

Magna Mining Inc.

(An Exploration Stage Company)

Management Discussion and Analysis

For the nine months ended September 30, 2023

Magna Mining Inc.

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INTRODUCTION

This management discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Magna Mining Inc. (the "**Company**" or "**Magna**") for the nine months ended September 30, 2023. 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, 2022 and 2021, as well as the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023, and the related notes thereon (the "financial statements"). The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") in Canada. This MD&A is current to November 22, 2023, and 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 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 43-101 "Standards of Disclosure for Mineral Projects" ("**NI 43-101**") and 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, Technical Services. Mr. King is a qualified person under Canadian National Instrument 43-101.

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, located near Sudbury, Ontario, Canada, the Crean Hill Ni-Cu-PGE Project, located near Sudbury, Ontario, Canada, and the Shining Tree Ni-Cu-PGE Project, located 100-km north of Sudbury, Ontario, Canada.

HIGHLIGHTS DURING AND SUBSEQUENT TO THE NINE MONTHS ENDED SEPTEMBER 30, 2023

Corporate

- On May 1, 2023, the Company announced the appointment of Ann-Marie Finney to the full-time position of Chief Financial Officer. Derrick Weyrauch, a co-founder of Magna and former Chief Financial Officer, will remain a director of the company.

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- On June 12, 2023, the company announced the results of its Annual & Special Meeting of Shareholders (the “Meeting”) held on June 9. Each of the matters is described in greater detail in the Notice of Annual & Special Meeting of Shareholders and the accompanying Management Information Circular dated May 11th, 2023 (the “Circular”).

At the Meeting, the shareholders approved the election of Jason Jessup, Carl DeLuca, John Seaman, Vernon Baker and Jonathan Goodman, each as listed in the Circular. Derrick Weyrauch decided to not stand for re-election as a director of the Company. As a result, Magna elected five directors to the board.

All other resolutions at the Meeting were approved by shareholders including (i) the appointment of auditors, (ii) the reconfirmation and approval of the stock option plan of the Company, (iii) the reconfirmation and approval of the amended and restated restricted share unit plan of the Company (the “Amended RSU Plan”), (iv) the confirmation and approval of restricted share units under the Amended RSU Plan, and (v) the approval of the amended and restated investor rights agreements between the Company and Hawke’s Point Holdings II Ltd, as described in the Circular.

- On October 16, 2023, the company announced the appointment of Grant Thornton LLP, Chartered Professional Accountants, as auditor of the Company, effective October 12, 2023. The resignation of Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company, was not the result of any reportable event (within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”).
- On November 13, 2023, the Company announced the appointment of Jeff Huffman to the full-time position of Chief Operating Officer.

Exploration

Shakespeare Project

- On February 23, 2023, the Company reported assay results from the second phase of 2022 drilling at the Shakespeare project. Highlights from the assay results include 0.25% Ni, 0.32% Cu, 0.81 g/t Pt+Pd+Au over 36.1m in drillhole MJU-22-01 and 0.30% Ni, 0.58% Cu, 1.04 g/t Pt+Pd+Au over 16.6m in drillhole MMC-22-45.

Crean Hill Project

- On January 5, 2023, the Company announced additional assay results from the November 2022 drill program at Crean Hill. Highlights from the assay results include 4.0 % Ni, 0.7% Cu, 0.7 g/t Pt+Pd+Au over 31.1m in drillhole MCR-22-005, including two massive sulphide intervals grading 6.5 % Ni, 1.0 % Cu, 0.5 g/t Pt+Pd+Au over 5.0 metres, and 5.7 % Ni, 0.7 % Cu, 0.8 g/t Pt+Pd+Au over 16.1 metres.
- On January 9, 2023, the Company announced the first assays received from drilling on the 109 Footwall (“FW”) Zone at Crean Hill. Highlights included Drillhole MCR-22-010 which intersected mineralization grading 0.4 % Ni, 0.5 % Cu, 7.2 g/t Pt+Pd+Au over 98.3 metres, including higher grade intervals grading 0.8 % Ni, 0.8 % Cu, 12.7 g/t Pt+Pd+Au over 44.0 metres, including 3.7 % Ni, 2.8 % Cu, 20.2 g/t Pt+Pd+Au over 7.1 metres.
- On February 23, 2023, the Company announced that drilling had confirmed a new zone of near surface sulphide mineralization approximately 1000 metres east of the Crean Hill Main Zone.
- On March 2, 2023, the Company announced additional assay results from Crean Hill. Highlights from the assay results include 2.5% Ni, 1.2 %Cu, 0.7 g/t Pt+Pd+Au over 8.1m in drillhole MCR-22-004 within the 101 FW Zone, 1.2% Ni, 0.8 %Cu, 1.4 g/t Pt+Pd+Au over 17.3m in drillhole MCR-22-08 and 1.1% Ni, 0.7 %Cu, 1.2 g/t Pt+Pd+Au over 27.0m at hole MCR-22-009, both within the Intermediate Zone.

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- On April 11, 2023, the Company announced additional assay results from Crean Hill. Highlights from the assay results include 0.6% Ni, 2.3% Cu, 122.5 g/t Pt+Pd+Au over 2.8 m and 2.4% Ni, 4.3% Cu, 37.2 g/t Pt+Pd+Au over 5.1 m in drillhole MCR-23-013 in the 109 FW zone, and 2.1% Ni, 3.0% Cu, 1.1 g/t Pt+Pd+Au over 2.2 m at hole MCR-23-011 in the 101 FW zone.
- On May 18, 2023, the Company announced additional assay results from Crean Hill. Highlights from the assay results include 1.0% Ni, 0.8 % Cu, 0.2 g/t Pt+Pd+Au over 5.2 m in drillhole MCR-23-014 in the G1 zone, 1000 metres east of Crean Hill Main Zone, and 0.2% Ni, 0.3 % Cu, 8.0 g/t Pt + Pd + Au over 28.4 m in drillhole MCR-23-019 in the 109 FW zone.
- On June 7, 2023, the Company announced initial assay results from a series of short, near surface drillholes immediately beneath the surface exposure of the 109 Footwall (“FW”) Zone. The assay results reported wide, high- grade intercepts including 0.7% Ni, 0.6% Cu, and 8.7 g/t Pt + Pd + Au over 31 m in hole MCB-23-003, and 0.3% Ni, 0.8% Cu, and 9.0 g/t Pt + Pd + Au over 21 m in hole MCB-23-007.
- On June 20, 2023, the Company announced additional assay results from a series of short, near surface drillholes immediately beneath the surface exposure of the 109 Footwall (“FW”) Zone. Highlights from the assay results include 0.2% Ni, 0.1 % Cu, 5.4 g/t Pt + Pd + Au over 27.0 m, including 0.2 % Ni, 0.1% Cu and 11.2 g/t Pt + Pd + Au over 3.9 m, and 0.4 % Ni, 0.2% Cu and 11.1 g/t Pt + Pd + Au over 5.7 m at hole MCB-23-018. The Company also provided an update on the progress of the ongoing Preliminary Economic Assessment, expected to be released in late July.
- On July 10, 2023, the Company announced additional assay results from the ongoing 2023 diamond drilling program. Highlights from the assay results include 6.0% Ni, 2.2 % Cu, 5.8 g/t Pt + Pd + Au over 2.2 m in drillhole MCR-23-024 in the 105 FW Zone, and 4.3% Ni, 0.4 % Cu, 1.7 g/t Pt + Pd + Au over 0.4 m, 11.2% Ni, 0.4 % Cu, 0.1 g/t Pt + Pd + Au over 0.4 m in drillhole MCR-23-020 in the 101 FW Zone.
- On August 15, 2023, the Company announced additional assay results from the ongoing 2023 diamond drilling program. A portion of the assay results represent confirmation of a shallow zone of massive sulphides in the vicinity of MCR-22-005 (released on January 5, 2023). This is one of the areas that the Company is planning to include as part of the advanced exploration and test mining program in 2024. Two drillholes, MCR-23-041 and MCR-23-042, tested down-dip, to the north and south of drillhole MCR-22-005. Highlights from the assay results include 3.0% Ni, 0.7% Cu, 1.2 g/t Pt + Pd + Au over 31.6 meters at hole MCR-23-041, and 4.2% Ni, 1.4% Cu, 1.0 g/t Pt + Pd + Au over 27.6 meters at hole MCR-23-042.
- On September 21, 2023, the Company announced additional assay results from the ongoing 2023 diamond drilling program. Highlights from the assay results include 4.2% Ni, 0.9 % Cu, 1.4 g/t Pt + Pd + Au over 7.0 meters in drillhole MCR-23-040 in the 105 FW Zone, and 0.2% Ni, 1.2 % Cu, 6.3 g/t Pt + Pd + Au over 5.2 meters, and 2.7% Ni, 1.5 % Cu, 18.1 g/t Pt + Pd + Au over 0.9 meters in drillhole MCR-23-046 in the 105 FW Zone.
- On November 3, 2023, the Company announced additional assay results from the ongoing 2023 diamond drilling program at Crean Hill. Highlights from the assay results include 0.8%, Ni, 1.3% Cu, 2.0 g/t Pt + Pd + Au over 96.5 meters in drillhole MCR-23-052A in the Main Zone, and 1.1% Ni, 0.5% Cu, 0.5 g/t Pt + Pd + Au over 13.6 meters in drillhole MCR-23-051 in the 101 FW Zone.

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 (the “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 a third-party existing mill in Sudbury. Initial 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 are 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

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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 use metal prices of US\$ 9.50/lb nickel, US\$ 3.50/lb copper, US\$ 22.00/lb cobalt, US\$ 1000/oz platinum, US\$ 1800/oz Palladium, US\$ 1700/oz gold, and a 1.3 C\$/US\$ exchange rate. The Base Case generates a pre-tax NPV (8%) of \$290.4 million and an Internal Rate of Return (“IRR”) of 23.9%, after-tax NPV (8%) is \$230.4 million, with an IRR of 23.4%.

The Alternative Processing generates a pre- tax NPV (8%) of \$668.8 million and an IRR of 39.6%, after-tax NPV (8%) is \$516.1 million, with an IRR of 38.4%.

A summary of PEA results is as follows (all results are reported in Canadian Dollars unless otherwise noted):

	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
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 Person

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:

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Independent QP for Geology and Mineral Resource Estimates

Mr. Allan Armitage, Ph.D., P.Geo., of SGS Geological Services

Mr. Armitage last conducted a personal inspection of the site on May 26, 2022.

Independent QP for Underground Mining and Financial Analysis

Mr. Michael K. Murphy, B.Sc. Engineering (mining), P.Eng. of Stantec Consulting Ltd.

Mr. Murphy last conducted a personal inspection of the site on December 9, 2022.

Independent QP for Open Pit Mining and Financial Analysis

Mr. Christiaan Terblanche, P.Eng, B.Comm, MBA, of Stantec Consulting Ltd.

Mr. Terblanche last conducted a personal inspection of the site on December 9, 2022.

Independent QP for Processing and Recovery

Mr. Gordon Marrs, P.Eng., of XPS, Expert Process Solutions.

Independent QP for Environment

Mr. Sheldon Smith, MES., P.Geo., of Stantec Consulting Ltd.

Mr. Smith last conducted a personal inspection of the site on January 26, 2023.

MINERAL RESOURCE ESTIMATES (“MRE”)

Denison Deposit In-Pit (A) and Underground (below-pit) (B) Mineral Resource Estimate, 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.*

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- (5) *It is envisioned that parts of the Denison deposit (now referred to as “Crean Hill”) may be mined using open pit mining methods. In-pit mineral resources are reported at a cut-off grade of 0.3 % 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 Denison deposit, 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, \$2000/oz Pd and \$1,750/oz Au and considers metal recoveries of 78% for Ni, 95.5% for copper, 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.*

Qualified Person

The Denison project 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 19th, 2022. Armitage conducted a site visit to the property on May 25 – May 26, 2022.

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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
Under ground	0.4% NiEq	Indicated	3,832	0.31	0.36	0.02	0.30	0.32	0.19	0.53
Under ground	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 copper, 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.*

Qualified Person

The Shakespeare project 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 1st, 2021.

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Combined MRE

The total combined MRE for the Company when combining the Shakespeare and Denison 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
Denison	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
Denison	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
Denison	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
Denison	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

MINERAL PROPERTIES

The Company's primary mineral properties are comprised of the past producing Crean Hill and Shakespeare Projects.

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.

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 Property is an area of Patented Surface and Mining Rights, consisting of approximately 255.9 hectares, located within the southern half of Lots 3, 4 and 5 and parts of the northern

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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.

Shakespeare Project

The Shakespeare Project is currently comprised of 29 patented claims, 3 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. The 8 Baldwin patents are 50% owned by Ursa Major Minerals.

During the financial year ended January 31, 2011, the Company's subsidiary, Ursa, declared commercial production at the Shakespeare Mine. Subsequently, it suspended production and the mine remains on care and maintenance.

Over the course of 2020, Magna acquired 291 mining claims.

During the year ended December 31, 2021, the Company entered into a transaction with a third party whereby \$282,500 was provided to the Company for use in an exploration program targeting the Palladium Valley target area, located in the north central portion of the Shakespeare property. The Exploration program was to be completed prior to May 1, 2022. In exchange, the Company is to make available to the third party all records and data with respect to the exploration program, and the third party had the exclusive and discretionary right to enter into a definitive formal exploration and option agreement within 30 days of the end of the exploration period. The funds remaining to be spent as at September 30, 2023 are \$Nil (December 31, 2022 - \$Nil).

Spanish River Option

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 terms of the agreement were as follows:

- within 10 days from the date of signing: \$6,000 cash and 40,625 shares of Magna. The cash balance has been paid and the shares were issued with a fair value of \$13,250.
- before the 1st anniversary date of signing: \$14,000 cash and 40,625 shares of Magna. The cash balance has been paid and the shares were issued with a fair value of \$16,250.
- before the 2nd anniversary date of signing: \$25,000 cash and 40,625 shares of Magna. The cash balance has been paid and the shares were issued with a fair value of \$13,609.
- before the 3rd anniversary date of signing: \$30,000 cash and 40,625 shares of Magna. The cash balance was paid and the shares were issued subsequent to the nine months ended September 30, 2023.

Magna will also be required to complete cumulative exploration expenditures totaling \$100,000 prior to the third anniversary date of signing. As at September 30, 2023, the cumulative exploration expenditure requirement has been met. The Optionor will retain a 1.5% NSR 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 1,600 acres.

Magna has not conducted any exploration work on the Shining Tree Nickel Project since acquiring the project in 2017.

ACQUISITION OF THE CREAN HILL PROJECT (LONMIN CANADA INC.) AND SUBSCRIPTION RECEIPT FINANCING

On August 16, 2022, the Company announced that it had entered into a definitive share purchase agreement to acquire 100% of Lonmin Canada Inc., including the Denison Project and the past producing Crean Hill Ni-Cu-PGE mine. The Company also announced a proposed private placement of up to 74,074,074 subscription receipts of the Company at

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a price of \$0.27 per subscription receipt to raise aggregate gross proceeds of up to \$20,000,000 (the "Private Placement").

On September 30, 2022, the Company announced the closing of its previously announced non-brokered private placement, pursuant to which a total of 74,128,860 subscription receipts of the Company were issued at a price of \$0.27 per Subscription Receipt, for aggregate gross proceeds of \$20,014,792. Each Subscription Receipt entitles the holder thereof to receive one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant of the Company (each, a "Warrant"), with each warrant entitling the holder thereof to purchase one additional common share at a price of \$0.405 per Common Share for a period of three years following the date of issue of the Warrants.

On November 7, 2022, the Company announced that it had closed the acquisition of Lonmin Canada Inc. ("Loncan"), including the Denison Project and the past producing Crean Hill Ni-Cu-PGE mine (the "Acquisition"), pursuant to a 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.

Under the terms of the Share Purchase Agreement, Magna acquired 100% of the issued and outstanding shares of Loncan, whose core asset is the Denison Project, in exchange for an aggregate purchase price of \$16,000,000 comprised of a closing payment of \$13,000,000 in cash (the "First Payment") and a deferred payment of \$3,000,000 (the "Deferred Payment") payable pro rata to each shareholder of Loncan (the "Vendors"). The Deferred Payment is payable on or before the 12-month anniversary of the closing of the Acquisition. The Company 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 Company priced at the time of issue in accordance with the rules of the TSX Venture Exchange (the "TSXV"). 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. The Corporation inherited Loncan's existing commercial arrangements with Vale Canada Limited, including access rights and certain net smelter return royalties. Certain other arrangements, including Loncan's joint venture arrangements with Wallbridge Mining Company Limited, terminated concurrently with the completion of the Acquisition.

Subsequent to the nine months ended September 30, 2023, the Company settled the deferred acquisition cost of Lonmin Canada Inc. through a cash payment of \$3,000,000.

The Lonmin acquisition has been accounted for as an acquisition of an Exploration and Evaluation stage project given it was at the resource stage and in accordance with the Company's accounting policy, the cost of acquisition was charged to profit and loss.

Concurrent with completion of the Lonmin acquisition, the Company also satisfied the escrow release conditions relating to the 74,128,860 subscription receipts of the Company (the "Subscription Receipts") issued on a non-brokered private placement basis at a price of \$0.27 per Subscription Receipts for gross proceeds of approximately \$20 million (the "Offering"). The gross proceeds of the subscription including the earned interest thereon (the "Escrowed Funds") were released to the Company and used, in part, to fund the First Payment of \$13 million payable to the Vendors in connection with the Acquisition. Each Subscription Receipt has been automatically converted into one common share of the Company 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 until November 4, 2025.

CONSULTING AGREEMENT

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.

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Each Magna Warrant was 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, 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 fair value ascribed to the Warrants was \$863,781.

The Magna Warrants expired unexercised on October 26, 2022.

STOCK OPTIONS

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 5 years, vest one third 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 5 years, vest 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 5 years, vest one third immediately and one third annually thereafter and have an exercise price of \$0.87 per common share.

On November 10, 2022, the Company granted 3,685,000 stock options to certain employees, directors, and consultants. 400,000 of these stock options have a term of 5-years, vest immediately and have an exercise price of \$0.47 per common share, and 3,285,000 stock options have a term of 5-years, vest one third immediately and one third annually thereafter and have an exercise price of \$0.47 per common share.

During the nine months ended September 30, 2023, 2,075,625 shares were issued upon options exercised for proceeds of \$467,975. A total of \$372,629 was reallocated from reserves to share capital in connection with options exercised.

RESTRICTED SHARE UNITS (“RSU”)

During the year ended December 31, 2021, the directors of the Company approved an 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 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 under the RSU Plan was 750,000. In order to provide the Corporation with the ability to grant additional RSUs under the RSU Plan, the Board approved an amendment to the RSU Plan (the “Amended RSU Plan”) on November 10, 2022 to amend and restate the existing RSU Plan to increase the fixed maximum number of Common Shares that may be reserved for issue and which can be issued upon the settlement of all RSUs granted under the RSU Plan, from 750,000 to 1,500,000. On June 9th, 2023, the amended RSU plan was confirmed and approved at the annual and special meeting of shareholders.

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. The aggregate number of Shares reserved for issuance under the RSU plan may not exceed 1,500,000 Shares.

On November 2, 2023, the Company granted 961,000 restricted share units (“RSUs”) to certain directors, officers and employees of the Company in accordance with the Company’s Restricted Share Unit Plan (“RSU Plan”). The RSUs

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will fully vest on the date that is three year from the date of grant. Once vested, each RSU represents the right to receive one common share of the Company or the equivalent cash value thereof, at the Company's discretion. In connection with such grant of a portion of the RSUs, the Company also approved an amendment to the RSU Plan (the "Amended RSU Plan") to increase the fixed maximum number of shares reserved for issuance under the RSU Plan from 1,500,000 to 3,000,000 shares. The Amended RSU Plan and the grant of 315,000 RSUs under the Amended RSU Plan are subject to approval by the TSX Venture Exchange and ratification by the Company's shareholders at the next annual and special meeting of shareholders.

On May 1, 2023, the Company granted 25,000 RSUs with a fair value of \$21,000 to an officer. The RSUs will fully vest at the end of three years from the date of the grant. The RSUs were issued subject to shareholder approval. Shareholder approval was received at the annual and special meeting of shareholders held on June 9th, 2023.

On November 10, 2022, the Company granted 510,000 RSUs with a fair value of \$239,700 to certain officers and employees. The RSUs will vest fully at the end of three years from the date of the grant. 78,000 of the RSUs were issued subject to shareholder approval. Shareholder approval was received at the annual and special meeting of shareholders held on June 9th, 2023.

OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. 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 to 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, 2022, 2021, and 2020. The information set forth should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and the related notes thereon.

Expenditures in 2022 and 2021 have increased over prior years based on management's plans and successful financing to support those plans.

	Year ended		Year ended		Year ended	
	31-Dec-22		31-Dec-21		31-Dec-20	
Exploration and evaluation expenses	\$	19,814,961	\$	3,771,965	\$	402,914
Property maintenance		228,486		199,717		183,708
Corporate general and administrative		1,133,742		642,689		159,346
Share-based compensation		741,790		643,252		446,519
Depreciation		32,443		15,821		2,618
Net and comprehensive loss		21,969,580		6,762,966		1,091,074
Loss per share - basic and fully diluted		0.26		0.12		0.03
Total assets		7,695,916		6,988,955		2,743,737
Total liabilities		5,073,623		2,242,609		1,577,701
Shareholders' equity	\$	2,622,293	\$	4,746,346	\$	1,166,036

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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:

	Quarter ended 30-Sep-23	Quarter ended 30-Jun-23	Quarter ended 31-Mar-23	Quarter ended 31-Dec-22
Net and comprehensive loss	3,060,689	2,067,751	2,116,511	18,396,715
Basic and diluted loss per share	0.019	0.013	0.013	0.155

	Quarter ended 30-Sep-22	Quarter ended 30-Jun-22	Quarter ended 31-Mar-22	Quarter ended 31-Dec-21
Net and comprehensive loss	974,421	1,176,228	1,422,216	1,214,514
Basic and diluted loss per share	0.014	0.016	0.020	0.017

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-months ended September 30, 2023 and 2022

During the three months ended September 30, 2023, the Company reported a net and comprehensive loss of \$3,060,689 (three months ended September 30, 2022 – \$974,421), an increased loss of \$2,086,268 compared to the same period in 2022. The primary contributors were the following:

- Exploration and evaluation expenses in the three months ended September 30, 2023 increased by \$2,283,346 when compared to the same period in the previous year mainly due to exploration and evaluation expenditures related to the Crean Hill Project.
- General and administrative expenses in the three months ended September 30, 2023 increased by \$419,214 when compared to the same period in the previous year mainly due to additional hiring that occurred through 2022 and the nine months ended September 30, 2023, and increased General office and administrative expenses.
- Share-based compensation expenses in the three months ended September 30, 2023 increased by \$336,153 when compared to the same period in the previous year due to increased accruals related to Options issued in November of 2022, and May and August of 2023, as well as RSUs issued in November of 2022 and May of 2023.
- Interest expense in the three months ended September 30, 2023 increased by \$113,963 when compared to the same period in the previous year due to interest on the deferred acquisition cost of Lonmin Canada Inc.

The above factors were partially offset by:

- Flow-through premium (other income) increased by \$857,842 in the three months ended September 30, 2023 when compared to the same period in the previous year, due to increased flow-through eligible exploration activity in the period.
- Interest income increased by \$241,419 in the three months ended September 30, 2023 when compared to the same period in the previous year due to both increased interest rates and a higher cash balance in the period.

Nine-months ended September 30, 2023 and 2022

During the nine months ended September 30, 2023, the Company reported a net and comprehensive loss of \$7,244,951 (nine months ended September 30, 2022 – \$3,572,865), an increased loss of \$3,672,086 compared to the same period in 2022. The primary contributors were the following:

- Exploration and evaluation expenses in the nine months ended September 30, 2023 increased by \$4,321,403 when compared to the same period in the previous year mainly due to exploration and evaluation expenditures related to the Crean Hill Project.

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- General and administrative expenses in the nine months ended September 30, 2023 increased by \$829,928 when compared to the same period in the previous year mainly due to additional hiring that occurred through 2022 and the nine months ended September 30, 2023, and increased General office and administrative expenses.
- Share-based compensation expenses in the nine months ended September 30, 2023 increased by \$672,133 when compared to the same period in the previous year due to increased accruals related to Options issued in November of 2022, and May and August of 2023, as well as RSUs issued in November of 2022 and May of 2023.
- Interest expense in the nine months ended September 30, 2023 increased by \$315,266 when compared to the same period in the previous year due to interest on the deferred acquisition cost of Lonmin Canada Inc.

The above factors were partially offset by:

- Flow-through premium (other income) increased by \$1,757,446 in the nine months ended September 30, 2023 when compared to the same period in the previous year, due to increased exploration activity in the period.
- Interest income increased by \$657,139 in the nine months ended September 30, 2023 when compared to the same period in the previous year due to both increased interest rates and a higher cash balance in the period.

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Exploration and evaluation expenditures

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

Exploration expenditures at the Shakespeare Mine in the nine months ended September 30, 2023 were primarily related to Geology. Regional exploration and exploration expenditures at the Crean Hill Project in the nine months ended September 30, 2023 were primarily related to diamond drilling.

The Company performed the following work on its properties during the period:

	Three months ended Sep 30, 2023	Three months ended Sep 30, 2022	Nine Months ended Sep 30, 2023	Nine Months ended Sep 30, 2022
Shakespeare Mine				
Assays and surveying	\$ 37,833	\$ 55,079	\$ 64,024	\$ 52,514
Claim maintenance	994	982	4,036	2,312
Drilling	-	254,373	-	570,259
Engineering	-	-	-	27,576
Exploration support	14,255	318	14,255	818
Geology	100,931	87,908	404,332	332,609
Geophysics	-	10,330	-	10,330
Technical studies	5,781	53,703	89,011	220,847
	\$ 159,794	\$ 462,693	\$ 575,658	\$ 1,217,265
Crean Hill Project				
Assays and surveying	\$ 218,226	\$ -	\$ 625,051	\$ -
Drilling	780,464	-	2,632,384	-
Exploration support	42,272	-	151,718	-
Geology	130,242	-	195,076	-
Geophysics	98,226	-	181,741	-
Technical studies	308,209	-	815,470	-
	\$ 1,577,639	\$ -	\$ 4,601,440	\$ -
Regional exploration				
Advanced Royalty	\$ -	\$ -	\$ 24,000	\$ 24,000
Assays and surveying	-	19,701	-	45,116
Claim maintenance	1,339	1,309	8,640	5,197
Drilling	848,308	-	979,402	405,171
Exploration support	5,998	11,445	37,562	26,170
Geology	86,900	26,696	91,905	66,995
Geophysics	155,080	29,531	159,280	116,124
Technical studies	-	337	25,566	337
	\$ 1,097,625	\$ 89,019	\$ 1,326,355	\$ 689,110
Spanish River				
Assays and surveying	\$ -	\$ -	\$ -	\$ 28,475
Claim maintenance	-	-	780	200
Drilling	-	-	-	247,630
Geology	-	-	-	150
	\$ -	\$ -	\$ 780	\$ 276,455
Exploration & evaluation expenses	\$ 2,835,058	\$ 551,712	\$ 6,504,233	\$ 2,182,830

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FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Nine months ended September 30, 2023

As at September 30, 2023, the Company reported a net working capital of \$8,853,301 (December 31, 2022 – \$2,556,986). The increase in working capital was mainly the result of the cash inflow from the private placement that occurred in the period.

Cash used in operating activities during the nine months ended September 30, 2023 was \$8,782,303 (nine months ended September 30, 2022 - \$2,998,776). The main cause of this increase was increased exploration activities.

Cash used in investing activities during the nine months ended September 30, 2023 was \$71,011 (nine months ended September 30, 2022 – \$272,923). The decrease is due to the exploration advance utilized in the nine months ended September 30, 2022, which did not occur in the nine months ended September 30, 2023.

Cash provided by financing activities for the nine months ended September 30, 2023, was \$18,263,465 (cash used in financing activities for the nine months ended September 30, 2022 - \$100,463). The primary source of cash from financing activities in the nine months ended September 30, 2023 was the issuance of common shares, while the primary use of cash related to financing activities in the nine months ended September 30, 2022 was deferred financing costs relating to the subscription receipt financing closed in November 2022 (See above section entitled “Acquisition of the Crean Hill Project (Lonmin Canada Inc.) and Subscription Receipt Financing”).

Financing activities

Financing activities during and subsequent to the nine months ended September 30, 2023 were as follows

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 Corporation 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 \$284,096 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 603,305 agents’ warrants with a fair value of \$306,629. Each agents’ warrant entitles the holder thereof to one common share of the Corporation 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 nine months ended September 30, 2023, 2,075,625 shares were issued upon options exercised for proceeds of \$840,604. A total of \$372,629 was reallocated from reserves to share capital in connection with options exercised.

During the nine months ended September 30, 2023, 2,890,532 shares were issued upon warrants exercised for proceeds of \$1,240,874. A total of \$75,170 was reallocated from reserves to share capital in connection with warrants exercised.

Subsequent to the nine months ended September 30, 2023, 496,562 shares were issued upon options exercised for proceeds of \$150,887.

Financing activities for the year ended December 31, 2022 were as follows

See above section entitled “Acquisition of the Crean Hill Project (Lonmin Canada Inc.) and Subscription Receipt Financing”.

Going concern

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”.

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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. 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 caliber 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 equity capital as required in the long term but recognizes there will be risks involved that may be beyond their 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 \$9,446,058 as at September 30, 2023 (December 31, 2022 - \$Nil), of which 100% is required to be spent before December 31, 2024.

Off-Balance Sheet Arrangements

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

PROPOSED TRANSACTIONS

On January 31, 2022, the Company announced that it had entered into a non-binding memorandum of understanding ("MOU") with Mitsui & Co., Ltd. ("Mitsui"), whereby Magna and Mitsui will discuss the possibility of Mitsui's acquirement of a 10 to 12.5% interest in Magna's Shakespeare Mine in exchange for cash consideration ranging between \$8 million to \$10 million on such terms as to be further negotiated between the parties (the "Transaction"). In connection with the Transaction, it is expected that the parties will enter into a joint venture agreement to jointly pursue the development of the Shakespeare Mine, with Magna being the operator of the Project (the "Joint Venture" or "JV").

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 year, 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.

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Compensation to related parties during the nine months ended September 30, 2023 and 2022 is summarized as follows:

	Nine months ended Sep. 30, 2023	Nine months ended Sep. 30, 2022
Salaries, consulting and management fees ⁽¹⁾	\$ 1,026,971	\$ 412,500
Share based compensation ⁽²⁾	430,236	32,282
Total remuneration	\$ 1,457,207	\$ 444,782

- (1) Salaries, consulting and management fees represent CEO, CFO, Vice President, and Director compensation.
- a. Derrick Weyrauch, was a related party to the Company and is related to Weyrauch and Associates Inc. In the nine months ended September 30, 2023, \$42,500 (nine months ended September 30, 2022 - \$67,500) was paid or accrued to Weyrauch and Associates Inc. while Derrick Weyrauch was a related party to the Company, and there was \$Nil outstanding at September 30, 2023 (September 30, 2022 - \$Nil).
 - b. Jason Jessup, CEO, is a related party to the Company and is related to Mine Management Partners Ltd. In the nine months ended September 30, 2023, \$Nil (Nine months ended September 30, 2022 - \$27,920) was paid or accrued to Mine Management Partners Ltd. While Jason Jessup was a related party to the Company, and there was \$Nil outstanding at September 30, 2023 (September 30, 2022 - \$Nil).
 - c. David King, Senior Vice President, Technical Services, is a related party to the Company and is related to King Geoscience. In the nine months ended September 30, 2023, \$166,000 (Nine months ended September 30, 2022 - \$Nil) was paid or accrued to King Geoscience while David King was a related party to the Company, and there was \$18,080 outstanding at September 30, 2023 (September 30, 2022 - \$Nil).
 - d. Derek Teevan, Vice President, ESG, is a related party to the Company and is related to AS Williams. In the nine months ended September 30, 2023, \$104,689 (Nine months ended September 30, 2022 - \$3,500) was paid or accrued to AS Williams while Derek Teevan was a related party to the Company, and there was \$Nil outstanding at September 30, 2023 (September 30, 2022 - \$Nil).
- (2) Share based compensation represents stock option and RSU issuance to executives, officers and directors.

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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	163,379,860		
Share purchase warrants	35,166,259	0.41	2025-11-04
Share purchase warrants	603,306	1.10	2025-01-25
Stock options	925,000	0.50	2026-05-28
Stock options	575,000	0.40	2026-12-23
Stock options	3,665,000	0.47	2027-11-10
Stock options	175,000	0.87	2028-04-30
Stock options	915,800	0.58	2028-08-09
Stock options	2,281,000	0.44	2028-11-02
Restricted share units	93,000	n/a	2024-05-28
Restricted share units	225,000	n/a	2024-07-27
Restricted share units	510,000	n/a	2025-11-10
Restricted share units	25,000	n/a	2026-05-01
Restricted share units	961,000	n/a	2026-11-02
Fully Diluted Common Shares	209,500,225		

Subsequent to the nine months ended September 30, 2023,

a) 40,625 common shares were issued in relation to the Spanish River Option, and

b) 129,063 stock options with a weighted average exercise price of \$0.30 expired unexercised.

FINANCIAL INSTRUMENTS

Carrying value and fair value

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

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, and accounts receivable are recorded in the consolidated financial statements at amortized cost.

Accounts payable and accrued liabilities, deferred acquisition cost and other liabilities are classified as other financial liabilities and are recorded in the consolidated financial statements at amortized cost. Deferred acquisition cost is classified as an other financial liability and is recorded in the consolidated financial statements as FVTPL.

Fair value

The carrying values of cash, restricted cash, accounts payable and accrued liabilities, term loan, and deferred acquisition cost do not materially differ from their fair values.

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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.

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 consolidated 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 September 30, 2023 and December 31, 2022.

	September 30, 2023	December 31, 2022
Cash (US \$)	\$ 2,986	\$ 95,218
Accrued liabilities (US \$)	(346,628)	(346,628)
	(343,642)	(251,410)
Foreign exchange rate	1.35	1.35
Equivalent in Canadian dollars (\$)	\$ (463,917)	\$ (339,404)

Based on the balances held as at September 30, 2023, a 10% decrease in the Canadian dollar per U.S. dollar exchange rates would have resulted in an increase in the net loss for the period then ended of approximately \$46,400 (December 31, 2022: \$33,900).

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.

The Company did not have any interest-bearing liabilities outstanding as at September 30, 2023 and December 31, 2022.

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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 a limited exposure to other price risk.

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.

ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

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, 2023 and have been evaluated to have no impact on the Company for the nine months ended September 30, 2023 and 2022.

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 and have been evaluated to have no impact on the Company for the nine months ended September 30, 2023 and 2022.

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

CRITICAL ACCOUNTING ESTIMATES

In the preparation of the 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 financial statements, include the following:

- the assessment of the going concern assumption;
- the recognition of deferred tax assets

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ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's Statement of Operations and Comprehensive Loss contained in its unaudited financial statements for September 30, 2023, that are available on SEDAR+ and www.sedarplus.ca.

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 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

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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.

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.

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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 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

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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 Project 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.

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.

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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.

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.

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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 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.

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CAUTIONARY NOTE TO UNITED STATES SHAREHOLDERS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian NI 43-101 Standards of Disclosure for Mineral Projects and the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the "**Commission**") and contained in Industry Guide 7 ("**Industry Guide 7**"). Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "mineral reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this MD&A may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the Commission thereunder.

ADDITIONAL INFORMATION

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