

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Magna Mining Inc. (the "Corporation")
45 Oak Street, P.O. Box 103
Dowling, Ontario P0M 1R0

Item 2 Date of Material Change

November 21, 2022.

Item 3 News Release

News releases were disseminated by the Corporation on November 2, 2022 and November 7, 2022 through Newsfile Corp., copies of which were subsequently filed on SEDAR (www.sedar.com) under the Corporation's issuer profile. A disclosure document and form of shareholder consent was filed on November 7, 2022 on SEDAR (www.sedar.com) under the Corporation's issuer profile.

Item 4 Summary of Material Change

On September 28, 2022 and September 29, 2022, certain insiders of the Corporation participated in the Corporation's non-brokered private placement of 74,128,860 subscription receipts (the "**Subscription Receipts**") at a price of \$0.27 per Subscription Receipt for gross proceeds of approximately \$20 million (the "**Offering**"). The Corporation sought minority approval (the "**Minority Approval**") from disinterested shareholders of the Corporation in respect of the portion of the participation by insiders of the Corporation that exceeded 25% of the Corporation's market capitalization (as calculated in accordance with Multilateral Instrument 61-101) (the "**Excess Insider Subscriptions**") by written consent. Until such time as Minority Approval was obtained, the securities representing the Excess Insider Subscriptions were subject to restrictions on transfer and exercise.

As of November 21, 2022, the Corporation received executed written consents from disinterested shareholders holding approximately 50.79% of the Corporation's issued and outstanding common shares as of November 3, 2022. As the Corporation obtained the requisite Minority Approval, the restrictions on the Excess Insider Subscriptions will be removed effective November 22, 2022.

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

Excess Insider Subscriptions and Minority Approval

On September 28, 2022 and September 29, 2022, certain insiders of the Corporation participated in the Corporation's non-brokered private placement of 74,128,860 subscription receipts (the "**Subscription Receipts**") at a price of \$0.27 per Subscription Receipt for gross proceeds of approximately \$20 million (the "**Offering**"). Upon

satisfaction of certain escrow release conditions, each Subscription Receipt was automatically converted into one common share of the Corporation (each an "SR Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"), with each Warrant entitling the holder thereof to purchase one common share at a price of \$0.405 for a period of three years from the issuance date.

The following table provides an update on the subscriptions by participating insiders in the Offering (the "**Insider Subscriptions**") since the Corporation's material change report dated October 7, 2022:

Insider	Insider Relationship	Subscription Receipts Purchased	SR Shares subject to Share Restrictions	Warrants Subject to Warrant Restrictions
Dundee Corporation (" Dundee ") ⁽¹⁾	10% Security Holder of the Corporation	18,518,518	—	9,259,259
Paul Fowler	Senior Vice President, Corporate Secretary	370,370	292,079	185,185
Vernon Casey Baker	Director of the Corporation	520,000	410,078	260,000
John Seaman	Director of the Corporation	200,000	157,722	100,000
Derek Teevan	Vice President, ESG of the Corporation	74,100	58,436	37,050
	TOTAL	19,682,988⁽²⁾	918,315	9,841,494

Notes:

- (1) Held through Dundee Resources Limited, a wholly owned subsidiary of Dundee.
- (2) As at the time of the closing of the Offering, Jason Jessup had subscribed for 92,600 Subscription Receipts but following the closing of the Offering, as a result of discussions with the staff of the Ontario Securities Commission ("**OSC Staff**") in regard to the application of MI 61-101 (as defined below), he cancelled his subscription and as a result, did not participate in the Offering. The Corporation subsequently replaced such cancelled subscription with a subscription by a third party subscriber that is not a related party to the Corporation.

Please see the table summary attached as Schedule "A" hereto for a detailed overview of the Insider Subscriptions.

The Insider Subscriptions were related party transactions within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), necessitating that the Corporation obtain a formal valuation for, and minority approval of, their subscription in the Offering, in the absence of exemptions from such requirements.

The Insider Subscriptions were exempt from the formal valuation requirement under MI 61-101 pursuant to section 5.5(b) of MI 61-101, on the basis that no securities of the Corporation are listed or quoted on markets specified in that section. There are no "prior valuations" (as defined in MI 61-101) in respect of the Corporation that relate to or are otherwise relevant to the Offering, the existence of which are known, after reasonable inquiry, to the Corporation or to any director or senior officer of the Corporation, that have been made in the 24 months before the date hereof.

In connection with the completion of the Offering, the Corporation disseminated a news release on September 30, 2022 and filed a material change report dated October 7, 2022, providing a description of the Offering and the Insider Subscriptions. Subsequent to the dissemination of the news release and filing of the material change report, staff of the Ontario Securities Commission ("**OSC Staff**") indicated that in respect of the Insider Subscriptions, the Corporation was not able to rely on the exemption from the requirement for minority shareholder approval in section 5.7(1)(a) of MI 61-101 as the fair market value of the aggregate value of the SR Shares and the common shares underlying the Warrants to be issued to participating insiders upon conversion of the Subscription Receipts represented more than 25% of the Corporation's market capitalization (the "**Market Cap Amount**") calculated in accordance with MI 61-101.

As no other exemptions from the minority approval requirement under MI 61-101 were available for the Offering, at the request of OSC Staff, the Corporation sought minority approval (the "**Minority Approval**") from the shareholders of the Corporation in respect of the number of SR Shares and Warrants comprising the Insider Subscriptions that exceeded the Market Cap Amount (the "**Excess Insider Subscriptions**"). The common shares of the Corporation held by the participating insiders, being Dundee, Paul Fowler, Vernon Casey Baker, John Seaman and Derek Teevan, representing an aggregate of 18,308,987 common shares, were excluded for the purposes of determining whether the Minority Approval in respect of the Excess Insider Subscriptions was obtained.

In order to facilitate the escrow release and conversion of the Subscription Receipts prior to obtaining the Minority Approval, upon conversion of the Subscription Receipts, the Corporation placed restrictions on the Warrants held by the participating insiders expressly prohibiting such holder from exercising any portion of their Warrants until such time as the Corporation obtained the required Minority Approval (the "**Warrant Restrictions**"). Additionally, each of Paul Fowler, Vernon Casey Baker, John Seaman and Derek Teevan placed in escrow with the Corporation, upon issuance of the SR Shares on conversion of the Subscription Receipts, the pro rata portion of their respective SR Shares which in the aggregate exceeded the Market Cap Amount and were not be permitted to sell, transfer, assign, pledge or otherwise dispose of such SR Shares (the "**Share Restrictions**" and together with the Warrant Restrictions, the "**Restrictions**") until such time as Minority Approval was obtained and certain conditions were met. The imposition of Share Restrictions on the SR Shares to be issued to Dundee was not required to reduce the subscriptions by the participating insiders below the Market Cap Amount.

To avoid undue cost and delay associated with holding a meeting, and as the Corporation had received voting support agreements from shareholders of the Corporation holding 27,167,103 common shares (the "**Supporting Shareholders**") that would be eligible to be voted at a meeting in respect of the Minority Approval, representing approximately 50.7% of the eligible common shares, the Corporation proceeded with seeking the Minority Approval by way of written consent instead of calling and holding a meeting. OSC Staff advised that they would not object to the Corporation proceeding in this manner.

Release of Escrowed Funds and Completion of Acquisition of Loncan

On November 4, 2022, the Corporation satisfied the escrow release conditions relating to the 74,128,860 Subscription Receipts issued under the Offering. The gross proceeds of the subscription including the earned interest thereon (the "**Escrowed Funds**") were released to the Corporation. Each Subscription Receipt was automatically converted into one SR

Share and one-half of one Warrant, with each Warrant having an expiry date of November 4, 2025. Upon conversion of the Subscription Receipts, the Corporation imposed the Warrant Restrictions on all of the Warrants held by participating insiders and the Share Restrictions on the applicable portion of the SR Shares issued to the participating insiders.

On November 7, 2022, the Corporation completed the acquisition of Lonmin Canada Inc. ("**Loncan**") pursuant to the terms of the share purchase agreement dated August 15, 2022 (the "**Share Purchase Agreement**") among the Corporation, Loncan, each of the shareholders of Loncan and Sibanye UK Limited, as shareholder representative (the "**Acquisition**").

Under the terms of the Share Purchase Agreement, the Corporation acquired 100% of the issued and outstanding shares of Loncan, whose core asset is the Denison Project and the past producing Crean Hill Ni-Cu-PGE mine, in exchange for an aggregate purchase price of \$16 million comprised of a closing payment of \$13 million in cash (the "**First Payment**") and a deferred payment of \$3 million (the "**Deferred Payment**") payable pro rata to each shareholder of Loncan (the "**Vendors**"). The Corporation used the Escrowed Funds, in part, to fund the First Payment of \$13 million payable to the Vendors. The Deferred Payment is payable on or before the 12-month anniversary of the closing of the Acquisition. The Corporation will use commercially reasonable efforts to settle the Deferred Payment in cash, but may, at its option, settle the Deferred Payment in common shares of the Corporation priced at the time of issue in accordance with the rules of the TSX Venture Exchange. As ongoing security pending the settlement of the Deferred Payment, the Corporation has granted a pledge of the shares of Loncan in favour of the Vendors.

Minority Approval of Excess Insider Subscriptions and Removal of Restrictions

On November 7, 2022, the Corporation filed a disclosure document (the "**Disclosure Document**") and form of shareholder consent (the "**Consent**") in connection with the Minority Approval of the Excess Insider Subscriptions on SEDAR (www.sedar.com) under the Corporation's issuer profile and provided copies of such documents to the Supporting Shareholders. The minimum 14 days that the Supporting Shareholders had to review the Disclosure Document and Consent prior to providing their executed Consents elapsed on November 21, 2022.

As of November 21, 2022, the Corporation has received executed Consents from each of the Supporting Shareholders, who, as of November 3, 2022, held an aggregate of 27,167,103 common shares, representing approximately 50.79% of the issued and outstanding common shares of the Corporation. As the Corporation obtained the requisite Minority Approval, the Warrant Restrictions and Share Restrictions will be removed effective November 22, 2022.

Item 5.2 Disclosure of Restructuring Arrangements

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Jason Jessup, CEO
Phone: (705) 665-0262
Email: jason.jessup@magnamining.com

Item 9 Date of Report

November 22, 2022.

SCHEDULE "A"
OWNERSHIP OF SECURITIES OF THE COMPANY PRE-OFFERING AND POST-OFFERING

Insider		Relationship	Securities Held Prior to Offering ⁽¹⁾	Percentage Held Prior to Offering (Undiluted Basis)	Percentage Held Prior to Offering (Partially-Diluted Basis)	Subscription Receipts Purchased	Securities Held After Offering	Percentage Held After Offering (Undiluted Basis) ⁽²⁾	Percentage Held After Offering (Partially-Diluted Basis) ⁽²⁾
Dundee Resources Limited		10% Security Holder of the Corporation	13,681,400 Common Shares ⁽³⁾ 3,371,875 Warrants	19.1%	22.7%	18,518,518	13,681,400 Common Shares ⁽³⁾ 3,371,875 Warrants 18,518,518 Subscription Receipts	22.1%	28.3%
Paul Fowler		Senior Vice President, Corporate Secretary of the Corporation	572,000 Common Shares ⁽⁴⁾ 675,000 Options	0.8%	1.7%	370,370	572,000 Common Shares ⁽⁴⁾ 675,000 Options 370,370 Subscription Receipts	0.6%	1.2%
Vernon Casey Baker		Director of the Corporation	3,930,462 Common Shares 700,000 Options	5.5%	6.4%	520,000	3,930,462 Common Shares 700,000 Options 520,000 Subscription Receipts	3.1%	3.7%
John Seaman		Director of the Corporation	125,125 Common Shares 212,500 Options	0.2%	0.5%	200,000	125,125 Common Shares 212,500 Options 200,000 Subscription Receipts	0.2%	0.4%
Derek Teevan		Vice President, ESG of the Corporation	200,000 Options	0.0%	0.3%	74,100	200,000 Options 74,100 Subscription Receipts	0.1%	0.2%

Notes

- (1) The information as to securities held by the insider, not being within the knowledge of the Corporation, has been furnished by the insider listed above and/or has been obtained from insider reports filed by such shareholder on SEDI by insiders at www.sedi.ca or from early warning reports and alternative monthly reports filed by such shareholder on the SEDAR at www.sedar.com.
- (2) After giving effect to the conversion of the Subscription Receipts and issuance of 74,128,860 Common Shares and 37,064,430 Warrants underlying the Subscription Receipts.
- (3) Includes 198,750 Common Shares held through Goodman & Company, Investment Counsel Inc., an affiliate of Dundee Resources Limited.
- (4) Includes 100,000 Common Shares held through Ellen Fowler.