

# **MAGNA MINING INC.**

(Expressed in Canadian Dollars)

## **Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2024 and 2023

### **Index**

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Statements of Financial Position

Statements of Operations and Comprehensive Loss

Statements of Changes in Shareholders' Equity

Statements of Cash Flows

Notes to the Condensed Interim Consolidated Financial Statements

## **NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The attached condensed interim financial statements for the three and nine months ended September 30, 2024 and 2023 have not been reviewed by the Company's auditors.

**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**As at September 30, 2024 and December 31, 2023**  
**(Expressed in Canadian dollars)**

	Notes	September 30, 2024	December 31, 2023 (Note 3)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 3,941,006	\$ 10,890,288
Trade and other receivables	6	2,406,551	890,107
Prepaid expenses		283,732	111,310
Investments	7	42,341	41,021
<b>Total current assets</b>		<b>6,673,630</b>	<b>11,932,726</b>
<b>Non-current</b>			
Restricted cash	8	893,812	699,724
Equipment	10	77,748	94,678
Exploration and evaluation assets	11	17,513,957	17,513,957
Right-of-use asset	10	43,042	40,130
<b>Total non-current assets</b>		<b>18,528,559</b>	<b>18,348,489</b>
<b>Total assets</b>		<b>\$ 25,202,189</b>	<b>\$ 30,281,215</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	13,23	\$ 4,834,273	\$ 1,613,826
Right-of-use lease liability		40,036	28,452
Flow-through premium payable	25	928,266	2,944,597
<b>Total current liabilities</b>		<b>5,802,575</b>	<b>4,586,875</b>
<b>Non-current</b>			
Asset retirement obligation	14	852,517	831,988
Right-of-use lease liability		16,014	13,602
<b>Total non-current liabilities</b>		<b>868,531</b>	<b>845,590</b>
<b>Total liabilities</b>		<b>6,671,106</b>	<b>5,432,465</b>
<b>Shareholders' equity</b>			
Share capital	16	49,950,655	45,784,084
Share-based payment reserve	18,20	3,968,269	2,820,100
Warrants reserve	19	1,511,068	1,592,926
Deficit		(36,898,909)	(25,348,360)
<b>Total shareholders' equity</b>		<b>18,531,083</b>	<b>24,848,750</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 25,202,189</b>	<b>\$ 30,281,215</b>

Going concern (note 1)

Commitments and contingencies (note 25)

Subsequent events (note 27)

*"Jason Jessup"* Director

*"John Seaman"* Director

See accompanying notes to the condensed interim consolidated financial statements

**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Operations and Comprehensive Loss**  
**For the three and nine months ended September 30, 2024 and 2023**  
**(Expressed in Canadian dollars)**

	Notes	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Operating expenses</b>					
Exploration and evaluation	12,21	\$ 2,469,211	\$ 2,835,058	\$ 7,903,687	\$ 6,402,452
General and administrative	21	1,076,026	640,142	2,909,834	1,505,927
Share-based compensation	18,20	816,236	358,967	1,262,175	767,811
Professional fees		631,809	125,177	1,197,659	395,467
Property maintenance	21	2,357	141,830	143,373	324,201
Marketing and promotion		66,968	2,460	179,820	134,615
Depreciation	10	25,276	15,800	71,317	42,653
Accretion of asset retirement obligation	14	6,843	4,530	20,529	13,505
<b>Total operating expenses</b>		<b>5,094,726</b>	<b>4,123,964</b>	<b>13,688,394</b>	<b>9,586,631</b>
<b>Other items</b>					
Flow-through premium income	16,26	556,526	942,051	2,016,331	2,003,839
Interest income		66,821	240,930	304,512	657,139
Foreign exchange gain (loss)		6,567	(9,960)	(12,076)	(5,282)
Interest expense	9,26	(33,341)	(109,746)	(170,922)	(314,016)
<b>Total other income</b>		<b>596,573</b>	<b>1,063,275</b>	<b>2,137,845</b>	<b>2,341,680</b>
<b>Net loss and comprehensive loss</b>		<b>\$ 4,498,153</b>	<b>\$ 3,060,689</b>	<b>\$ 11,550,549</b>	<b>\$ 7,244,951</b>
<b>Basic and diluted loss per common share</b>	17	<b>\$ 0.03</b>	<b>\$ 0.02</b>	<b>\$ 0.07</b>	<b>\$ 0.05</b>
<b>Weighted average number of outstanding shares</b>					
Basic and diluted		<b>169,378,856</b>	<b>161,705,989</b>	<b>165,445,260</b>	<b>160,221,853</b>

See accompanying notes to the condensed interim consolidated financial statements

**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2024 and 2023**  
**(Expressed in Canadian dollars)**

	Notes	Number of shares	Share capital	Share-based payment reserve	Warrants reserve	Deficit	Total shareholders' equity
Balance at December 31, 2022		146,912,330	\$ 32,466,633	\$ 1,818,268	\$ 1,340,663	\$ (15,626,481)	\$ 19,999,083
Net loss and comprehensive loss for the period		-	-	-	-	(7,244,951)	(7,244,951)
Private placement	16	10,964,186	17,949,998	-	-	-	17,949,998
Share issue costs	16	-	(1,301,096)	-	-	-	(1,301,096)
Agents' warrants	16,19	-	(306,629)	-	306,629	-	-
Flow-through premium	16	-	(5,442,900)	-	-	-	(5,442,900)
Options exercised	16,18	2,075,625	840,604	(372,629)	-	-	467,975
Warrants exercised	16,19	2,890,532	1,240,874	-	(75,170)	-	1,165,704
Share-based compensation	18,20	-	-	767,811	-	-	767,811
Balance at September 30, 2023		162,842,673	\$ 45,447,484	\$ 2,213,450	\$ 1,572,122	\$ (22,871,432)	\$ 26,361,624
Balance at December 31, 2023		163,379,860	\$ 45,784,084	\$ 2,820,100	\$ 1,592,926	\$ (25,348,360)	\$ 24,848,750
Net loss and comprehensive loss for the period		-	-	-	-	(11,550,549)	(11,550,549)
Warrants exercised	16,19	9,202,178	3,913,565	-	(81,858)	-	3,831,707
Options exercised	16,18	300,000	253,006	(114,006)	-	-	139,000
Share-based compensation	18,20	-	-	1,262,175	-	-	1,262,175
<b>Balance at September 30, 2024</b>		<b>172,882,038</b>	<b>49,950,655</b>	<b>\$ 3,968,269</b>	<b>\$ 1,511,068</b>	<b>\$ (36,898,909)</b>	<b>\$ 18,531,083</b>

See accompanying notes to the condensed interim consolidated financial statements

**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**  
**For the nine months ended September 30, 2024 and 2023**

	September 30, 2024	Nine months ended September 30, 2023
<b>Operating activities</b>		
Net loss for the period	\$ (11,550,549)	\$ (7,244,951)
Items not requiring an outlay of cash:		
Share-based compensation	1,262,175	767,811
Accrued part XII.6 tax	166,665	-
Depreciation	71,317	42,653
Accretion of asset retirement obligation	20,529	13,505
Interest on right-of-use lease	4,257	1,970
Interest on deferred acquisition costs	-	312,025
Interest on long term debt	-	21
Interest on investments	(1,320)	(325)
Interest on restricted cash	(25,840)	(24,262)
Flow-through premium income	(2,016,331)	(2,003,839)
<b>Net change in non-cash working capital balances</b>		
Trade and other receivables	(1,516,444)	(336,513)
Prepaid expenses	(172,422)	(42,153)
Accounts payable and accrued liabilities	3,053,782	(268,245)
<b>Net cash used in operating activities</b>	<b>(10,704,181)</b>	<b>(8,782,303)</b>
<b>Financing activities</b>		
Proceeds from exercise of warrants	3,831,707	1,165,704
Proceeds from exercise of options	139,000	467,975
Payment of long term debt	-	(117)
Issuance of common shares, net of costs	-	16,648,902
Payment of lease	(33,483)	(18,999)
<b>Cash provided by financing activities</b>	<b>3,937,224</b>	<b>18,263,465</b>
<b>Investing activities</b>		
Purchase of equipment	(14,077)	(71,011)
Increase in restricted cash	(168,248)	-
<b>Cash used in investing activities</b>	<b>(182,325)</b>	<b>(71,011)</b>
Increase (decrease) in cash during the period	(6,949,282)	9,410,151
Cash at the beginning of the period	10,890,288	6,175,126
<b>Cash at the end of the period</b>	<b>\$ 3,941,006</b>	<b>\$ 15,585,277</b>
<b>Supplemental disclosures with respect to cash flows</b>		
Cash paid during the period for income taxes	\$ -	\$ -
Cash paid during the period for interest	\$ -	\$ -
Share issue costs included in accounts payable and accrued liabilities	\$ -	\$ 306,629
Recognition of right-of-use asset	\$ 43,222	\$ -
<b>Non-cash items</b>		
Non-cash share issuance costs	\$ -	\$ 306,629

See accompanying notes to the condensed interim consolidated financial statements

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**1. Reporting entity**

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

On May 4, 2021, Magna Mining (Canada) Corp. (“MMCC”) and CT Developers Ltd (“CT”) (now Magna Mining Inc.) completed a Qualifying Transaction, whereby CT acquired 100% of the issued and outstanding shares of MMCC by means of a share-for-share exchange, under which the former shareholders of MMCC acquired control of CT. Trading on the TSXV commenced May 11, 2021, under the symbol NICU and the name Magna Mining Inc.

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

**Going concern**

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

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS Accounting Standards”) applicable to a going concern, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. For the nine months ended September 30, 2024, the Company reported a net loss of \$11,550,549 (nine months ended September 30, 2023 – \$7,244,951), and as at that date had net working capital of \$871,055 (December 31, 2023 – \$7,345,851), and an accumulated deficit of \$36,898,909 (December 31, 2023 – \$25,348,360).

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

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

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**2. Basis of presentation**

**(a) Statement of compliance**

These condensed interim consolidated financial statements were prepared in accordance with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. In addition, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and the same accounting policies and methods of their application as the most recent annual financial statements of the Company.

These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2023. In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected of the year ended December 31, 2024.

The Board of Directors authorized these condensed interim consolidated financial statements for issuance on November 21, 2024.

**(b) Basis of consolidation**

These financial statements include the accounts of the Company and its wholly owned subsidiaries: MMCC, Ursa Major Minerals Incorporated, and Lonmin Canada Inc.

All intercompany transactions and balances have been eliminated upon consolidation.

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

A subsidiary is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases. Details of the Company’s subsidiaries are as follows:

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Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Magna Mining (Canada) Corp.	Canada	100%	Mineral exploration
Ursa Major Minerals Incorporated	Canada	100%	Mineral exploration
Lonmin Canada Inc.	Canada	100%	Mineral exploration

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**(c) Basis of presentation**

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s December 31, 2023 annual financial statements, other than as noted below. The notes presented in these condensed interim consolidated financial statements include, in general, only significant changes and transactions occurring since the Company’s last year end and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These financial statements should be read in conjunction with the Company’s last annual financial statements as at December 31, 2023 and for the year then ended.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**2. Basis of presentation (continued)**

**(d) Functional and presentation currency**

Management is required to assess the functional currency of the parent company, Magna Mining Inc., and the Company's subsidiaries, MMCC, Ursa Major Minerals Inc., and Lonmin Canada Inc. In concluding the functional currencies of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

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

**(e) Significant estimates and critical judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires the use of judgments and estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's knowledge of the relevant facts and circumstances having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about such judgments and estimations is contained in the accounting policies and notes to the consolidated financial statements, and the key areas are summarized below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. The most significant estimates as at September 30, 2024 relate to the asset retirement obligation (note 14), share-based payment reserve (note 18), warrants (note 19), and restricted share units ("RSUs") (note 20).

**Critical accounting judgments**

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

- The assessment of the going concern assumption;
- The recognition of deferred tax assets;
- The valuation of stock options issued;
- The valuation of RSUs units issued; and
- The valuation of warrants issued.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**3. Change in accounting policy**

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

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

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

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

The following is a reconciliation of the Company's consolidated statements of financial position as at December 31, 2023 and January 1, 2023.

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**3. Change in accounting policy (continued)**

The following is a reconciliation of the Company's consolidated statement of financial position as at December 31, 2023.

**Consolidated statement of financial position**

	<b>As at December 31, 2023</b>		
	<b>As previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$ 10,890,288	\$ -	\$ 10,890,288
Accounts receivable	890,107	-	890,107
Prepaid expenses	111,310	-	111,310
Investments	41,021	-	41,021
<b>Total current assets</b>	<b>11,932,726</b>	<b>-</b>	<b>11,932,726</b>
<b>Non-current</b>			
Restricted cash	699,724	-	699,724
Equipment	94,678	-	94,678
Exploration and evaluation assets	-	17,513,957	17,513,957
Right-of-use assets	40,130	-	40,130
<b>Total non-current assets</b>	<b>834,532</b>	<b>17,513,957</b>	<b>18,348,489</b>
<b>Total assets</b>	<b>\$ 12,767,258</b>	<b>\$ 17,513,957</b>	<b>\$ 30,281,215</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 1,613,826	\$ -	\$ 1,613,826
Right-of-use liabilities	28,452	-	28,452
Flow-through premium payable	2,944,597	-	2,944,597
<b>Total current liabilities</b>	<b>4,586,875</b>	<b>-</b>	<b>4,586,875</b>
<b>Non-current</b>			
Asset retirement obligation	831,988	-	831,988
Right-of-use liability	13,602	-	13,602
<b>Total non-current liabilities</b>	<b>845,590</b>	<b>-</b>	<b>845,590</b>
<b>Total liabilities</b>	<b>5,432,465</b>	<b>-</b>	<b>5,432,465</b>
<b>Shareholders' equity</b>			
Share capital	45,784,084	-	45,784,084
Share-based payment reserve	2,820,100	-	2,820,100
Warrants reserve	1,592,926	-	1,592,926
Deficit	(42,862,317)	17,513,957	(25,348,360)
<b>Total shareholders' equity</b>	<b>7,334,793</b>	<b>17,513,957</b>	<b>24,848,750</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 12,767,258</b>	<b>\$ 17,513,957</b>	<b>\$ 30,281,215</b>

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**3. Change in accounting policy (continued)**

The following is a reconciliation of the Company's consolidated statement of financial position as at January 1, 2023.

**Consolidated statement of financial position**

	As at January 1, 2023		
	As previously reported	Adjustment	Restated
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$ 6,175,126	\$ -	\$ 6,175,126
Accounts receivable	622,077	-	622,077
Prepaid expenses	107,947	-	107,947
<b>Total current assets</b>	<b>6,905,150</b>	<b>-</b>	<b>6,905,150</b>
<b>Non-current</b>			
Restricted cash	666,422	-	666,422
Equipment	96,251	-	96,251
Exploration and evaluation assets	-	17,376,790	17,376,790
Right-of-use assets	28,093	-	28,093
<b>Total non-current assets</b>	<b>790,766</b>	<b>17,376,790</b>	<b>18,167,556</b>
<b>Total assets</b>	<b>\$ 7,695,916</b>	<b>\$ 17,376,790</b>	<b>\$ 25,072,706</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Deferred acquisition costs	\$ 2,645,375	\$ -	\$ 2,645,375
Accounts payable and accrued liabilities	1,651,594	-	1,651,594
Term loan	30,000	-	30,000
Right-of-use liabilities	21,195	-	21,195
Flow-through premium payable	-	-	-
<b>Total current liabilities</b>	<b>4,348,164</b>	<b>-</b>	<b>4,348,164</b>
<b>Non-current</b>			
Asset retirement obligation	715,789	-	715,789
Right-of-use liability	9,670	-	9,670
<b>Total non-current liabilities</b>	<b>725,459</b>	<b>-</b>	<b>725,459</b>
<b>Total liabilities</b>	<b>5,073,623</b>	<b>-</b>	<b>5,073,623</b>
<b>Shareholders' equity</b>			
Share capital	32,466,633	-	32,466,633
Share-based payment reserve	1,818,268	-	1,818,268
Warrants reserve	1,340,663	-	1,340,663
Deficit	(33,003,271)	17,376,790	(15,626,481)
<b>Total shareholders' equity</b>	<b>2,622,293</b>	<b>17,376,790</b>	<b>19,999,083</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 7,695,916</b>	<b>\$ 17,376,790</b>	<b>\$ 25,072,706</b>

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**4. Material accounting policies**

Other than discussed above in Note 3, the accounting policies in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2023.

**5. Recent accounting pronouncements**

*New standards and interpretations*

The following new amendments to IAS 1 Presentation of Financial Statements have been adopted since the release of the Company's financial statements for the year ended December 31, 2023.

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

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

*Standards and amendments issued but not yet effective*

Following are the new standards and amendments issued by the IASB which are applicable to the Company's financial statements. The Company will assess the impact of the adoption of these standards and amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. It will affect all companies using IFRS Accounting Standards. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

- Improved comparability in the statement of profit or loss or income statement;
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1. It carries forward many requirements from IAS 1 unchanged.

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**5. Recent accounting pronouncement (continued)**

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These include:

- Clarifying the classification and assessment of contractual cash flows of financial assets with environmental, social and corporate governance (“ESG”).
- Settlement of liabilities through electronic payment systems - the amendments clarify the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

Annual Improvements to IFRS Accounting Standards

In July 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The amended Standards are:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash Flows.

The amendments are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted. Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences or oversights in the Accounting Standards. They also correct minor conflicts between the requirements of the Accounting Standards.

**6. Trade and other receivables**

The Company’s trade and other receivables are from the sale of copper, nickel, cobalt, platinum, palladium, and gold, and goods and services tax (“GST”) due from Canadian taxation authorities.

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade receivables	\$ 1,278,221	\$ -
GST receivables	1,128,330	890,107
	<b>\$ 2,406,551</b>	<b>\$ 890,107</b>

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**7. Investments**

Investments consist of guaranteed investment certificates issued by major Canadian financial institutions. The breakdown of investments is as follows:

	September 30, 2024	December 31, 2023
<b>Investments at amortized cost</b>		
Guaranteed investment certificates	\$ 42,341	\$ 41,021
	\$ 42,341	\$ 41,021

**8. Restricted cash**

Restricted cash includes cash provided as financial assurance for future reclamation work. In May 2018, the Company filed a Notice of Material Change and Updated Closure Cost Estimate with the Ontario Ministry of Northern Development and Mines (“MNDM”) and provided a cash surety deposit as a financial assurance guarantee in connection with the Stage One Mining Closure Plan on the Shakespeare Mine. As at September 30, 2024, the deposit had a balance of \$724,039.

During the nine months ended September 30, 2024, the Company posted an additional \$169,773 in cash as collateral for a letter of credit provided as financial assurance for work commencing at the Crean Hill Project.

At September 30, 2024, the aggregate deposits plus accrued interest amounted to \$893,812 (December 31, 2023: \$699,724).

**9. Deferred payment on the acquisition of Lonmin Canada Inc.**

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

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

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

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**10. Equipment and right of use assets**

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

	Computer equipment	Fencing	Equipment	Motor vehicles	Office furniture	Total
<b>a) Cost</b>						
At December 31, 2022	\$ 11,090	\$ 44,689	\$ 10,790	\$ 58,991	\$ 350	\$ 125,910
Additions	20,386	-	9,895	-	4,023	34,304
At December 31, 2023	\$ 31,476	\$ 44,689	\$ 20,685	\$ 58,991	\$ 4,373	\$ 160,214
Additions	13,407	-	-	-	670	14,077
<b>At September 30, 2024</b>	<b>\$ 44,883</b>	<b>\$ 44,689</b>	<b>\$ 20,685</b>	<b>\$ 58,991</b>	<b>\$ 5,043</b>	<b>\$ 174,291</b>
<b>b) Accumulated depreciation</b>						
At December 31, 2022	\$ 3,335	\$ 9,720	\$ 7,539	\$ 8,953	\$ 112	\$ 29,659
Depreciation	8,852	2,234	4,802	18,965	1,024	35,877
At December 31, 2023	\$ 12,187	\$ 11,954	\$ 12,341	\$ 27,918	\$ 1,136	\$ 65,536
Depreciation	10,068	1,670	3,807	14,205	1,257	31,007
<b>At September 30, 2024</b>	<b>\$ 22,255</b>	<b>\$ 13,624</b>	<b>\$ 16,148</b>	<b>\$ 42,123</b>	<b>\$ 2,393</b>	<b>\$ 96,543</b>
<b>c) Carrying value</b>						
At December 31, 2023	\$ 19,289	\$ 32,735	\$ 8,344	\$ 31,073	\$ 3,237	\$ 94,678
<b>At September 30, 2024</b>	<b>\$ 22,628</b>	<b>\$ 31,065</b>	<b>\$ 4,537</b>	<b>\$ 16,868</b>	<b>\$ 2,650</b>	<b>\$ 77,748</b>

The carrying value of right-of-use assets and the changes in the carrying value are as follows:

	Right-of-use assets
<b>a) Cost</b>	
At December 31, 2022	\$ 59,491
Additions	38,241
At December 31, 2023	\$ 97,732
Additions	43,223
<b>At September 30, 2024</b>	<b>\$ 140,955</b>
<b>b) Accumulated depreciation</b>	
At December 31, 2022	\$ 31,398
Depreciation	26,204
At December 31, 2023	\$ 57,602
Depreciation	40,310
<b>At September 30, 2024</b>	<b>\$ 97,912</b>
<b>c) Carrying value</b>	
At December 31, 2023	\$ 40,130
<b>At September 30, 2024</b>	<b>\$ 43,042</b>

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**11. Exploration and evaluation assets**

Exploration and evaluation assets for the nine months ended September 30, 2024 and the year ended December 31, 2023, are as follows:

	Crean Hill Project	Shakespeare Mine	Spanish River Option	Total
Balance, December 31, 2022	\$ 16,514,635	\$ 774,046	\$ 88,109	\$ 17,376,790
Acquisition costs	-	-	47,469	47,469
Change in asset retirement obligation estimate	-	89,698	-	89,698
Balance, December 31, 2023 and September 30, 2024	\$ 16,514,635	\$ 863,744	\$ 135,578	\$ 17,513,957

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

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

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

**a) Shakespeare Mine**

The Company has an 84% interest in the Shakespeare Mine, consisting of six claims and three leases. The Shakespeare Mine contains a nickel, copper, and platinum group metal resource.

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

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

**b) Crean Hill Project**

The Crean Hill Project is located in Denison Township within the City of Greater Sudbury, Ontario, Canada. The property is in an area of patented surface and mining rights. The patents do not have an expiry date but are subject to an annual rent of \$4 per hectare plus municipal taxes.

**c) Stumpy Bay Property**

The Company owns an 84% interest in claims known as the Stumpy Bay Property in Shakespeare and Baldwin Townships, Ontario. Nickel Creek Platinum Corp. has a 0.5% net smelter return royalty of which the Company can repurchase 100% for \$250,000.

Prior vendors have retained a 2% net smelter return royalty. The former operator paid aggregate advance royalty payments of \$200,000; no further advance royalty obligation exists. The Company has the right to purchase one-half of the royalty for \$750,000.

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

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**11. Exploration and evaluation assets (continued)**

**d) Porter Baldwin Property**

The Company has a 100% interest in mining claims in the Agnew Lake area that are contiguous with the Shakespeare Mine noted above.

The Company has granted a 0.5% net returns royalty related to certain mining claims, 100% of which can be repurchased for \$250,000.

**e) Porter Option**

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

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

**f) Shining Tree Property**

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

**h) Spanish River Option**

On November 2, 2020, Magna entered an option agreement to acquire 100% of certain claim units in Baldwin Township, Ontario (The "Spanish River Option"). The terms of the agreement were as follows:

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

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

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**12. Exploration and evaluation expenditures**

The Company incurred the following expenditures on its properties during the three and nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
<b>Shakespeare Mine</b>				
Assays	\$ -	\$ 37,833	\$ 3,974	\$ 64,024
Drilling	-	848,308	3,934	979,402
Claim maintenance	22,031	(2,965)	49,631	4,036
Exploration support	14,342	(8,201)	88,406	14,255
Geology	113,447	100,931	404,565	404,332
Geology software	9,993	-	37,993	-
Geophysics	9,653	-	10,253	-
Technical studies	-	(19,785)	-	89,011
Environmental studies	11,588	-	18,003	-
Government grants	-	-	-	(101,781)
	\$ 181,053	\$ 956,121	\$ 616,758	\$ 1,453,279
<b>Crean Hill Project</b>				
Assays	\$ 99,547	\$ 218,226	\$ 287,827	\$ 625,051
Drilling	1,591,568	780,464	4,000,998	2,632,384
Engineering	(16,219)	-	127,636	-
Exploration support	1,432,455	42,272	1,533,603	151,718
Geology	144,429	130,242	382,584	195,076
Geology software	20,363	-	61,638	-
Geophysics	25,888	98,226	300,644	181,741
Technical studies	427	308,209	228,574	815,470
Claim maintenance	-	-	13,817	-
Environmental studies	27,404	-	147,046	-
Bulk sample revenue <sup>(1)</sup>	(1,278,221)	-	(1,278,221)	-
	\$ 2,047,639	\$ 1,577,639	\$ 5,806,146	\$ 4,601,440
<b>Regional exploration</b>				
Advanced royalty	\$ -	\$ -	\$ 24,000	\$ 24,000
Exploration support	6,106	28,538	26,889	37,562
Drilling	800	-	771,131	-
Claim maintenance	-	5,298	9,837	8,640
Geology	-	112,382	48,317	117,471
Assays	20,880	-	119,220	-
Geophysics	212,734	155,080	453,996	159,280
	\$ 240,519	\$ 301,298	\$ 1,453,390	\$ 346,953
<b>Spanish River</b>				
Claim maintenance	\$ -	\$ -	\$ 792	\$ 780
	\$ -	\$ -	\$ 792	\$ 780
<b>Shining Tree</b>				
Geophysics	\$ -	\$ -	\$ 26,600	\$ -
	\$ -	\$ -	\$ 26,600	\$ -
<b>Exploration and evaluation expenses</b>	<b>\$ 2,469,211</b>	<b>\$ 2,835,058</b>	<b>\$ 7,903,687</b>	<b>\$ 6,402,452</b>

Note (1): Provisional revenue recorded on the sale of metal recovery from the bulk sampling completed at the Crean Hill Project has been recorded as an offset against exploration and evaluation expenditures.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**13. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities consist of:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade accounts payable	\$ 1,926,819	\$ 826,843
Accrued liabilities and other payables	2,907,454	786,983
	<b>\$ 4,834,273</b>	<b>\$ 1,613,826</b>

**14. Asset retirement obligation**

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

The Company has estimated its total provision for closure and reclamation to be \$852,517 at September 30, 2024 (December 31, 2023 - \$831,988), using an inflation rate of 3.90% (2023 - 3.90%) and a discount rate of 3.29% (2023 - 3.29%) over a period of 20 years (2023 - 20 years).

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

Balance, December 31, 2022	\$ 715,789
Accretion	26,501
Change in estimate	89,698
Balance, December 31, 2023	831,988
Accretion	20,529
<b>Balance, September 30, 2024</b>	<b>\$ 852,517</b>

**15. Term loan**

On April 17, 2020, the Company received a \$40,000 loan under the Canada Emergency Business Account ("CEBA") program. The loan was guaranteed by the Canadian government, unsecured, and interest-free through December 31, 2023. Contingent upon the Company repaying \$30,000 of the loan on or before December 31, 2023, the balance of \$10,000 was eligible for forgiveness. During the year ended December 31, 2020, the Company recognized \$10,000 as other income for the forgivable portion of the loan. If \$30,000 wasn't repaid on or before December 31, 2023, \$40,000 (including the forgivable amount) would be converted to a three-year term loan maturing on December 31, 2025, and bearing interest at 5% per annum with monthly interest-only payments. The Company paid \$30,000 towards the loan in December 2023, and the remaining \$10,000 was forgiven. As at September 30, 2024, the principal balance owing on the loan was \$Nil (December 31, 2023 - \$Nil).

The funds from the CEBA program were only to be used to pay non-deferrable operating expenses such as payroll, rent, utilities, insurance, property tax, and regularly scheduled debt service and were not to be used to fund any costs such as prepayment or refinancing of existing indebtedness, payments of dividends and distributions, and/or increases in management compensation.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**16. Issued share capital**

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. As at September 30, 2024, the Company had 172,882,038 common shares outstanding (December 31, 2023 – 163,379,860).

*Transactions for the nine months ended September 30, 2024:*

Option and warrant exercises

During the nine months ended September 30, 2024, a total of 300,000 common shares were issued upon the exercise of options for proceeds of \$139,000. A total of \$114,006 was reallocated from reserves to share capital in connection with the exercise of the options. The weighted average share price at the date of exercise of options in the nine months ended September 30, 2024 was \$0.46.

During the nine months ended September 30, 2024, a total of 9,202,178 common shares were issued upon the exercise of warrants for proceeds of \$3,831,706. A total of \$81,858 was reallocated from reserves to share capital in connection with the exercise of the warrants.

*Transactions for the year ended December 31, 2023:*

Private Placement

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 share for gross proceeds of \$2,950,059. In addition, the Company also sold an additional 45,400 common shares at a price of \$1.10 per share for gross proceeds of \$49,940 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 paid in cash of \$1,017,000 and issued 603,306 agents' warrants with a fair value of \$306,629. Each agents' warrant entitles the holder to one common share of the Company at a price of \$1.10 per common share until the close of business on the date, which is 24 months from the issue date.

Flow-through liabilities totalling \$5,442,900 were recognized with respect to the Company's share financing in the year ended December 31, 2023. Flow-through liabilities related to the financing are equal to the premium investors paid for the flow-through feature.

Option and warrant exercises

During the year ended December 31, 2023, 2,572,187 common shares were issued upon the exercise of options for proceeds of \$618,862. A total of \$456,199 was reallocated from the share-based payment reserve to share capital in connection with the options exercised. The weighted average share price at the date of exercise of options in the year ended December 31, 2023 was \$1.02.

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

Other issuances

On October 26, 2023, the Company issued 40,625 common shares with a fair value of \$17,469 in connection with the Spanish River Option (note 11(h)).

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**17. Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the nine months ended September 30, 2024 was based on the loss attributable to common shareholders of \$11,550,549 (nine months ended September 30, 2023 - \$7,244,951) and the weighted average number of common shares outstanding of 165,445,260 (nine months ended September 30, 2023 – 160,221,853).

**18. Share-based payment reserve**

The Company has established a stock option plan that provides for the issuance of stock options (the "Options"), enabling the directors to grant Options to employees, officers, directors, and consultants of the Company. From time to time, common shares may be reserved by the Board, in its discretion, for Options provided that the total number of common shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding common shares of the Company on a non-diluted basis. Options are non-assignable and may be granted for a term not exceeding that permitted by the TSXV, currently ten years. Options issued are subject to vesting terms as determined by the Board of Directors.

Details of the Options issued and exercised during the period are as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding at beginning of period	8,786,800	\$ 0.48	8,191,250	\$ 0.38
Issued during the period	1,031,900	1.15	3,621,800	0.50
Exercised during the period	(300,000)	0.46	(2,572,187)	0.24
Expired during the period	-	-	(454,063)	0.13
Outstanding at end of period	9,518,700	\$ 0.55	8,786,800	\$ 0.48
Vested and exercisable	6,478,025	\$ 0.57	5,887,792	\$ 0.49

As at September 30, 2024, the Company had outstanding and exercisable Options as follows:

Grant date	Expiry date	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
May 28, 2021	May 28, 2026	875,000	1.66	\$ 0.50	875,000
December 23, 2021	December 23, 2026	525,000	2.23	\$ 0.40	525,000
November 10, 2022	November 10, 2027	3,465,000	3.11	\$ 0.47	2,369,997
May 1, 2023	May 1, 2028	175,000	3.59	\$ 0.87	116,666
August 9, 2023	August 9, 2028	915,800	3.86	\$ 0.58	915,800
November 2, 2023	November 2, 2028	2,281,000	4.09	\$ 0.44	760,329
November 23, 2023	November 23, 2028	250,000	4.15	\$ 0.47	83,333
September 19, 2024	September 19, 2029	1,031,900	4.97	\$ 1.15	831,900
		9,518,700	3.47	\$ 0.55	6,478,025

On September 19, 2024, the Company granted 1,031,900 Options to certain officers, directors, employees, and consultants, of which 731,900 Options vested immediately. The vesting schedule for the remaining 300,000 Options consists of one-third that vested immediately and one-third vesting annually thereafter. The Options have a term of five years and an exercise price of \$1.15 per common share.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**18. Share-based payment reserve (continued)**

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

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

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

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

The Options outstanding at September 30, 2024 had a weighted average exercise price of \$0.55 (December 31, 2023: \$0.48) and a weighted average remaining contractual life of 3.47 years (December 31, 2023: 4.02 years). The unvested Options vest from November 2024 to September 2026. The aggregate of the estimated fair values of the Options granted during the nine months ended September 30, 2024 was \$821,025 (nine months ended September 30, 2023: \$474,687).

The inputs to the Black-Scholes Option Pricing model for the nine months ended September 30, 2024 and the year ended December 31, 2023 are as follows:

	<b>2024</b>	<b>2023</b>
Dividend	NIL	NIL
Expected volatility	87.1%	89.6% - 90.3%
Risk-free interest rate	2.72%	3.10% - 3.94%
Expected life (months)	60	60
Exercise price	\$1.15	\$0.44 - \$0.87
Spot price	\$1.15	\$0.44 - \$0.84
Forfeiture rate	0%	0%

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

The Company recognized total share-based compensation expense related to Options of \$1,131,574 during the nine months ended September 30, 2024 (nine months ended September 30, 2023 - \$673,433).

**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

**19. Warrants**

The outstanding warrants as at September 30, 2024 and December 31, 2023, and the respective changes during the periods are summarized as follows:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding at beginning of period	35,769,565	\$ 0.42	38,056,791	\$ 0.40
Issued during the period	-	-	603,306	1.10
Exercised during the period	(9,202,178)	0.42	(2,890,532)	0.40
Outstanding at end of period	26,567,387	\$ 0.42	35,769,565	\$ 0.42

On January 25, 2023, the Company issued 603,306 agents' warrants in relation to a private placement (note 16). The warrants have a term of two years and an exercise price of \$1.10 per common share.

Details of the warrants outstanding and exercisable as at September 30, 2024 are as follows:

Grant date	Expiry date	Number of warrants outstanding	Weighted average remaining life in years	Exercise price
November 4, 2022	November 4, 2025	26,114,907	1.09	\$ 0.41
January 25, 2023	January 25, 2025	452,480	0.32	1.10
		26,567,387	1.08	\$ 0.42

The agents' warrants issued in 2023 were valued using the Black-Scholes Option Pricing model. The warrants issued on November 4, 2022, as part of a private placement, were assigned a value of \$Nil using the residual value method.

The Company did not issue warrants during the nine months ended September 30, 2024.

The inputs to the Black-Scholes Option Pricing model for the agents' warrants issued in 2023 were as follows:

	2023
Dividend	NIL
Expected volatility	82.3%
Risk-free interest rate	3.56%
Expected life (months)	24
Exercise price	\$ 1.10
Spot price	\$ 1.15
Forfeiture rate	0%

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**20. Restricted share units**

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

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

The Company did not issue any RSUs during the nine months ended September 30, 2024.

Details of the RSUs issued during the year ended December 31, 2023 are as follows:

- On November 2, 2023, the Company granted 961,000 RSUs with a fair value of \$418,035 to certain officers and employees. The RSUs will fully vest at the end of three years from the grant date.
- On May 1, 2023, the Company granted an officer 25,000 RSUs with a fair value of \$21,000. The RSUs will fully vest at the end of three years from the grant date.

As of September 30, 2024, the Company had the following RSUs outstanding:

<b>Grant date</b>	<b>RSUs granted</b>	<b>Price</b>	<b>Fair value</b>	<b>Vesting date</b>
May 28, 2021	93,000	\$ 0.50	\$ 46,500	May 28, 2024
July 27, 2021	225,000	\$ 0.36	81,000	July 27, 2024
November 10, 2022	510,000	\$ 0.47	239,700	November 10, 2025
May 1, 2023	25,000	\$ 0.84	21,000	May 1, 2026
November 2, 2023	961,000	\$ 0.44	418,035	November 2, 2026
	<b>1,814,000</b>		<b>\$ 806,235</b>	

The Company recognized total RSU compensation expense of \$130,601 for the nine months ended September 30, 2024 (nine months ended September 30, 2023 - \$94,378) within share-based compensation expense.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**21. Expenses by nature**

Certain expenses are presented on the face of the consolidated statements of operations and comprehensive loss using a classification based on the functions of exploration and evaluation, property maintenance, and general and administrative.

**Salaries and wages**

Total salaries, wages and related costs paid or accrued during the nine months ended September 30, 2024 amounted to \$2,796,925 (nine months ended September 30, 2023 - \$1,345,044).

During the nine months ended September 30, 2024 and 2023, salaries, wages, and related costs were allocated to the following expense categories:

	<b>September 30, 2024</b>	<b>Nine months ended September 30, 2023</b>
General and administrative	\$ 2,244,597	\$ 909,330
Exploration and evaluation	539,160	393,097
Property maintenance	13,168	42,617
	<b>\$ 2,796,925</b>	<b>\$ 1,345,044</b>

**General and administrative expenses**

During the nine months ended September 30, 2024 and 2023, general and administrative expenses consisted of the following:

	<b>September 30, 2024</b>	<b>Nine months ended September 30, 2023</b>
General office and administrative	\$ 462,211	\$ 168,784
Management compensation <sup>(1)</sup>	2,127,794	1,083,616
Investor relations	319,829	253,527
	<b>\$ 2,909,834</b>	<b>\$ 1,505,927</b>

(1) Included in management compensation is management salaries, wages and related costs, and consulting fees paid to key management and related corporations (note 23).

**22. Segmented information**

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

**23. Related party transactions**

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

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

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**23. Related party transactions (continued)**

Key management consists of the Company's directors, CEO, CFO, COO and Senior Vice Presidents. The Company considers any member of key management to be a related party.

Compensation to key management during the nine months ended September 30, 2024 and 2023 is summarized as follows:

	<b>Nine months ended</b>	
	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Salaries, consulting and management fees <sup>(1)</sup>	\$ 1,559,489	\$ 806,722
Share-based compensation <sup>(2)</sup>	1,081,224	355,028
<b>Total remuneration</b>	<b>\$ 2,640,713</b>	<b>\$ 1,161,750</b>

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

- a. Derrick Weyrauch was a related party to the Company and is related to Weyrauch and Associates Inc. During the nine months ended September 30, 2023, the Company paid or accrued \$42,500 to Weyrauch and Associates Inc. while Derrick Weyrauch was a related party to the Company, and there was \$Nil outstanding at September 30, 2024 and December 31, 2023.
- b. David King, Senior Vice President, Technical Services, is a related party to the Company and is related to King Geoscience. During the nine months ended September 30, 2024, \$16,000 (nine months ended September 30, 2023 - \$166,000) was paid or accrued to King Geoscience while David King was a related party to the Company, and there was \$Nil outstanding at September 30, 2024 and December 31, 2023.
- c. Shastri Ramnath, Director, is a related party to the Company and is related to Exiro Mineral Corps. During the nine months ended September 30, 2024, the Company paid or accrued \$53,400 (nine months ended September 30, 2023 - \$Nil) to Exiro Mineral Corps., while Shastri Ramnath was a related party to the Company.

(2) Share-based compensation represents stock option and RSU issuances to key management.

**24. Capital management**

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

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

Given the current exploration stage of its projects, the Company's primary source of capital is derived from equity issuances. As at September 30, 2024, capital consists of equity attributable to common shareholders of \$49,950,655 (December 31, 2023 - \$45,784,084).

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

Additional information relating to going concern is disclosed in note 1.

There has been no change in the Company's approach to capital management during the nine months ended September 30, 2024.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**25. Financial instruments**

**Carrying value and fair value**

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

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

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

Cash, restricted cash, accounts receivable, and investments are recorded in the consolidated financial statements at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities and are recorded in the consolidated financial statements at amortized cost.

**Fair value**

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

**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, investments, 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.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2024 and 2023**

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**25. Financial instruments (continued)**

**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, 2024 and December 31, 2023:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Cash (US\$)	\$ 1,514	\$ 2,068
Accrued liabilities (US\$)	<b>(346,628)</b>	(346,628)
	<b>(345,114)</b>	(344,560)
Foreign exchange rate	<b>1.35</b>	1.32
Equivalent in Canadian dollars (\$)	<b>\$ (465,904)</b>	\$ (454,819)

Based on the balances held as at September 30, 2024, a 10% change in the Canadian dollar per US dollar exchange rates would have resulted in an increase or decrease in the net loss for the period then ended of approximately \$46,600 (December 31, 2023: \$45,500).

**Interest rate risk**

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

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

**Other price risk**

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

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2023 and 2022**

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**26. Commitments and contingencies**

**Flow-through expenditures**

In connection with financings completed by the issuance of flow-through shares (note 16), 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 \$2,600,249 as at September 30, 2024 (December 31, 2023 - \$8,248,368), of which 100% is required to be spent before December 31, 2024. During the nine months ended September 30, 2024, the Company accrued \$166,665 in financial expense related to Part XII.6 tax on the issuance of these flow-through units (nine months ended September 30, 2023 - \$Nil), which has been recorded on the statement of operations and comprehensive loss as interest expense.

**Agreement to acquire mining operations and exploration assets**

On September 11, 2024, the Company entered into a definitive share purchase agreement (the "Agreement") with a subsidiary of KGHM International Ltd. ("KGHM") to acquire a portfolio of base metals assets located in the Sudbury Basin (the "Transaction"). Magna will acquire the producing McCreedy West copper mine, the past-producing Levack mine, Podolsky mine, and Kirkwood mine as well as the Falconbridge Footwall (81.41%), Northwest Foy (81.41%), North Range, and Rand exploration assets (together, the "Sale Assets").

The Transaction is structured as a share purchase transaction whereby the Company will acquire all of the outstanding shares of Project Nikolas Company Inc. ("PNCI") from KGHM. The purchase price is comprised of:

- \$5.3 million in cash payable at closing;
- \$2.0 million of Magna common shares issuable at closing;
- A deferred payment of \$2.0 million in cash payable on December 31, 2026; and
- Contingent payments on satisfaction of certain future milestones totalling up to \$24 million.

The Company will also assume certain liabilities of PNCI, including \$9.9 million of reclamation liabilities.

In addition, KGHM will retain a 4.0% net smelter returns royalty on new discoveries on certain exploration properties that are part of the Sale Assets. Magna has the right to buy back 3% of these royalties (for a remaining 1% NSR residual) at any time for various cash considerations.

The Transaction is subject to the satisfaction of customary closing conditions, including the receipt of all required third-party consents and regulatory approvals, including the approval of the TSXV. The Transaction with KGHM is expected to close during the first quarter of 2025.

**27. Subsequent events**

**Warrants exercised**

*Private placement*

Subsequent to September 30, 2024, the Company closed a previously announced private placement of 20,809,480 common shares at a price of \$1.05 per common share for gross proceeds of \$21,849,954. The proceeds from the private placement are expected to be used to advance the Company's Sudbury projects and for general corporate purposes.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars)**  
**For the three and nine months ended September 30, 2023 and 2022**

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**27. Subsequent events (continued)**

*Option issuance*

Subsequent to September 30, 2024, the Company granted 250,000 stock options to certain officers 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 \$1.17 per common share.

*Options exercised*

Subsequent to September 30, 2024, a total of 543,300 common shares were issued upon the exercise of options for proceeds of \$291,052.

*RSUs exercised*

Subsequent to September 30, 2024, the Company issued 229,400 common shares and paid cash of \$261,706 (for the settlement of the recipients' payroll withholding tax obligations) on the exercise of 457,000 RSUs.

*Warrants Exercised*

Subsequent to September 30, 2024, the Company issued 50,000 common shares upon the exercise of warrants for proceeds of \$20,025.