared in accordance with International Financial Reporting Standards ("IFRS").

The Board of Directors authorized these consolidated interim financial statements for issuance on November 25, 2021.

(b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of Magna Mining (Canada) Corp. (formerly Magna Mining Corp.) and its 100% owned subsidiary Ursa Major Minerals Inc.

All intercompany transactions and balances have been eliminated upon consolidation.

A subsidiary is an entity which Magna controls. The Company has control over an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A subsidiary is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases.

(c) Basis of presentation

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2020 annual financial statements, other than as noted below. The notes presented in these interim condensed consolidated financial statements include in general only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These financial statements should be read in conjunction with the Company's last annual financial statements as at December 31, 2020 and for the year then ended.

Magna Mining Inc. (formerly CT Developers Ltd.)
Notes to the Condensed Consolidated Interim Financial Statements
Period Ended September 30, 2021
(Unaudited – Expressed in Canadian dollars)

(d) Functional and presentation currency

In concluding the functional currencies of the parent and its subsidiary Company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of Magna Mining Inc., Magna Mining (Canada) Corp. (formerly Magna Mining Corp.) and Ursa Major Minerals Inc.

(e) Recently adopted and applicable accounting standards and policies

New standards and interpretations

New standards not yet adopted

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

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (“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, 2022, with earlier application permitted.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued Onerous Contracts – Cost of Fulfilling a Contract (“Amendments to IAS 37”) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

The Company does not expect these new standards not yet adopted to have a material impact on the consolidated financial statements in the period of initial application.

3. Qualifying Transaction

On October 26, 2020, CT entered into an Arrangement (the “Arrangement”) agreement with MMCC, whereby:

- a) CT would acquire all of the issued and outstanding shares of MMCC; and
- b) CT will change its name to “Magna Mining Inc.” (“MMI”)

On February 10, 2021, CT and MMCC finalized a definitive agreement for the transaction.

On May 4, 2021, the Arrangement was completed and the former shareholders of MMCC acquired control of CT (now Magna Mining Inc.).

Magna Mining Inc. (formerly CT Developers Ltd.)
Notes to the Condensed Consolidated Interim Financial Statements
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MMCC is deemed to be the acquirer and CT is deemed to be the acquiree for accounting purposes.

The purchase price is the cost to acquire CT's share capital at the fair value at the time of the transaction. The fair value is calculated as \$801,845, being the cost of acquiring 2,004,612 shares at \$0.40 per share, being the fair value of MMCC concurrent financing, after giving effect to the 1.625 conversion ratio. All CT stock options were exercised immediately prior to completion of the Arrangement and therefore no fair value was assigned to stock options.

The assets and liabilities of CT are included in the consolidated statement of financial position and are presented at their fair value, which is equal to their carrying value. The pre-acquisition equity of CT was eliminated on consolidation. The excess of the amount paid over the fair value of the net assets acquired, estimated at \$750,959 is charged to profit or loss as a listing expense. The excess was calculated as follows:

Fair Value of Consideration		
	2,004,612 common shares at \$0.40 per share	\$ 801,845
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Total consideration		\$ 801,845
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Net assets acquired		
Cash		\$ 75,441
Trade and other payables		24,555
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Net assets		\$ 50,885
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Excess of consideration over net assets acquired		\$ 750,959
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The share price of \$0.40 was based on the concurrent financing price of \$0.65 adjusted for the pre-conversion price ration of 1.625.

4. Restricted cash

Restricted cash represents a cash security deposit with the Ontario Ministry of Energy Northern Development and Mines ("MNDM") in connection with the Stage One Mining Closure Plan on the Shakespeare Mine.

Magna Mining Inc. (formerly CT Developers Ltd.)
Notes to the Condensed Consolidated Interim Financial Statements
Period Ended September 30, 2021
(Unaudited – Expressed in Canadian dollars)

5. Property and Equipment

The carrying value of depreciable assets and the changes in the carrying value are as follows:

	Computer equipment	Fencing	Equipment	Motor vehicles	Right of use Lease	Total
a) Cost						
At December 31, 2020	\$ 1,379	\$ 44,689	\$ 5,400	\$ 4,600	\$ -	\$ 56,068
Additions	4,725	-	2,790	-	59,491	\$ 67,006
At September 30, 2021	\$ 6,104	\$ 44,689	\$ 8,190	\$ 4,600	\$ 59,491	\$ 123,074
b) Accumulated depreciation						
At December 31, 2020	\$ 41	\$ 5,251	\$ 5,400	\$ 4,600	\$ -	\$ 15,292
Depreciation	749	1,670	59	-	6,555	\$ 9,033
At September 30, 2021	\$ 790	\$ 6,921	\$ 5,459	\$ 4,600	\$ 6,555	\$ 24,325
c) Carrying amounts (a-b)						
At December 31, 2020	\$ 1,338	\$ 39,438	\$ -	\$ -	\$ -	\$ 40,776
At September 30, 2021	\$ 5,314	\$ 37,768	\$ 2,731	\$ -	\$ 52,936	\$ 98,749

Depreciation expense related to the right of use lease is included in Exploration & evaluation expense, while all other depreciation is included in depreciation expense on the statement of operations and comprehensive loss.

6. Mineral properties

The Company's primary mineral property is the Shakespeare Mine.

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

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 licence and property tax expenditures each year to maintain its properties in good standing.

a) Shakespeare Mine

The Company has a 100% interest in the Shakespeare Mine consisting of six claims and three leases. The Shakespeare Mine contains a nickel, copper, platinum group metal resource.

During 2011, Ursa declared commercial production at the Shakespeare Mine. Subsequently, Ursa suspended production and the mine remains on care and maintenance.

Various exploration mineral claims that surround the Shakespeare Mine are subject to an 84/16 joint venture between the Company and Glencore International PLC.

b) Stumpy Bay Property

The Company owns an 84% interest in three claims known as the Stumpy Bay Property, located in the Shakespeare and Baldwin Townships, Ontario. Nickel Creek Platinum Corp. has a 0.5% Net Smelter Return Royalty of which 100% can be repurchased by the Company for \$250,000.

Magna Mining Inc. (formerly CT Developers Ltd.)
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Prior vendors have retained a 2% Net Returns Royalty. Aggregate advance royalty payments of \$200,000 were paid by the former operator and no further advance royalty obligation exist. The Company has the right to purchase one half of the royalty for \$750,000.

Glencore International PLC has elected to include this property as part of the Shakespeare agreement and accordingly it holds a 16% interest in the Stumpy Bay Property.

c) Porter Baldwin Property

The Company has staked 62 mining claims in the Agnew Lake area that are contiguous with the Shakespeare Mine noted above and are 100% owned by the Company.

The Company has granted a 0.5% Net Returns Royalty, 100% of which can be repurchased for \$250,000.

d) Porter Option

The Company has a 100% interest in certain mineral claims known as the Porter Option, located in the Shakespeare, Dunlop and Porter Townships, Ontario. The optionor has retained a 2% Net Returns Royalty. Advance royalty payments of \$24,000 per year commenced January 15, 2007.

The Company has the right to purchase one-half of the royalty for \$1,000,000.

e) Shining Tree Property

The Company has a 100% interest in 39 mineral claims known as the Shining Tree Property, located in Fawcett Township, Ontario. The optionor has retained a 1% Net Returns Royalty. The Company has the right to purchase one-half of the royalty for \$500,000. Nickel Creek Platinum Corp. has a 0.5% Net Smelter Return Royalty of which 100% can be repurchased by the Company for \$250,000.

f) Spanish River Option Property

The Company has a 100% interest in 7 claim units located in Baldwin Township, Ontario collectively known as the Spanish River Option. Magna will be required to complete cumulative exploration expenditures totaling \$100,000 prior to the third anniversary date of signing. The Optionor will retain a 1.5% NSR royalty which Magna can repurchase 50% (0.75%) for \$1,000,000 at anytime.

g) Fox Mountain

The Company has staked 14 mining claims in the Thunder Bay Mining Division of Ontario. The Company has granted a 0.5% Net Returns Royalty, 100% of which can be repurchased for \$250,000.

The Fox Mountain property was disposed of in February 2020 for gross proceeds of \$5,000

h) Spanish River Option

The Company has a 100% interest in 7 claim units located in Baldwin Township, Ontario collectively known as the Spanish River Option. Magna will be required to complete cumulative exploration expenditures totaling \$100,000 prior to the third anniversary date of signing which is November 2, 2023. The Optionor will retain a 1.5% NSR royalty which Magna can repurchase 50% (0.75%) for \$1,000,000 at any time.

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Period Ended September 30, 2021
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On November 2, 2020, Magna entered into an option to purchase agreement with 2060014 Ontario Inc. to acquire 100% of 7 claim units located in Baldwin Township, Ontario (The “Spanish River Option”). The terms of the agreement were as follows:

- Within 10 days from the date of signing: \$6,000 cash and 25,000 shares of Magna
- Before the 1st anniversary date of signing: \$14,000 cash and 25,000 shares of Magna
- Before the 2nd anniversary date of signing: \$25,000 cash and 25,000 shares of Magna
- Before the 3rd anniversary date of signing: \$30,000 cash and 25,000 shares of Magna

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of:

	September 30,	December 31,
	2021	2020
Trade accounts payable	\$ 749,079	\$ 190,807
Accrued liabilities and other payables	488,738	667,585
	\$ 1,237,817	\$ 858,392

8. Asset retirement obligation

The Company's provision for closure and reclamation costs is based on management's estimates of the discounted costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred.

The Company has estimated its total provision for closure and reclamation to be \$693,834 at September 30, 2021 (December 31, 2020 - \$680,985), using an inflation rate of 2.50% (2020 - 2.50%) and a discount rate of 2.70% (2020 - 2.70%) over the period of 7 years.

The following is an analysis of the provision for closure and reclamation:

Balance, December 31, 2019	\$ 664,223
Accretion	16,762
Balance, December 31, 2020	\$ 680,985
Accretion	12,849
Balance, September 30, 2021	\$ 693,834

9. Government loan

On April 17, 2020, the Company received a \$40,000 loan under the Canada Emergency Business Account (“CEBA”) program. The loan is guaranteed by the Canadian government, unsecured, and interest-free through December 31, 2022. \$10,000 is eligible for forgiveness, contingent on the Company repaying \$30,000 on or before December 31, 2022. During the year ended December 31, 2020, the Company recognized \$10,000 as other income for the forgivable portion of the loan. If \$30,000 isn't repaid on or before December 31, 2022, \$40,000 (including the forgivable amount) will be converted to a three-year term loan maturing on December 31, 2025 and bearing interest at 5% per annum with monthly interest-only payments. As at September 30, 2021, the principal balance owing on the loan was \$40,000 (December 31, 2020 - \$40,000).

The funds from the CEBA program must only be used to pay non-deferrable operating expenses

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Period Ended September 30, 2021
(Unaudited – Expressed in Canadian dollars)

such as payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any costs such as prepayment or refinancing of existing indebtedness, payments of dividends and distributions, and/or increases in management compensation.

The loan was fair valued and the difference of \$3,712 between the proceeds and fair value was recognized in the profit or loss.

10. Share capital

Authorized Share Capital:

The authorized share capital of the Company is comprised of an unlimited number of Common Shares without par value.

On March 19, 2020 the Company closed a private placement financing pursuant to which a total of 265,999 shares were issued at a price of \$0.55 per share, for gross proceeds of \$146,299.

On March 19, 2020 the Company closed a private placement financing pursuant to which a total of 200,000 flow-through common shares were issued at a price of \$0.69 per share, for gross proceeds of \$138,000, of which \$110,000 was allocated to share capital and \$28,000 was allocated to flow-through premium. \$10,853 of the flow-through premium was recognized in other income during the three months ended March 31, 2021. At March 31, 2021, the Company completed outstanding commitment to recognize the remaining flow-through premium. Finder's fees of 12,000 common shares were paid in connection with this financing at a price of \$0.55 per share, for gross aggregate total of \$6,600. Legal fees of \$10,008 was incurred with respect to the flow-through financing.

On March 19, 2020 the Company settled a related party loan of \$194,439 through the issuance of common shares. The Company issued a total of 363,636 common shares at an issue price of \$0.55 per share.

On November 2, 2020, the Company issued 25,000 shares of Magna at their fair value of \$13,750 in connection with the purchase of the Spanish River Option. See note 6(f).

On November 13, 2020, the Company completed a private placement at a price of \$0.50 per common share for gross proceeds of \$1,692,500 and issued 3,385,000 common shares. Share issue costs in respect of the issuance amounted to \$125,011 including \$91,950 of cash finder's fees.

On February 12, 2021, the Company completed a private placement of 10,770,000 subscription receipts ("Subscription Receipts") at a price of \$0.65 per Subscription Receipt for gross proceeds of \$7,000,500. Each Subscription Receipt was exchanged, without payment of any consideration in addition to the purchase price, for one common share and one-half of one warrant of the Company ("Magna Unit").

Subscription Receipt issue costs include Agent's Fee of 6% of specific gross proceeds paid in cash of \$408,488, legal fees of \$129,000, a Corporate Finance fee of 1.5% payable in Subscription Receipts and Agents Warrants of 6% to acquire Subscription Receipts, having a term of 24-months.

On May 4, 2021, concurrent with the completion of the Qualifying Transaction (see note 3), Magna Units were exchanged for the underlying 17,501,250 common shares and 8,750,625 warrants and net cash proceeds of \$6,426,762.79 were released from Escrow and provided to the Company.

As at September 30, 2021, deferred transaction cost of \$nil (2020- \$128,174) were included in other assets.

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11. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2021 was based on the loss attributed to common shareholders of \$5,547,352 (2020 - \$349,898) and the weighted average number of common shares outstanding of 55,076,778 (2020 – 37,980,841).

12. Stock options

The directors of the Company have approved a Stock Option Plan, which contemplates the granting of Options to directors, senior officers, employees and consultants of the Company and its subsidiaries. The Stock Option Plan is intended to provide an incentive to eligible persons to acquire a proprietary interest in the Company, to continue their participation in its affairs and to increase their efforts on its behalf. The Stock Option Plan is administered by the Board of the Company.

The aggregate number of Shares reserved for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding common shares on the date of grant.

Details of the stock options issued during the period are as follows:

	September 30, 2021		September 30, 2020	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding beginning of period	4,346,875	\$ 0.23	2,067,000	\$ 0.20
Issued during the period	925,000	0.50	-	-
Exercised during the period	(381,875)	0.07	-	-
Outstanding end of period	4,890,000	\$ 0.30	2,067,000	\$ 0.20
Vested and exercisable	4,281,663	\$ 0.28	1,511,790	\$ 0.16

Grant Date	Expiry Date	Numbers of options outstanding	Weighted average remaining life in years	Exercise Price	Number of options exercisable
1/8/2018	1/8/2023	325,000	1.27	\$ 0.06	325,000
10/1/2018	10/1/2023	325,000	2.00	0.22	325,000
11/29/2019	11/28/2022	893,750	1.16	0.34	893,750
11/6/2020	12/7/2023	1,625,000	2.19	0.22	1,625,000
11/6/2020	11/6/2023	308,750	2.10	0.28	308,750
11/6/2020	11/6/2023	487,500	2.10	0.31	162,498
5/28/2021	5/28/2026	925,000	4.66	0.50	641,665
		4,890,000	2.38	\$ 0.30	4,281,663

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After giving effect to the 1.625 exchange ratio of the Qualifying Transaction (see note 3), on November 6, 2020, the Company granted 2,437,500 stock options to employees, directors, and consultants. 1,625,000 of these stock options have a term of 3-years, vest immediately and have an exercise price of \$0.22 per common share, 325,000 stock options have a term of 3-years, vest immediately and have an exercise price of \$0.28 per common share (16,250 exercised in the three months ended September 30, 2021) and 487,500 stock options have a term of 3-years, vest one-third immediately and one-third annually thereafter and have an exercise price of \$0.31 per common share.

On May 28, 2021, the Company granted 925,000 stock options to employees, directors, and consultants. 500,000 of these stock options have a term of 5-years, vest immediately and have an exercise price of \$0.50 per common share, and 425,000 stock options have a term of 5-years, vest one-third immediately and one-third annually thereafter and have an exercise price of \$0.50 per common share.

The aggregate of the estimated fair values of options granted in the three and nine months ended September 30, 2021 is Nil and \$450,783 (2020 – 448,824) The weighted average inputs to the Black-Scholes Option Pricing model are as follows:

	2021	2020
Dividend	NIL	NIL
Expected volatility	145.00%	85.00%
Risk-free interest rate	1.11%	0.27%
Expected life (months)	60	36
Exercise price	\$ 0.50	\$ 0.35 - \$0.50
Spot price	\$ 0.54	\$ 0.50

Expected volatility was determined by calculating the historical volatility of similar public companies over the same period as the expected life of the options.

The Company recognized total stock-based compensation expense of \$36,336 and \$378,396 for the three and nine months ended September 30, 2021 (for the three and nine months ended September 30, 2020 - \$13,242 and \$37,981 respectively) within share based compensation expenses.

For key management personnel, the Company recognized total expenses of \$134,739 and \$717,991 for the three and nine month period ended September 30, 2021 (for the three and nine months ended September 30, 2020 - \$37,981 and \$37,981 respectively).

13. Restricted Share Units (“RSU”)

During the nine months ended September 30, 2021, the directors of the Company approved a RSU Plan, which contemplates the granting of 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 aggregate number of 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 date of grant.

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Details of the RSUs issued during the period are as follows:

On May 28, 2021, the Company granted 93,000 RSUs with a fair value of \$46,500 to certain employees. The RSUs will fully vest three years from the date of the grant.

On July 27, 2021, the Company granted 225,000 restricted share units ("RSUs") to certain officers. The RSUs will fully vest three years from the date of the grant.

The Company recognized total RSU compensation expense of \$8,707 and \$10,107 for the three and nine month period ended September 30, 2021 (September 30, 2020 - \$nil) within share based compensation expenses.

14. Warrants

On October 26, 2020, the Company issued 3,000,000 common share purchase Warrants (the "Magna Warrants"), to consultants as consideration for services, on terms which include: (i) a vesting provision such that the Magna Warrants shall not vest unless a Go-Public Transaction and prior to or concurrent with the closing of the Go-Public Transaction, an offering of Units of the Company, with each Unit comprised of one common share and one-half of one common share purchase warrant, for minimum aggregate gross proceeds of \$5,000,000 are closed at least two business days before the expiry of the Magna Warrants and (ii) exercise of the Magna Warrants will be conditional upon, among other things, the Warrant holders entering into lock-up agreements.

Each Magna Warrant is exercisable to acquire, subject to adjustment as provided for in the warrant certificate evidencing such Magna Warrants, one Magna Share at a price of \$0.10 per share at any time prior to October 26, 2022. On completion of the Go Public Transaction, each Magna Warrant issued to the Consultants would be exchanged for CT Exchange Warrants on the basis of the Exchange Ratio (such warrants to be referred to as Resulting Issuer Warrants following the Closing). Based on the existing terms of the Magna Warrants, after giving effect to the Exchange Ratio, the Consultants would receive an aggregate of 4,875,000 Resulting Issuer Warrants in connection with the transaction, each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at an effective exercise price of \$0.06 per share. However, prior to and as a condition to completion of the Arrangement (see note 3), as required by the TSX Venture Exchange, the Company amended the warrant certificates issued to the Consultants such that an aggregate of no more than 4,209,405 Resulting Issuer Warrants will be issued to the Consultants, with an effective exercise price of \$0.40 per Resulting Issuer Share.

The Company recognized deferred transaction costs of \$nil as at September 30, 2021 (December 31, 2020 - \$263,018) within other assets, relating to the vested portion of the warrants granted in anticipation of the Go-Public transaction and \$7,000,500 Subscription Receipts financing transactions.

The fair value ascribed to the Warrants is \$494,888.

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The outstanding warrants and the respective changes during the year are summarised as follows:

	September 30, 2021		December 31, 2020	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding beginning of period	4,209,404	\$ 0.40	-	\$ -
Issued during the period	9,874,250	0.59	4,209,404	0.40
Exercised during the period	-	-	-	-
Outstanding end of period	14,083,654	\$ 0.54	4,209,404	\$ 0.40
Vested and exercisable	14,083,654	0.54	-	\$ -

On May 28, 2021, the Company issued 9,874,250 warrants in relation to the subscription receipt transaction. 8,881,884 of these warrants were in exchange for subscription receipts, have a term of 2-years, vest immediately and have an exercise price of \$0.615 per common share, and 992,366 were broker warrants, have a term of 2-years, vest immediately and have an exercise price of \$0.40 per common share.

The warrants outstanding at September 30, 2021 had a weighted average remaining contractual life of 1.44 years (2020 – 1.82 years). The estimated vesting date of the warrants as at December 31, 2020 was August 2021. The aggregate estimated fair values of the warrants granted in 2020 is, as at September 30, 2021, \$494,888.

The fair value of the Warrants was based on the following fair value pricing model inputs to the Black-Scholes Option Pricing model as follows:

	2021	2020
Expected volatility	85%	85%
Risk-free interest rate	0.31%	0.23%
Expected life (months)	12 - 18	24
Exercise price	\$ 0.40 - \$.62	\$ 0.65
Spot price	\$ 0.58	\$ 0.50

Expected volatility was determined by calculating the historical volatility of similar public companies over the same period as the expected life of the warrants.

15. Segmented information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of mineral properties. The Company's assets are located in Canada. The Company earned all its other income in Canada.

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16. Related party transactions

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. The Company's related parties are its directors, Chief Executive Officer, Chief Financial Officer and Vice Presidents.

During the year, the Company entered into various transactions with related parties. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related companies on an arm's length basis.

During the year ended 2019, a related party advanced a loan of \$194,439 to the Company. The loan was received in USD, was unsecured, interest free and convertible into shares of the Company with no set terms of repayment.

In March 2020, this loan was settled by the issuance of shares (note 10).

During the three and nine months ended September 30, 2021, the Company had Consultancy income of \$Nil (nine months ended September 2020 - \$21,240) from Mine Management partners Ltd., a company controlled by the Chief Executive Officer. Trade receivables in relation to the above was Nil as of September 30, 2021 (2020 - \$12,404).

Compensation to related parties during the three and nine months ended September 30, 2021 and 2020 is summarized as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Salaries, consulting and management fees	\$ 94,500	\$ -	\$ 309,000	\$ -
Share based compensation	40,239	37,981	408,991	37,981
Total remuneration	\$ 134,739	\$ 37,981	\$ 717,991	\$ 37,981

17. 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. Capital consists of equity attributable to common shareholders.

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.

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There has been no change in the Company's approach to capital management.

18. Financial instruments

Carrying value and fair value

The Company's financial instruments comprise cash, restricted cash, accounts receivable, due to/from related parties, accounts payable and accrued liabilities and term loan.

Financial instruments recognized at fair value on the consolidated statement 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)
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

Cash and restricted cash are recorded in the condensed consolidated interim financial statements at amortized cost.

Accounts payable and accrued liabilities and term loan are classified as financial liabilities measured at amortized cost.

Fair value

The carrying values of cash and accounts payable and accrued liabilities do not materially differ from their fair values given their short-term period to maturity.

Non-current financial instruments include restricted cash and term loan which are interest bearing and carrying amount approximates fair value.

Financial risk factors

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. 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.

Credit risk

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. 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 consolidated financial statements represents the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash with major Canadian

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financial institutions. Accounts receivable includes receivables from customers and related parties who have no history of default and management believes the credit risk is low.

The following are the remaining contractual maturities of financial liabilities as at September 30, 2021 and the year ended December 31, 2020:

September 30, 2021	Carrying amount	Total	< 6 Months	6-12 months	1-5 years
Accounts payable and accrued liabilities	\$ 1,237,817	\$ 1,237,817	\$ 1,237,817	\$ -	\$ -
Right of use lease	53,834	53,834	-	-	53,834
Term loan	28,396	30,000	-	-	30,000
Total	\$ 1,320,047	\$ 1,321,651	\$ 1,237,817	\$ -	\$ 83,834

December 31, 2020	Carrying amount	Total	< 6 Months	6-12 months	1-5 years
Accounts payable and accrued liabilities	\$ 858,392	\$ 858,392	\$ 858,392	\$ -	\$ -
Right of use lease	-	-	-	-	-
Term loan	27,471	30,000	-	-	30,000
Total	\$ 885,863	\$ 888,392	\$ 858,392	\$ -	\$ 30,000

Foreign exchange risk

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 accrued liability 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 September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
Cash (US \$)	\$ 20,795	\$ 100
Accrued liabilities (US \$)	(346,628)	(346,628)
	(325,833)	(346,528)
Foreign exchange rate	1.27	1.27
Equivalent in Canadian dollars (\$)	\$ (413,808)	\$ (440,091)

Based on the balances held as at September 30, 2021, a 10% decrease in the Canadian dollar to US dollar exchange rates would have resulted in a decrease in the net loss for the period then ended of approximately \$41,000 (2020: \$44,000).

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 realised on such assets.

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The Company's did not have any interest-bearing liabilities outstanding as at September 30, 2021.

19. Subsequent events

On October 26, 2021 the Company completed the first tranche of a non-brokered private placement. This tranche consisted of 5,888,900 flow-through common shares at a price of \$0.45 per share for gross proceeds of \$2,650,005, of which \$2,355,560 was allocated to share capital and \$294,445 was allocated to flow-through premium.

On November 3, 2021 the Company completed the second and final tranche of the private placement. This tranche consisted of 1,107,800 flow-through common shares at a price of \$0.45 per share for gross proceeds of \$498,510, of which \$443,120 was allocated to share capital and \$55,390 was allocated to flow-through premium.

Advisory fees of 223,750 common shares were paid in connection with this financing at a price of \$0.40 per share, for a total of \$89,500. Finders' fees of 273,527 common shares were paid in connection with this financing at a price of \$0.40 per share, for a total of \$109,411. Cash financing fees of \$16,861 were incurred with respect to the private placement.