

FORM 62-103F3

**REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR UNDER
PART 4**

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Not applicable.

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Subscription receipts (the “**Subscription Receipts**”) of Magna Mining Inc. (the “**Issuer**”) with each Subscription Receipt exchangeable, upon the satisfaction of certain escrow release conditions and without further action or payment on the part of the holder thereof, for one common share of the Issuer (each, a “**Common 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 additional Common Share at a price of CAD \$0.405.

The Issuer’s head office is located at:

45 Oak Street, Box 103
Dowling, Ontario
Canada
P0M 1R0

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. See item 2.2.

Item 2 - Identity of the Eligible Institutional Investor

2.1 State the name and address of the eligible institutional investor.

TFG Asset Management UK LLP (the “**Acquiror**”)
4 Sloane Terrace, London SW1X 9DQ United Kingdom

The Acquiror has been delegated investment management responsibilities in respect of Hawke’s Point Holdings II Limited (the “**Fund**”) by TFG Asset Management US LP the investment manager of the Fund. In such capacities, the Acquiror has control or direction over the investments of the Fund.

Each of TFG Asset Management US LP and the Acquiror are indirect subsidiaries of Tetragon Financial Group Limited, a Guernsey closed-end company traded on the Euronext Amsterdam N.V. and the Specialist Fund Segment of the Main Market of the London Stock Exchange that is ultimately controlled by Reade Griffith and Paddy Dear.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On September 30, 2022, the Fund acquired 18,518,518 Subscription Receipts at a price of CAD \$0.27 per Subscription Receipt pursuant to a subscription agreement dated August 19, 2022 between the Issuer and the Fund, for an aggregate subscription price of CAD \$4,999,999.86 (the “**Subscription**”).

The gross proceeds from the Subscription will be held in escrow by Computershare Trust Company of Canada, as subscription receipt agent, and released to the Issuer upon the satisfaction of certain escrow release conditions (the “**Escrow Release Conditions**”), which include the satisfaction of all conditions precedent to the closing of the Issuer’s announced acquisition of Lonmin Canada Inc. (the “**Acquisition**”) pursuant to the terms of a share purchase agreement dated August 15, 2022. If the Escrow Release Conditions are satisfied on or before January 28, 2023 (the “**Escrow Release Deadline**”), the escrowed funds will be released to the Issuer. If the Escrow Release Conditions are not satisfied on or prior to the Escrow Release Deadline or the Issuer publicly announces that: (a) it does not intend to proceed with the Acquisition; (b) it does not intend to satisfy the Escrow Release Conditions; and / or (c) the Escrow Release Conditions are incapable of being satisfied by the Escrow Release Deadline, the escrowed proceeds, together with interest earned thereon, will be returned on a pro rata basis to the holders of the Subscription Receipts, and the Subscription Receipts will be cancelled and be of no further force and effect.

2.3 State the name of any joint actors.

See item 2.1 above.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

The Acquiror is eligible to file this report under the alternative monthly reporting system of National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

This is the Acquiror’s initial filing above 10%.

3.2 State the designation and number or principal amount of securities and the eligible institutional investor’s securityholding percentage in the class of securities at the end of the month for which the report is made.

As at September 30, 2022, assuming (i) the exchange of the 18,518,518 Subscription Receipts beneficially owned and controlled by the Acquiror for Common Shares and Warrants in accordance with the terms of the Subscription Receipts, and (ii) the exercise of the 9,259,259 Warrants underlying the Subscription Receipts beneficially owned and

controlled by the Acquiror, the Acquiror would have beneficial ownership and control of 27,777,777 Common Shares, representing approximately 17.90% of the then issued and outstanding Common Shares on a partially-diluted basis (assuming the concurrent exchange of an additional 55,610,342 Subscription Receipts issued to other investors pursuant to the private placement of the Issuer which closed on September 30, 2022 for Common Shares and Warrants, but without assuming the exercise of those other Warrants).

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which:

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control:

As at September 30, 2022, the Acquiror and its joint actors have ownership and control over an aggregate of 18,518,518 Subscription Receipts. Assuming the exchange of the Subscription Receipts for Common Shares and Warrants in accordance with the terms of the Subscription Receipts and the exercise of the Warrants underlying the Subscription Receipts beneficially owned and controlled by the Acquiror, the Acquiror would have beneficial ownership and control of 27,777,777 Common Shares, representing approximately 17.90% of the issued and outstanding Common Shares on a partially-diluted basis.

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor:

Not applicable.

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

Not applicable.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

Not applicable.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal

amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 - Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;**
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (e) a material change in the reporting issuer's business or corporate structure;**
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;**
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (i) a solicitation of proxies from securityholders;**
- (j) an action similar to any of those enumerated above.**

The Acquiror acquired beneficial ownership and control of the Subscription Receipts in accordance with its investment strategies and objectives. The Fund or the Acquiror (on behalf of the Fund or any other funds that it acts as an investment advisor or manager to) may, from time to time, subject to market conditions and in compliance with applicable securities laws, make additional investments in, or dispositions of, securities of the Issuer, including purchases or dispositions of Common Shares or securities convertible into, or exchangeable for, Common Shares.

Item 5 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

In connection with the Subscription, the Issuer and the Fund agreed to enter into an investor rights agreement (the “**Investor Rights Agreement**”) upon satisfaction of the Escrow Release Conditions, pursuant to which the Fund will be entitled to certain customary investor rights, provided that the Fund maintains certain ownership thresholds in the Issuer. Among other things, the Investor Rights Agreement will provide the Fund, subject to certain conditions, with (i) the right to designate one director for appointment to the board of directors of the Issuer, (ii) the right to appoint a member to a technical steering committee to be formed by the Issuer, (iii) certain consultation rights, which include providing the Fund with reasonable access to senior management and considering certain recommendations made by the Fund. The Investor Rights Agreement will also include, among other things, pre-emptive and top-up rights in favour of the Fund as well as a right of first offer in respect of any non-equity financing proposed to be undertaken by the Issuer.

Item 6 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 7 - Certification

Certificate

I, as the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

TFG Asset Management UK LLP

October 7, 2022

Date

(s) Reade Griffith

Signature

Reade Griffith, Authorized Signatory

Name/Title