



Magna Mining Inc.

Third Quarter 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Magna Mining Inc.'s ("Magna" or the "Company") condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024, and their related notes ("financial statements") which have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts stated in this MD&A are denominated in thousands of Canadian dollars, except per share data and unless otherwise indicated. The discussion and analysis within this MD&A are effective as of November 25, 2025.

This document contains forward-looking statements and forward-looking information. Refer to the cautionary language under the section entitled "Cautionary Statement on Forward-looking Statements" in this MD&A.

The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period	Abbreviation	Period
Q3 2025	<i>July 1, 2025 – September 30, 2025</i>	Q3 2024	<i>July 1, 2024 – September 30, 2024</i>
Q2 2025	<i>April 1, 2025 – June 30, 2025</i>	Q2 2024	<i>April 1, 2024 – June 30, 2024</i>
Q1 2025	<i>January 1, 2025 – March 31, 2025</i>	Q1 2024	<i>January 1, 2024 – March 31, 2024</i>
Q4 2024	<i>October 1, 2024 – December 31, 2024</i>	Q4 2023	<i>October 1, 2023 – December 31, 2023</i>
YTD 2025	<i>January 1, 2025 – September 30, 2025</i>	YTD 2024	<i>January 1, 2024 – September 30, 2024</i>

NON-IFRS PERFORMANCE MEASURES

Magna uses non-IFRS performance measures throughout this MD&A as it believes that these generally accepted industry performance measures provide a useful indication of the Company's operational performance. These non-IFRS performance measures do not have standardized meanings defined by IFRS Accounting Standards and may not be comparable to information in other issuers' reports and filings. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

The non-IFRS performance measures include - average realized price per copper equivalent payable pound; cash costs per copper equivalent payable pound; production costs per ton processed; cash margin; all-in sustaining costs ("AISC"); free cash flow and operating and free cash flow per share; and adjusted net loss and adjusted net loss per share.

For further information and detailed reconciliations, refer to the section entitled "Non-IFRS Performance Measures" in this MD&A.

BUSINESS OVERVIEW

Magna is a public company existing under the laws of Canada. The common shares of the Company are listed on the TSX Venture Exchange ("TSXV") under the symbol "NICU". The principal office of the Company is located at 1300 Kelly Lake Road, Sudbury, Ontario, P3E 5P4.

Magna is a Canadian focused copper producer operating the McCreedy West underground mine. The Company plans to continue growing its production profile by investing in the development of its near-mine and brownfield exploration areas. Additional financial information relating to Magna, can be found on the Company's website: www.magnamining.com or on the SEDAR+ website: www.sedarplus.ca

ACQUISITION OF KGHM MINING OPERATIONS AND EXPLORATION ASSETS

On February 28, 2025, the Company completed the acquisition of a portfolio of base metal assets located in the Sudbury basin from a subsidiary of KGHM International Ltd. (“**KGHM**”) (the “**Transaction**”). The Company acquired the producing McCreedy West copper mine, the past-producing Levack, Podolsky, and Kirkwood mines, as well as the Falconbridge Footwall (81.41%), Northwest Foy (81.41%), North Range, and Rand exploration assets (together, the “**KGHM Sale Assets**”).

The Transaction was structured as a share purchase transaction whereby the Company acquired all of the outstanding shares of Project Nikolas Company Inc. (“**PNCI**”) from KGHM. The purchase price was comprised of:

- \$5.3 million in cash, which was paid on closing;
- 1,180,705 common shares with a value of \$2.0 million, which were issued on February 28, 2025;
- a deferred payment of \$2.0 million in cash payable on December 31, 2026; and
- contingent payments on the satisfaction of certain future milestones totalling up to \$24.0 million.

The acquisition-date fair value of the consideration transferred consisted of the following:

Share consideration ¹	\$	2,000
Cash paid		5,300
Present value of deferred cash payment ²		1,900
Contingent consideration ³		6,700
Total consideration	\$	15,900

¹ The fair value of the 1,180,705 common shares issued was determined using the Company’s share price of \$1.69.

² The acquisition-date fair value of the \$2,000,000 deferred cash payment due on December 31, 2026 has been determined using a discount rate of 3%.

³ The fair value of the contingent consideration was determined based on an estimated probability of the various properties triggering the payment milestone, which is commencing commercial production.

The Company will also assume certain liabilities of PNCI, including approximately \$9.0 million of reclamation liabilities. In addition, KGHM will retain a 4% NSR royalty on new discoveries on certain exploration properties that are part of the KGHM Sale Assets. The Company has the right to buy back 3% of these royalties (for a remaining 1% NSR royalty) at any time for various cash considerations.

In accordance with the acquisition method of accounting, the acquisition cost was allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. The table below summarizes the preliminary fair values of the assets acquired and liabilities assumed on the date of acquisition. A portion of the allocation is preliminary, and the fair values are subject to change as there has not been sufficient time to complete the valuation process. The valuation work must be finalized within twelve months following the acquisition date. Mineral properties, plant and equipment, exploration and evaluation assets, reclamation obligations, streaming liability, and deferred taxes are all subject to change. Any adjustments made will be recognized retrospectively and comparative information will be revised. The total transaction costs associated with the acquisition of \$2.5 million have been expensed.

	February 28,
Net assets (liabilities) acquired:	2025
Cash	\$ 300
Receivables	1,100
Inventories ¹	7,974
Mineral properties, property, plant and equipment ¹	86,761
Exploration and evaluation assets ¹	5,695
Accounts payable and accrued liabilities	(1,100)
Deferred revenue ¹	(18,603)
Asset retirement obligations	(9,000)
Deferred tax liabilities ¹	(20,652)
Fair value of net assets acquired	\$ 52,475
Total consideration	15,900
Gain on bargain purchase	\$ 36,575

¹ Fair value is preliminary and subject to change.

ACQUISITION OF NORTHX NICKEL CORP. EXPLORATION PROPERTIES

On July 18, 2025, the Company completed the acquisition of a portfolio of exploration properties located in the Sudbury mining district from NorthX Nickel Corp. (“NorthX”) (the “NorthX Transactions”). The portfolio of exploration properties includes past-producing properties, as well as several exploration properties mainly in the footwall of the Sudbury Igneous Complex contact (the “NorthX Assets”). The acquisition of the NorthX Assets increases the Company’s holdings in the Sudbury mining district, adding exploration potential.

The NorthX Transaction was structured as an asset purchase whereby the Company acquired all of NorthX’s interest in the acquired properties. The terms of the NorthX Transaction consisted of the following:

- assuming all liabilities of NorthX with respect to the Broken Hammer mine closure plan, including providing financing assurance to the Ministry of Mines in an amount of approximately \$515;
- assuming certain liabilities with respect to the properties acquired, including acting as the operator of joint ventures, advanced net smelter return (NSR) royalty payments, and annual work commitments; and
- NorthX paid the Company \$666 to cover the Broken Hammer mine closure plan financial assurance.

The acquisition of the NorthX Assets constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3. The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore, the acquisition did not constitute a business combination. The assets acquired and the liabilities assumed as part of the NorthX Transaction were as follows:

	July 18,
	2025
Net assets (liabilities) acquired:	
Cash	\$ 666
Accounts payable and accrued liabilities	(151)
Asset retirement obligations	(515)
Fair value of net assets acquired	\$ -

Q3 2025 PERFORMANCE

Operations and Financial Results	Comparison to Q3 2024
Copper equivalent payable production of 2.7 million pounds.	McCreedy West produced 2.7 million pounds of copper equivalent payable entirely from the 700 Copper Zone by processing 75,215 tons of ore at an average grade of 2.64% copper equivalent.
Cash costs of \$7.03 (US\$5.10) per pound of copper equivalent payable¹.	Cash costs ¹ in Canadian dollars were \$7.03 (US\$5.10) per pound for Q3 2025.
AISC of \$9.01 (US\$6.54) per pound of copper equivalent payable¹.	In Q3 2025, the AISC ¹ in Canadian dollars were \$9.01 (US\$6.54) per pound.
Cash margin of (\$2.0) million¹.	Cash margin ¹ was (\$2.0) million for Q3 2025.
Operating cash outflow of \$10.8 million or (\$0.06) per share¹.	Increased by \$7.2 million (Q3 2025 - \$3.6 million or (\$0.02) per share ¹) due to the increase in non-cash working capital of \$3.0 million, the negative cash margin from McCreedy West of \$2.0 million, and the \$2.0 million increase in site maintenance spending.
Free cash outflow of \$14.4 million or (\$0.07) per share¹.	The free cash outflow ¹ increased by \$10.8 million (Q3 2024 - \$3.6 million or (\$0.02) per share ¹) due to the increased operating cash outflow of \$7.2 million and the capital development and acquisition of mobile equipment of \$4.1 million, which are required to support the optimization of the McCreedy West mine; partially offset by the proceeds received from the NorthX Nickel Corp. asset acquisition, which closed on July 20, 2025.
Net loss attributable to shareholders of \$10.6 million or (\$0.05) per share. Adjusted net loss¹ attributable to shareholders of \$10.4 million or (\$0.05) per share.	Net loss increased by \$6.1 million (Q3 2024 - \$4.5 million net loss or (\$0.03 per share) due to the site maintenance costs for Levack and Podolsky, the loss from mining operations, the interest costs from the convertible debenture and the one-time integration costs; partially offset by the deferred income tax and mining tax recovery. After removing the one-time integration costs, the adjusted net loss ¹ increased by \$5.5 million from Q3 2024.

¹ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.

Exploration Updates	Performance
McCreedy West	<ul style="list-style-type: none"> The underground diamond drilling program at the McCreedy West mine is currently supported by three diamond drills active within the 700 Cu-PGE Zone. Definition drilling with one drill continues to support near to mid-term production, with infill drilling to facilitate detailed stope design and optimize production grade. A second drill is active on 930 Level drilling the western margin of the known 700 Zone, while a third drill is active above the 590 level.
Levack	<ul style="list-style-type: none"> The Levack Mine was operated by KGHM until 2019 and is currently under care and maintenance. There are currently two surface diamond drills and 2 underground drills operating at Levack Mine. The 2 surface drills are focused on the R2 exploration target area, between the No. 3 Ni-Cu orebody and the Morrison Cu-Ni-PGE Deposit. The two underground drills are testing other high priority footwall exploration targets. The 2025 drilling program at Levack is designed to support both the Magna Mining internal Levack Mine restart study and exploration for new footwall and contact style deposits.
Crean Hill	<ul style="list-style-type: none"> No current exploration activity at Crean Hill. In Q4 2025, we are moving forward with power, engineering, commercial discussions and water pre-treatment design/installation activities as we continue to advance the project.
Podolsky	<ul style="list-style-type: none"> No current exploration activity at Podolsky Mine. In 2025, a review of a bulk sample study on the permitted North Zone via the existing ramp was initiated. The results of this review will be evaluated in Q4 2025 and will facilitate a decision whether or not to initiate the North Zone project in H1 2026.

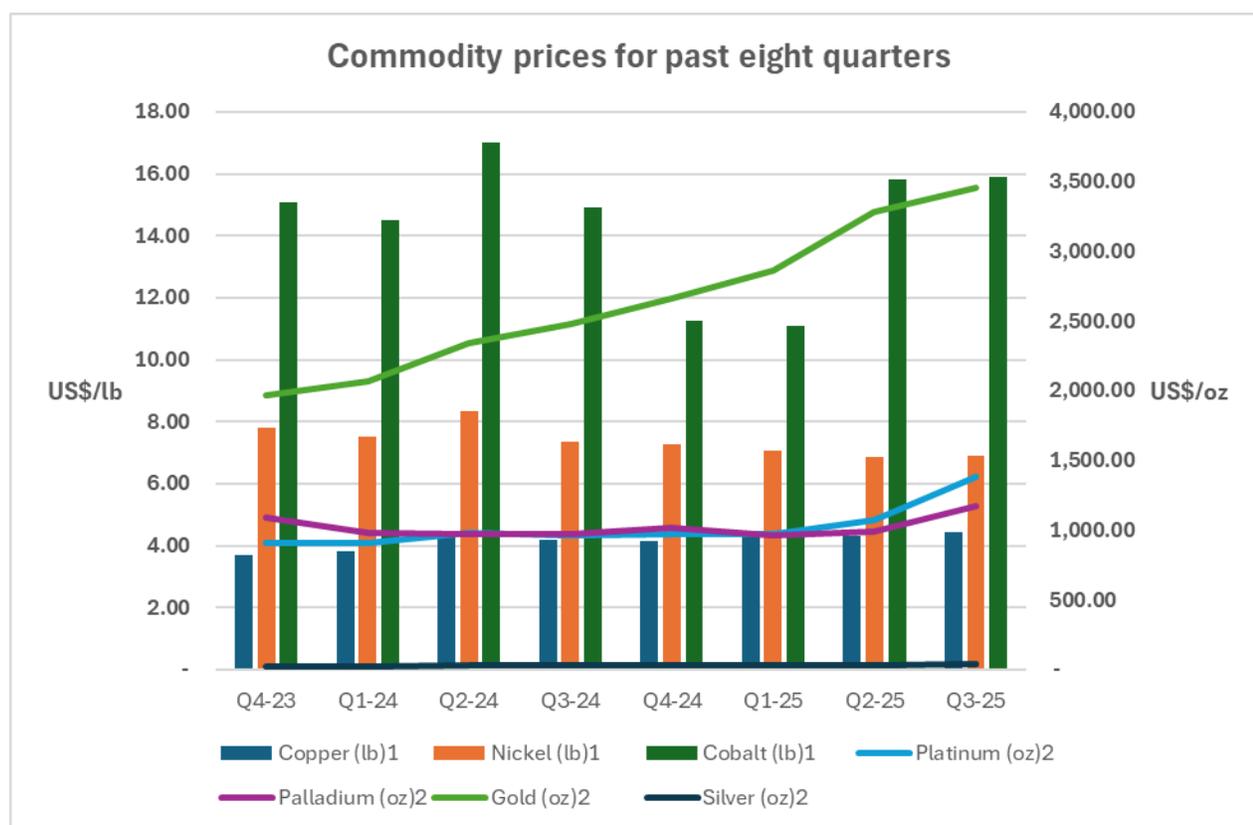
MARKET OVERVIEW AND FOREIGN CURRENCY EXCHANGE RATE OVERVIEW

The following table provides the London Metal Exchange (“LME”) average prices for each of the last eight quarters:

Average Prices (in US Dollars)	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25
Copper (lb) ¹	3.71	3.83	4.42	4.18	4.16	4.25	4.32	4.44
Nickel (lb) ¹	7.81	7.53	8.34	7.37	7.26	7.06	6.88	6.90
Cobalt (lb) ¹	15.07	14.51	17.00	14.90	11.26	11.09	15.80	15.90
Platinum (oz) ²	910.26	909.90	981.14	963.85	968.37	968.71	1,076.59	1,385.14
Palladium (oz) ²	1,086.67	977.38	972.61	969.97	1,015.26	960.98	991.60	1,170.65
Gold (oz) ²	1,971.49	2,069.80	2,338.18	2,474.29	2,663.38	2,859.62	3,282.59	3,454.10
Silver (oz) ²	23.20	23.34	28.84	29.43	31.38	31.88	33.68	39.40

¹ London Metal Exchange pricing

² London Bullion Market Association am pricing



In Q3 2025, the copper price ranged from US\$4.33 per pound to a high of US\$4.68 per pound, before closing at US\$4.67 per pound on September 30, 2025. The volatility in copper prices during Q3 2025 was primarily driven by tariffs and the uncertainty stemming from an ever-shifting US trade policy, combined with a supply deficit and concerns about the health of the global economy. Nickel prices in Q3 2025 kept LME prices near five-year lows, ranging from US\$6.72 per pound to a high of US\$7.05 per pound due to oversupply and US tariff concerns, while the Chinese market saw a split due to robust chemical demand. Gold and silver prices increased due to the potential for tariffs from the US, geopolitical and financial uncertainty, and broader global political tension. Palladium prices saw a significant surge in Q3 2025, driven by a combination of a weaker US dollar, geopolitical factors, central bank buying, and record ETF inflows. Platinum prices surged in Q3 2025 and closed at

US\$1,544 per ounce due to the persistent market deficit and supply limitations.

The Company's reporting and functional currency is the Canadian dollar ("CAD") as all of its assets and operations are based in Canada. However, the Company's revenues, profitability and cash flows are exposed to the changes in the United States dollar ("USD") to Canadian dollar exchange rates as the Company's products, are predominately traded in the US dollar. Magna had no forward foreign exchange rate contracts in place during Q3 2025 and as at September 30, 2025. This position will be reviewed from time to time as market conditions warrant. Please see note 29 of the Company's condensed interim consolidated financial statements for an analysis of Magna's exposure to the Canadian and US dollar exchange rate.

OUTLOOK

In Q3 2025, the Company provided quarterly ore sales guidance for the second half of 2025 of between 80,000 and 92,000 tons from the 700 Copper Zone at the McCreedy West Mine. The Company is on track to meet the lower end of this guidance in Q4 2025:

	Q1 2025 Actual	Q2 2025 Actual	Q3 2025 Actual	Q3 2025 Guidance	Q4 2025 Guidance
Ore Tons Sold					
700 Copper Zone	73,011	59,100	75,215	80,000 - 92,000	80,000 – 92,000
Intermain Nickel Zone	17,422	10,945	-	-	-
Total	90,433	70,045	75,215	80,000 - 92,000	80,000 – 92,000
Copper Equivalent Payable Pounds (000s)					
700 Copper Zone ²	630	2,580	2,735	3,500 - 4,200	4,700 – 5,600
Intermain Nickel Zone ²	160	473	-	-	-
Total	790	3,053	2,735	3,500 – 4,200	4,700 – 5,600
Copper Equivalent Grade Contained					
700 Copper Zone ²	3.04	3.35	2.64	2.90 – 3.40	3.80 – 4.40
Intermain Nickel Zone ²	2.96	2.77	-	-	-
Total	3.01	3.26	2.64	2.90 – 3.40	3.80 – 4.40
Cash cost per copper equivalent pound ^{1,2}	\$5.98 (US\$4.16)	\$6.47 (US\$4.67)	\$7.03 (US\$5.10)	\$5.25 – \$6.00 (US\$3.85 – US\$4.40)	\$4.25 - \$5.00 (US\$3.11 - US\$3.66)
AISC per copper equivalent pound ^{1,2}	6.65 (US\$4.63)	7.75 (US\$5.45)	9.01 (US\$6.54)	\$6.75 - \$7.50 (US\$4.95 – US\$5.49)	\$5.25 - \$6.10 (US\$3.85 – US\$4.47)

1 Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.

2 Copper equivalent payable pounds for the purpose of copper equivalent payable grade, cash cost and AISC were calculated using the following US dollar prices:

Q3 2025: \$4.44/lb Cu, \$6.81/lb Ni, \$15.90/lb Co, \$1,383.49/oz Pt, \$1,169.18/oz Pd, \$3,455.50/oz Au, \$39.38 Ag.

Q2 2025: \$4.29/lb Cu, \$6.88/lb Ni, \$15.81/lb Co, \$1,072.35/oz Pt, \$990.29/oz Pd, \$3,301.29/oz Au, \$33.64 Ag.

Q1 2025: \$4.40/lb Cu, \$7.18/lb Ni, \$15.38/lb Co, \$944.31/oz Pt, \$1,005.61/oz Pd, \$3,135.60/oz Au, \$34.61 Ag.

H2 2025 Guidance: \$4.17/lb Cu, \$6.90/lb Ni, \$15.85/lb Co, \$959.65/oz Pt, \$944.65/oz Pd, \$3,207.48/oz Au, \$32.26 Ag.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Financial results								
Net revenue from mining operations	16,282	18,466	4,453	-	-	-	-	-
Cash margin ¹	(2,041)	(1,191)	269	-	-	-	-	-
Net income (loss)	(10,642)	(9,501)	29,098	(4,717)	(4,498)	(3,948)	(3,105)	(2,477)
Adjusted net loss ¹	(10,410)	(8,930)	(5,442)	(5,400)	(4,907)	(4,442)	(3,684)	(2,762)
Operating cash flow	(10,781)	(11,560)	(2,584)	(7,105)	(3,635)	(3,747)	(3,322)	(1,754)
Free cash flow ¹	(14,350)	(10,718)	(10,584)	(7,115)	(3,635)	(3,921)	(3,330)	(1,764)
Per share information:								
Net earnings (loss)	(0.05)	(0.05)	0.15	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)
Adjusted net loss ¹	(0.05)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)
Operating cash flow ¹	(0.05)	(0.06)	(0.01)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)
Free cash flow ¹	(0.07)	(0.05)	(0.05)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)
Selected Financial Statement data:								
Cash and cash equivalents	63,121	27,018	38,250	17,535	3,941	4,419	7,549	10,890
Working capital	70,393	31,914	39,330	17,332	871	1,371	4,449	25,694
Total assets	212,656	163,534	168,132	39,571	25,202	24,509	9,826	30,281
Total non-current liabilities	63,102	65,276	68,601	885	869	871	866	846
Operational results								
Ore Processed (Dry tons)								
700 Copper Zone	75,215	59,100	13,911	-	-	-	-	-
Intermain Nickel Zone	-	10,945	6,477	-	-	-	-	-
Throughput	75,215	70,045	20,388	-	-	-	-	-
Copper equivalent grade (%)								
700 Copper Zone ²	2.64	3.35	3.04	-	-	-	-	-
Intermain Nickel Zone ²	-	2.77	2.96	-	-	-	-	-
	2.64	3.26	3.01	-	-	-	-	-
Metals Payable								
Copper (000s lbs)	1,949	1,629	552	-	-	-	-	-
Nickel (000s lbs)	193	327	132	-	-	-	-	-
Cobalt (000s lbs)	2	4	2	-	-	-	-	-
Platinum (ozs)	479	1,156	-	-	-	-	-	-
Palladium (ozs)	641	1,218	13	-	-	-	-	-
Gold (ozs)	55	284	-	-	-	-	-	-
Silver (ozs)	13,105	9,499	1,638	-	-	-	-	-
Cu equivalent payable pounds (000s) ²	2,735	3,053	790	-	-	-	-	-

In 000s, except per units and per share amounts

Per pound of copper equivalent payable ¹								
Average realized price ¹	6.28	6.08	6.32	-	-	-	-	-
Cash costs ^{1,2}	7.03	6.47	5.98	-	-	-	-	-
Cash margin ¹	(0.75)	(0.39)	0.34	-	-	-	-	-
AISC ^{1,2}	9.01	7.55	6.65	-	-	-	-	-
Production costs/ton processed ¹	200	219	194	-	-	-	-	-
Average 1 USD → CAD exchange rates	1.3773	1.3841	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619
Cost Metrics (in USD)								
Cash costs ^{1,2}	5.10	4.67	4.16	-	-	-	-	-
AISC ^{1,2}	6.54	5.45	4.63	-	-	-	-	-

¹ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

² Copper equivalent payable pounds for the purpose of copper equivalent payable grade, cash cost and AISC were calculated using the following US dollar prices:

Q3 2025: \$4.44/lb Cu, \$6.81/lb Ni, \$15.90/lb Co, \$1,383.49/oz Pt, \$1,169.18/oz Pd, \$3,455.50/oz Au, \$39.38 Ag.

Q2 2025: \$4.29/lb Cu, \$6.88/lb Ni, \$15.81/lb Co, \$1,072.35/oz Pt, \$990.29/oz Pd, \$3,301.29/oz Au, \$33.64 Ag.

Q1 2025: \$4.40/lb Cu, \$7.18/lb Ni, \$15.38/lb Co, \$944.31/oz Pt, \$1,005.61/oz Pd, \$3,135.60/oz Au, \$34.61 Ag.

Q3 2025 FINANCIAL AND OPERATIONAL RESULTS

Operational Results

	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Operating Results						
700 Copper Zone						
Tons processed	75,215	-	75,215	148,226	-	148,226
Copper equivalent grade (%) ²	2.64	-	2.64	2.96	-	2.96
Copper equivalent payable (thousands of pounds) ²	2,735	-	2,735	5,945	-	5,945
Intermain Nickel Zone						
Tons processed	-	-	-	17,422	-	17,422
Copper equivalent grade (%) ²	-	-	-	2.84	-	2.84
Copper equivalent payable (thousands of pounds) ²	-	-	-	633	-	633
McCreedy West						
Tons processed	75,215	-	75,215	165,648	-	165,648
Copper equivalent grade (%) ²	2.64	-	2.64	2.94	-	2.94
Copper equivalent payable (thousands of pounds) ²	2,735	-	2,735	6,578	-	6,578
In 000s, except per units and per share amounts						
Financial Results						
Revenue from mining operation	17,179	-	17,179	40,721	-	40,721
Recognition of deferred streaming revenue	941	-	941	2,491	-	2,491
Less: smelting, refining and treatment charges	(1,838)	-	(1,838)	(4,011)	-	(4,011)
Cost of Sales	16,282	-	16,282	39,201	-	39,201
Mining	6,607	-	6,607	15,014	-	15,014
Processing and surface operations	4,780	-	4,780	10,305	-	10,305
Site administration	3,710	-	3,710	9,192	-	9,192
Change in inventories	(61)	-	(61)	(179)	-	(179)
Royalties and streaming payments	2,346	-	2,346	5,341	-	5,341
Depreciation and depletion expense	1,998	-	1,998	4,404	-	4,404
	19,380	-	19,380	44,077	-	44,077
Cash cost per pound of copper equivalent payable (CDN dollars) ³	7.03	-	7.03	6.64	-	6.64
Cash margin ³	(2,041)	-	(2,041)	(2,963)	-	(2,963)
All-in sustaining costs ³						
Sustaining mine exploration and development	2,780	-	2,780	3,248	-	3,248
Sustaining mine capital equipment	1,342	-	1,342	2,723	-	2,723
Corporate and general	1,291	-	1,291	3,272	-	3,272
All-in sustaining costs per pound of copper equivalent (CDN dollars) ³	9.01	-	9.01	8.05	-	8.05
Production costs per ton processed ³	200	-	200	207	-	207

¹ Totals for tonnage and copper equivalent payable pounds information may not add due to rounding.

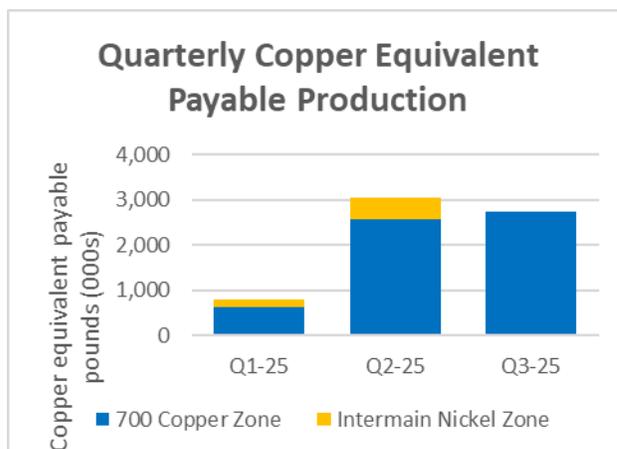
² Copper equivalent payable pounds and grade were calculated using the following US dollar prices:

Q3 2025: \$4.44/lb Cu, \$6.81/lb Ni, \$15.90/lb Co, \$1,383.49/oz Pt, \$1,169.18/oz Pd, \$3,455.50/oz Au, \$39.38 Ag.

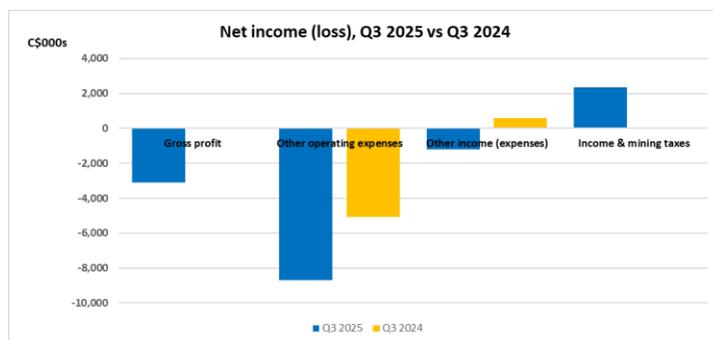
YTD 2025: \$4.38/lb Cu, \$6.95/lb Ni, \$15.69/lb Co, \$1,133.38/oz Pt, \$1,055.03/oz Pd, \$3,297.46/oz Au, \$35.88 Ag.

³ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

McCreedy West produced 2.7 million pounds of copper equivalent payable in Q3 2025 entirely from the 700 Copper Zone grading at 2.64%. As Nickel prices are expected to remain depressed throughout 2025, the Company is planning to mine primarily from the 700 Copper Zone for the remainder of 2025.



Financial Review, Q3 2025 as compared to Q3 2024



Net loss attributable to shareholders for the three months ended September 30, 2025 was \$10.6 million or (\$0.05) per share as compared to a net loss of \$4.5 million or (\$0.03) for the same period in 2024. After-giving effect to the non-recurring recognition in income of the transaction and integration costs of \$0.2 million (net of tax of \$0.1 million), adjusted net loss¹ for Q3 2025 was \$10.4 million or (\$0.05) per share as compared to \$5.1 million or (\$0.03) per share for Q3 2024.

For a reconciliation of adjusted net loss¹ to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

In \$000s	Q3 2025	Q3 2024	Change		YTD 2025	YTD 2024	Change	
Revenue	16,282	-	16,282	-	39,201	-	39,201	-
Costs and expenses								
Cost of sales	19,380	-	19,380	-	44,077	-	44,077	-
Corporate and general	1,576	1,775	(199)	(11)%	6,306	4,287	2,019	47%
Share-based compensation	1,182	816	366	45%	2,276	1,262	1,014	80%
Exploration and evaluation	2,681	2,469	212	9%	5,719	7,904	(2,185)	(28)%
Site maintenance	3,242	28	3,214	11479%	7,504	215	7,289	3390%
	28,061	5,088	22,973		65,882	13,668	52,214	
Operating loss	(11,779)	(5,088)	(6,691)	132%	(26,681)	(13,668)	(13,013)	95%
Transaction costs	(30)	-	(30)	-	(2,491)	-	(2,491)	-
Flow-through premium income	-	557	(557)	(100)%	-	2,016	(2,016)	-
Gain on bargain purchase of KGHM assets ²	-	-	-	-	36,575	-	36,575	-
Interest and other income (expenses)	(1,164)	33	(1,197)	(3627)%	(3,047)	101	(3,148)	-
Income (loss) before taxes	(12,973)	(4,498)	(8,475)		4,356	(11,551)	15,907	
Mining and income tax expense (recovery)	(2,331)	-	(2,331)		(4,599)	-	(4,599)	
Net income (loss)	(10,642)	(4,498)	(6,144)	137%	8,955	(11,551)	20,506	(178)%
Total comprehensive income (loss)	(10,642)	(4,498)	-		8,955	(11,551)	20,506	
Operating cash flow	(10,781)	(3,635)	(7,146)	197%	(24,925)	(10,704)	(14,221)	133%
Free cash flow ¹	(14,350)	(3,635)	(10,715)	295%	(35,652)	(10,806)	(24,846)	

¹ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

² The gain is preliminary as the fair values of mineral properties, plant and equipment, exploration and evaluation assets, reclamation obligations, deferred revenue, and deferred taxes are subject to change as there has not been sufficient time to complete the valuation process. Any adjustments made will be recognized retrospectively and comparative information will be revised.

Revenues

In \$000s	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Revenue from mining operations	17,179	-	17,179	40,721	-	40,721
Recognition of deferred streaming revenue	941	-	941	2,491	-	2,491
Less: smelting, refining and treatment charges	(1,838)	-	(1,838)	(4,011)	-	(4,011)
	16,282	-	16,282	39,201	-	39,201

In Q3 2025, Magna generated \$17.2 million in revenue from the sale of 2.7 million copper equivalent payable pounds at \$6.28 (US\$4.56) per pound from the McCreedy West Mine.

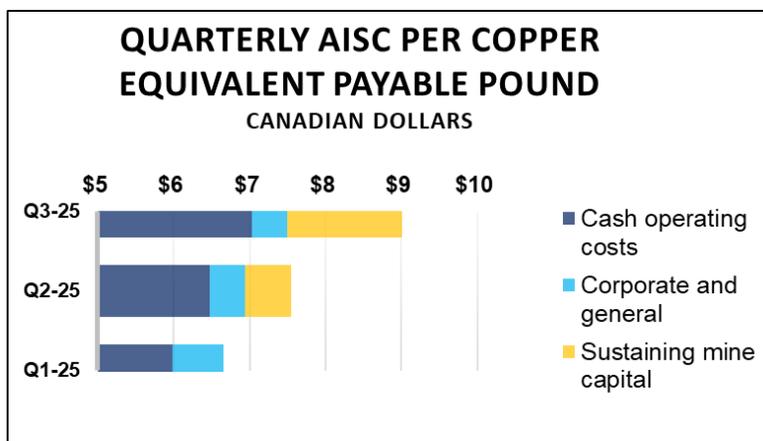
Cost of Sales

In \$000s	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Cost of Sales						
Mining and processing costs						
Mining	6,607	-	6,607	15,014	-	15,014
Processing and surface operations	4,780	-	4,780	10,305	-	10,305
Site administration	3,710	-	3,710	9,192	-	9,192
Change in ore stockpile	(61)	-	(61)	(179)	-	(179)
	15,036	-	15,036	34,332	-	34,332
Royalties and streaming payments	2,346	-	2,346	5,341	-	5,341
Depletion and depreciation	1,998	-	1,998	4,404	-	4,404
	19,380	-	19,380	44,077	-	44,077

Cost of sales in Q3 2025 from the McCreedy West Mine was \$19.4 million, which included \$2.3 million for royalties and streaming payments, \$2.0 million for depreciation and depletion; partially offset by a \$0.1 million credit for the increase in the ore stockpile.

Cash cost and AISC per copper equivalent payable pound in Q3 2025 were \$7.03 (US\$5.10) and \$9.01 (US\$6.54) per pound, respectively.

(Refer to the section entitled “non-IFRS Performance Measures” for the reconciliation of these non-IFRS measurements to the financial statements).



Corporate and General

Corporate and general expenditures in Q3 2025 decreased by \$0.2 million or 11% to \$1.6 million primarily due to incurring \$0.5 million in professional fees in Q3 2024 related to the PNCI transaction; partially offset by \$0.2 million in PNCI integration costs.

Exploration and evaluation

All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. In Q3 2025, Magna spent \$2.7 million on its exploration program, which includes \$1.6 million at Levack to support the Magna Mining internal Levack Mine restart study and exploration for new footwall and contact style deposits. The overall spending increased by \$0.2 million compared to Q3 2024 due to increased exploration activities and technical staff required to support additional exploration properties.

Site maintenance

Site maintenance costs in Q3 2025 increased by \$3.2 million, which includes \$1.6 million at Levack, \$0.4 million at Podolsky, and \$1.2 million of depreciation.

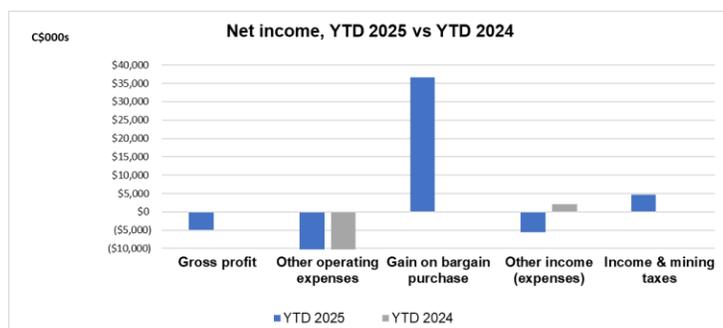
Share-based compensation

For the three months ended September 30, 2025, the compensation expense recognized under the Omnibus Equity Incentive Plan was \$1.2 million, which was \$0.4 million higher than the same period in 2024 due to additional technical staff required to transition from an exploration company to a production company. During Q3 2025, the Company granted 1,328,363 stock options to employees, and 44,073 Deferred Share Units (“**DSUs**”) to the non-executive directors under the Omnibus Equity Incentive Plan. The DSUs will vest upon a director’s retirement from the Board of Directors.

Interest and other expenses

Interest and other expenses increased in Q3 2025 by \$1.2 million, compared to the same period in 2024 due to the interest expense on the convertible debenture of \$1.0 million and the amortization of the deferred financing costs associated with the letter of credit and factoring facilities.

Financial Review, YTD 2025 as compared to YTD 2024



Net income attributable to shareholders for the YTD September 30, 2025 was \$9.0 million or \$0.04 per share as compared to a net loss of \$11.6 million or (\$0.07) for the same period in 2024. After-giving effect to the non-recurring recognition in income of the gain on bargain purchase of the KGHM assets, and the transaction and integration costs of \$33.7 million (net of tax of \$19.2 million), adjusted net loss¹ for the nine months ended September 30, 2025 was \$24.8 million or (\$0.12) per share as compared to \$13.0 million or (\$0.08) per share for the same period in 2024.

For a reconciliation of adjusted net loss¹ to net income as presented in the financial statements in accordance with IFRS, see *Non-IFRS Financial Performance Measures* in this MD&A.

Revenues

For the first nine months of 2025, Magna generated \$40.7 million in revenue from the sale of 6.6 million copper equivalent payable pounds at \$6.19 (US\$4.46) per pound from the McCreedy West Mine, which was purchased on February 28, 2025.

Cost of Sales

The cost of sales for the first nine months of 2025 for the McCreedy West Mine, purchased on February 28, 2025, was \$44.1 million, which included \$5.3 million in streaming payments and \$4.4 million in depreciation and depletion.

Corporate and General

For the first nine months of 2025, corporate and general expenditures increased by \$2.0 million or 47% primarily due to the PNCI integration costs of \$1.5 million, and the increase in corporate activities and technical staff required to transition from an exploration company to a production company.

Transaction costs

The transaction costs associated with the acquisition of the KGHM mining operations and exploration assets were \$2.5 million.

Tax Expense

In \$000s						
	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Mining and income tax expense (recovery)						
Current	8	-	8	8	-	8
Deferred	(2,339)	-	(2,339)	(4,607)	-	(4,607)
	(2,331)	-	(2,331)	(4,599)	-	(4,599)

The income tax expense includes a deferred tax recovery of \$4.6 million. Magna is currently exposed to federal income tax, and mining tax for any resource profits earned in Ontario as the majority of the tax deduction pools have been previously utilized. The Company anticipates the effective tax rate will be approximately between 36% and 39% for 2025.

OPERATING SEGMENTS PERFORMANCE

McCreedy West

The McCreedy West Mine is located on the north range of the Sudbury Igneous Complex (“SIC”). The deposit hosts contact nickel-copper mineralization, as well as high grade copper-PGE footwall deposits. The McCreedy West Mine is currently in operation and operates via ramp access from surface. There are three interconnected zones within the McCreedy West deposit; the 700 Copper zone (a Cu-PGE Footwall deposit), the PM Zone (a PGE-Cu Footwall deposit) and the Intermain nickel zone (a Ni-Cu Contact deposit). McCreedy West is located adjacent to the Levack Mine and the two mines are connected underground on the 1600 Level haulage drift.

Production Review, Q3 2025 as compared to Q3 2024

	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Operating Results						
700 Copper Zone						
Tons processed	75,215	-	75,215	148,226	-	148,226
Copper equivalent grade (%) ²	2.64	-	2.64	2.96	-	2.96
Copper equivalent payable (thousands of pounds) ²	2,735	-	2,735	5,945	-	5,945
Intermain Nickel Zone						
Tons processed	-	-	-	17,422	-	17,422
Copper equivalent grade (%) ²	-	-	-	2.84	-	2.84
Copper equivalent payable (thousands of pounds) ²	-	-	-	633	-	633
McCreedy West						
Tons processed	75,215	-	75,215	165,648	-	165,648
Copper equivalent grade (%) ²	2.64	-	2.64	2.94	-	2.94
Copper equivalent payable (thousands of pounds) ²	2,735	-	2,735	6,578	-	6,578

During Q3 2025, the McCreedy West Mine produced 2.7 million pounds of copper equivalent payable entirely from the 700 Copper Zone at a copper equivalent grade of 2.64%. 1,746 equivalent feet of total development, which included 990 equivalent feet of capital development, were achieved, and 61,721 feet of longhole drilling was completed.

Financial Review, Q3 2025 as compared to Q3 2024

In 000s, except per units and per share amounts	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
Financial Results						
Revenue from mining operation	17,179	-	17,179	40,721	-	40,721
Recognition of deferred streaming revenue	941	-	941	2,491	-	2,491
Less: smelting, refining and treatment charges	(1,838)	-	(1,838)	(4,011)	-	(4,011)
	16,282	-	16,282	39,201	-	39,201
Cost of Sales						
Mining	6,607	-	6,607	15,014	-	15,014
Processing and surface operations	4,780	-	4,780	10,305	-	10,305
Site administration	3,710	-	3,710	9,192	-	9,192
Change in inventories	(61)	-	(61)	(179)	-	(179)
Royalties and streaming payments	2,346	-	2,346	5,341	-	5,341
Depreciation and depletion expense	1,998	-	1,998	4,404	-	4,404
	19,380	-	19,380	44,077	-	44,077
Cash cost per pound of copper equivalent payable (CDN dollars) ³	7.03	-	7.03	6.64	-	6.64
Cash margin ³	(2,041)	-	(2,041)	(2,963)	-	(2,963)
All-in sustaining costs ³						
Sustaining mine exploration and development	2,780	-	2,780	3,248	-	3,248
Sustaining mine capital equipment	1,342	-	1,342	2,723	-	2,723
Corporate and general	1,291	-	1,291	3,272	-	3,272
All-in sustaining costs per pound of copper equivalent (CDN dollars) ³	9.01	-	9.01	8.05	-	8.05
Production costs per ton processed ³	200	-	200	207	-	207

¹ Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the financial statements.

Revenue

In Q3 2025, the McCreedy West Mine generated \$17.2 million in gross revenue from the sale of 2.7 million copper equivalent payable pounds at \$6.28 (US\$4.56). \$0.9 million of the deferred streaming liability, that was assumed as part of the acquisition of the KGHM Sale Assets, was recognized in the period.

Cost of sales

Cost of sales was \$19.4 million in Q3 2025, which included \$15.0 million in direct operating costs, \$2.3 million in royalty and streaming payments, \$2.0 million in depreciation and depletion; partially offset by a \$0.1 million credit for the increase in ore stockpile. The Q3 2025 cash cost and AISC were \$7.03 (US\$5.10) and \$9.01 (US\$6.54) per pound of copper equivalent payable.

Exploration

McCreedy West

The underground diamond drilling program at the McCreedy West mine is currently supported by three diamond drills active within the 700 Cu-PGE Zone. Definition drilling with one drill continues to support near to mid-term production, with infill drilling to facilitate detailed stope design and optimize production grade. A second drill is active on 930 Level drilling the western margin of the known 700 Zone, while a third drill is active above the 590 level.

Levack

The Levack Mine was operated by KGHM until 2019 and is currently under care and maintenance. There are currently two surface diamond drills and 2 underground drills operating at Levack Mine. The 2 surface drills are focused on the R2 exploration target area, between the No. 3 Ni-Cu orebody and the Morrison Cu-Ni-PGE Deposit. The two underground drills are testing other high priority footwall exploration targets. The 2025 drilling program at Levack is designed to support both the Magna Mining internal Levack Mine restart study and exploration for new footwall and contact style deposits.

Crean Hill

No current exploration activity at Crean Hill in Q3 2025. In Q4 2025, we are moving forward with power, engineering, commercial discussions and water pre-treatment design/installation activities as we continue to advance the project.

Podolsky

No current exploration activity at Podolsky Mine. In 2025, a review of a bulk sample study on the permitted North Zone via the existing ramp was initiated. The results of this study will be evaluated in Q4 2025 and will facilitate a decision whether or not to initiate the North Zone project in H1 2026.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, Magna had working capital of \$70.4 million compared to \$17.4 million at December 31, 2024. Cash and cash equivalents at September 30, 2025 was \$63.1 million as compared to \$17.5 million at the beginning of the year. The following table provides an abbreviated cash flow statement for the three and nine months ended September 30, 2025 and 2024:

In Millions (Canadian dollar)	Q3 2025	Q3 2024	Change	YTD 2025	YTD 2024	Change
McCreedy West						
Cash Margin ¹	(\$2.0)	\$0.0	(\$2.0)	(\$3.0)	\$0.0	(3.0)
Sustaining capital and mine exploration	(4.1)	0.0	(4.1)	(6.0)	0.0	(6.0)
	(6.1)	0.0	(6.1)	(9.0)	0.0	(9.0)
Corporate	(1.6)	(1.8)	0.2	(6.3)	(4.3)	(2.0)
Exploration	(2.7)	(2.5)	(0.2)	(5.7)	(7.9)	2.2
Site maintenance	(2.0)	(0.0)	(2.0)	(4.6)	(0.2)	(4.4)
Stock options and warrants exercised	4.1	3.2	0.9	4.9	4.0	0.9
Acquisition of KGHM assets, net of cash received	0.0	0.0	0.0	(5.0)	0.0	(5.0)
Transaction costs	(0.0)	0.0	0.0	(2.5)	0.0	(2.5)
Proceeds from acquisition of NorthX Nickel Corp.	0.7	0.0	0.7	0.7	0.0	0.7
Proceeds from equity issuance	47.4	0.0	47.4	56.8	0.0	56.8
Proceeds from convertible debenture issuance	0.0	0.0	0.0	22.3	0.0	22.3
Cash collateralized for letter of credit facilities	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Payment of deferred financing cost	(0.1)	0.0	(0.1)	(1.1)	0.0	(1.1)
Net change in working capital and other	(3.6)	0.6	(4.2)	(4.8)	1.4	(6.2)
Net decrease in cash	\$36.1	(\$0.5)	\$36.6	\$45.6	(\$7.0)	\$52.6
Cash, beginning of period	\$27.0	\$4.4		\$17.5	\$10.9	
Cash, end of period	\$63.1	\$3.9		\$63.1	\$3.9	

Refer to the section entitled "Non-IFRS Performance Measures" for the reconciliation of these non-IFRS measurements to the Financial Statements.

Total cash margin¹ for Q3 2025 was (\$2.0) million resulting from operating McCreedy West. The Company invested a total of \$4.1 million in sustaining capital spending at McCreedy West. The Company raised \$47.4 million in net proceeds from the brokered placement, which closed on September 18, 2025. The net change in working capital and other for Q3 2025 decreased by \$4.2 million when compared to Q3 2024 primarily due to the increase in accounts receivable related to metal sales; partially offset, by an increase in accounts payable and accruals.

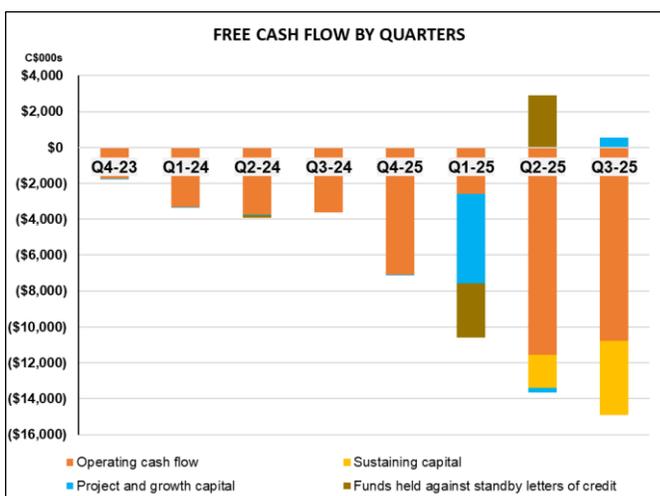
The following table identifies the significant movements in operating cash flow for the three and nine months ended September 30, 2025 and 2024 as follows:

In \$000s	Q3 2025	Q3 2024	Change		YTD 2025	YTD 2024	Change	
Operating cash flow, previous period	(11,560)	(3,747)	(7,813)	209%	(7,105)	(1,753)	(5,352)	305%
Increase (decrease) in cash margin from mine operations	(1,010)	-	(1,010)		(2,963)	-	(2,963)	
Decrease (increase) in other operating expenditures	(226)	102	(328)		(11,381)	(10,026)	(1,355)	
Decrease (increase) in transaction costs	5	-	5		(2,491)	-	(2,491)	
Mining and income tax recovery (payments)	-	-	-		-	-	-	
Net change in working capital balances	1,744	349	1,395		(1,402)	1,027	(2,429)	
Other	266	(339)	605		417	48	369	
Net increase (decrease) in operating cash flows	779	112	667		(17,820)	(8,951)	(8,869)	99%
Operating cash flow, current period	(10,781)	(3,635)	(7,146)	197%	(24,925)	(10,704)	(14,221)	133%

Capital expenditures incurred in Q3 2025 totaled \$4.2 million. A breakdown of the capital expenditures for the three and nine months ended September 30, 2025 and 2024 are as follows:

In \$000s	Q3 2025	Q3 2024	Change		YTD 2025	YTD 2024	Change	
Mining properties and plant and equipment								
McCreedy West								
Sustaining mine development costs	2,780	-	2,780		3,248	-	3,248	
Mining equipment and infrastructure upgrades	1,342	-	1,342		2,723	-	2,723	
	4,122	-	4,122		5,971	-	5,971	
Levack								
Mining equipment and infrastructure upgrades	113	-	113		343	-	343	
Additions to Mining properties	4,235	-	4,235	-	6,314	-	6,314	-
Exploration and evaluation expenditures								
Shakespeare	-	-	-		-	14	(14)	
Additions to Exploration properties	-	-	-	-	-	14	(14)	(100)%
Total capital investments	4,235	-	4,235	-	6,314	14	6,300	45000%

Free cash outflow¹ was \$14.4 million in Q3 2025 compared to free cash outflow¹ of \$3.7 million in Q3 2024. The increase in free cash outflow¹ of \$10.7 million was due to increased capital spending at McCreedy West and Levack, the negative cash margin at McCreedy West, and the decrease in the net change working capital and other primarily due to the increase in accounts receivable related to metal sales; partially offset, by an increase in accounts payable and accruals.



¹ Free cash flow is a non-IFRS performance measure. Please refer to the disclosures of non-IFRS measures in this MD&A

Debt Facilities

Convertible Debentures

On March 5, 2025, the Company completed a \$23,967 private placement of unsecured convertible debentures (“**Debentures**”) for net proceeds of \$22,339. The Debentures were issued at a 2% discount to the face value for aggregate gross proceeds of \$23,488, and transaction costs of \$1,149 were incurred. The principal amount of the Debentures bear interest at a fixed rate of 10% per annum, payable in cash quarterly in arrears and will mature on March 5, 2029.

The Debentures are convertible into common shares of the Company at any time prior to maturity at a conversion rate of 500 common shares per \$1,000 principal amount, representing a conversion price of \$2.00 per common share, subject to certain anti-dilution adjustments.

The Company may not redeem the Debentures before March 5, 2027. At any time on or after March 5, 2027, and until maturity, the Company may redeem all or part of the Debentures for cash if the daily volume weighted average trading price of the common shares on the TSXV equals or exceeds 150% of the conversion price, or \$3.00 per share, for 20 consecutive trading days. The redemption price would be equal to the sum of 100% of the principal amount of the Debentures to be redeemed and any accrued and unpaid interest.

The component parts of the Debentures comprise a financial liability, equity and an embedded derivative. At initial recognition, the net proceeds of \$22,339 from the issuance of the Debentures was allocated into the debt, equity and embedded derivative components as follows:

Debt: the fair value of the debt was determined to be \$14,471 using a discounted cashflow model with an expected life of four years and a discount rate of 26%. The debt component is subsequently measured at amortized cost, net any directly attributable transaction cost and amortized over the four-year term using the effective interest method.

Equity: the conversion option held by the Debenture holders is classified as equity and initially recognized at fair value of \$7,977 net of directly attributable transaction costs. If the conversion option is exercised, the balance recognized in equity is transferred to share capital, otherwise it remains in equity reserve.

Embedded derivative: the conversion right held by the Company is recognized as a separate embedded derivative at a fair value of \$109. The derivative is subsequently measured at fair value with changes in fair value recognized in profit or loss.

The transaction costs of \$1,149 related to the issuance of the Debenture were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the Debentures using the effective interest method. The Company elected to allocate the liability component of the transaction costs entirely to the host liability. Transaction costs related to the equity component are recognized directly in equity.

		Convertible debentures
Balance, December 2024 and 2023	\$	-
Gross proceeds from convertible debenture financing		23,488
Transaction cost		(1,149)
Portion of convertible debenture financing allocated to equity reserves		(7,977)
Portion allocated to forced conversion embedded derivative		109
Interest paid		(1,371)
Accretion expense		2,164
Balance, September 30, 2025	\$	15,264

The Debentures are subject to certain financial covenants including maintaining a minimum consolidated working capital balance of \$5,000, which the Company is in compliance with as of September 30, 2025.

Letter of Credit Facility

In connection with the acquisition of the KGHM Sale Assets, the Company entered into a letter of credit facility (the “**LC Facility**”) with Fédération des caisses Desjardins du Québec (“**Desjardins**”), pursuant to which the Company can obtain letters of credit having an aggregate maximum face amount of \$12,000. A fee of 2.25% per annum is charged on amounts drawn under the LC Facility. The Company’s obligations under the LC Facility are secured against all present and future personal property of the Company in accordance with the terms of an omnibus general security agreement between the Company and Desjardins.

At September 30, 2025, the Company had drawn down \$10,825 under the LC Facility.

Factoring Agreement

On March 31, 2025, PNCl, a subsidiary of the Company, entered into an agreement with Desjardins whereby the Company can sell eligible metal sale receivables to Desjardins for cash proceeds (the “**Factoring Facility**”), improving the Company’s working capital and liquidity. The aggregate amount factored under this agreement at any one time is limited to \$24,000, and the factored receivables must have an expected due date within 150 days. The Company can receive up to 85% of the value of an eligible receivable under the agreement. The Factoring Facility is non-recourse but has been guaranteed by PNCl’s parent company, Magna. The agreement imposes no obligation on the Company to offer Desjardins eligible receivables to purchase or on Desjardins to purchase receivables offered by the Company.

The term of the Factor Facility is twelve months and is renewable at the option of Desjardins and the Company. A per annum factoring commission is payable on factored receivables at a rate of prime plus 2.3% for Canadian dollar receivables and prime plus 0.9% for US dollar receivables. Additionally, at the end of the twelve-month term, the total value of the eligible receivables offered by the Company for factoring under the agreement is less than \$30,000, a fee of 1% of the shortfall is payable by the Company.

The agreement requires that the Company secure and maintain a credit insurance policy for a value equal to the factored amount. As at September 30, 2025, \$8,666 was outstanding under the Factoring Facility.

SUMMARY OF SHARES ISSUED

As of November 25, 2025, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	249,813
Common share purchase options	12,044
Restricted share units	1,447
Deferred share units	44
Convertible debentures	23,967

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at September 30, 2025:

In \$000s	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	22,421	22,421	-	-	-
Streaming payable	5,381	5,381	-	-	-
Lease liabilities	39	39	-	-	-
Contingent consideration	8,100	-	-	5,400	2,700
Deferred acquisition costs	2,000	-	2,000	-	-
Deferred revenue	25,350	3,729	12,927	8,694	-
Convertible debentures	32,183	2,397	2,397	27,389	-
Purchase commitments	22,700	22,155	545	-	-
Asset retirement obligations	12,857	-	-	-	12,857
	\$131,031	\$56,122	\$17,869	\$41,483	\$15,557

NON-IFRS PERFORMANCE MEASURES

Average realized price per copper equivalent payable pound

Average realized price per copper equivalent payable pound is a non-IFRS Accounting Standards measure and does not constitute a measure recognized by IFRS Accounting Standards and does not have a standardized meaning defined by IFRS Accounting Standards. Average realized price per copper equivalent payable pound is calculated by dividing total metal proceeds received by the Company for the relevant period by the copper equivalent payable pounds. It may not be comparable to information in other issuers' reports and filings.

In 000s, except per unit amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Revenue per financial statements (a)	16,282	18,466	4,453	-	-	-	-	-	39,201	-
Treatment and refining charges	1,838	1,634	539	-	-	-	-	-	4,011	-
Recognition of deferred streaming revenue	(941)	(1,550)	-	-	-	-	-	-	(2,491)	-
Copper equivalent revenue from mining operations (a)	17,179	18,550	4,992	-	-	-	-	-	40,721	-
Copper equivalent pounds sold (000s) (b)	2,735	3,053	790	-	-	-	-	-	6,578	-
Average realized price copper equivalent sold CAD (c) = (a) ÷ (b)	6.28	6.08	6.32	-	-	-	-	-	6.19	-
Average 1 USD → CAD exchange rate (d)	1.3773	1.3841	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3886	1.3586
Average realized price copper equivalent sold USD (c) ÷ (d)	4.56	4.39	4.40	-	-	-	-	-	4.46	-

Cash costs per copper equivalent payable pound

Cash cost per copper equivalent payable pound is a non-IFRS Accounting Standards performance measure and does not constitute a measure recognized by IFRS Accounting Standards and does not have a standardized meaning defined by IFRS Accounting Standards, as well it may not be comparable to information in other issuers' reports and filings. The Company has included this non-IFRS Accounting Standards performance measure throughout this document as Magna believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of total cash costs per copper equivalent payable pound to cost of sales per the financial statements for each of the last eight quarters:

In 000s, except per unit amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Cost of sales per financial statements	19,380	20,275	4,422	-	-	-	-	-	44,077	-
Smelting, treatment and refining charges	1,838	1,634	539	-	-	-	-	-	4,011	-
Depletion and depreciation	(1,998)	(2,168)	(238)	-	-	-	-	-	(4,404)	-
Cash costs (a)	19,220	19,741	4,723	-	-	-	-	-	43,684	-
Copper equivalent payable pounds (000s) (b)	2,735	3,053	790	-	-	-	-	-	6,578	-
Cash costs per copper equivalent payable pound (c) = (a) ÷ (b)	7.03	6.47	5.98	-	-	-	-	-	6.64	-
Average 1 USD → CAD exchange rate (d)	1.3773	1.3841	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3886	1.3586
Cash costs per copper equivalent payable pound USD (c) ÷ (d)	5.10	4.67	4.16	-	-	-	-	-	4.78	-

Production costs per ton processed

Mine-site cost per ton processed is a non-IFRS Accounting Standards performance measure and does not constitute a measure recognized by IFRS Accounting Standards and does not have a standardized meaning defined by IFRS Accounting Standards, as well it may not be comparable to information in other issuers' reports and filings. As illustrated in the table below, this measure is calculated by adjusting cost of sales, as shown in the statements of income for non-cash depletion and depreciation, royalties and inventory level changes and then dividing by tons processed through the smelter. Management believes that mine-site cost per ton processed provides additional information regarding the performance of mining operations and allows Management to monitor operating costs on a more consistent basis as the per ton processed measure reduces the cost variability associated with varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each ton mined, the estimated revenue on a per ton basis must be in excess of the production cost per ton processed in order to be economically viable. Management is aware that this per ton processed measure is impacted by fluctuations in throughput and thus uses this evaluation tool in conjunction with production costs prepared in accordance with IFRS Accounting Standards. This measure supplements production cost information prepared in accordance with IFRS Accounting Standards and allows investors to distinguish between changes in production costs resulting from changes in production versus changes in operating performance.

In 000s, except per unit amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Cost of sales per financial statements	19,380	20,275	4,422	-	-	-	-	-	44,077	-
Depletion and depreciation	(1,998)	(2,168)	(238)	-	-	-	-	-	(4,404)	-
Royalties and streaming expense	(2,346)	(2,772)	(223)	-	-	-	-	-	(5,341)	-
Mining and processing costs (a)	15,036	15,335	3,961	-	-	-	-	-	34,332	-
Ore processed (tons) (b)	75,214	70,045	20,388	-	-	-	-	-	165,647	-
Production costs per ton processed (a) ÷ (b)	200	219	194	-	-	-	-	-	207	-

Cash margin

Cash margin is a non-IFRS Accounting Standards measure and does not constitute a measure recognized by IFRS Accounting Standards and does not have a standardized meaning defined by IFRS Accounting Standards, as well it may not be comparable to information in other issuers' reports and filings. It is calculated as the difference between total sales revenue, net of smelting, refining and treatment costs from mining operations and cash mine site operating costs (see Cash cost per ounce of gold sold under this Section above) per the Company's Financial Statements. The Company believes it illustrates the performance of the Company's operating mines and enables investors to better understand the Company's performance in comparison to other metal producers who present results on a similar basis.

In 000s, except per unit amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Copper equivalent revenue from mining operations (per above)	17,179	18,550	4,992	-	-	-	-	-	40,721	-
Cash costs (per above)	19,220	19,741	4,723	-	-	-	-	-	43,684	-
Cash margin	(2,041)	(1,191)	269	-	-	-	-	-	(2,963)	-
Per pound of copper equivalent payable (Canadian dollar):										
Average realized price (a)	6.28	6.08	6.32	-	-	-	-	-	6.19	-
Cash costs (b)	7.03	6.47	5.98	-	-	-	-	-	6.64	-
Cash margin (a) – (b)	(0.75)	(0.39)	0.34	-	-	-	-	-	(0.45)	-

All-in sustaining costs

All-in sustaining costs (“**AISC**”) include mine site operating costs incurred at Magna mining operations, sustaining mine capital and development expenditures, mine site exploration expenditures and equipment lease payments related to the mine operations and corporate administration expenses. The Company believes that this measure represents the total costs of producing copper equivalent payable pounds from current operations and provides Magna and other stakeholders with additional information that illustrates the Company’s operational performance and ability to generate cash flow. This cost measure seeks to reflect the full cost of copper production from current operations on a per-pound basis of copper equivalent payable. New project and growth capital are not included.

In 000s, except per unit amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Cost of sales, per financial statements	19,380	20,275	4,422	-	-	-	-	-	44,077	-
Smelting, treatment and refining charges	1,838	1,634	539	-	-	-	-	-	4,011	-
Depletion and depreciation	(1,998)	(2,168)	(238)	-	-	-	-	-	(4,404)	-
Cash costs	19,220	19,741	4,723	-	-	-	-	-	43,684	-
Sustaining mine exploration and development	2,780	468	-	-	-	-	-	-	3,248	-
Sustaining mine capital equipment	1,342	1,381	-	-	-	-	-	-	2,723	-
Corporate and general	1,576	2,191	997	-	-	-	-	-	4,764	-
Less: KGHM Integration costs	(285)	(742)	(465)	-	-	-	-	-	(1,492)	-
All-in Sustaining costs (AISC) (a)	24,633	23,039	5,255	-	-	-	-	-	52,927	-
Pounds of copper equivalent payable (b)	2,735	3,053	790	-	-	-	-	-	6,578	-
AISC (c) = (a) ÷ (b)	9.01	7.55	6.65	-	-	-	-	-	8.05	-
Average 1 USD → CAD exchange rate (d)	1.3773	1.3841	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3886	1.3586
AISC USD (c) ÷ (d)	6.54	5.45	4.63	-	-	-	-	-	5.79	-

Free cash flow and operating and free cash flow per share

Free cash flow is calculated by taking net cash provided by operating activities less cash used in capital expenditures and lease payments as reported in the Company's financial statements. Free cash flow per share is calculated by dividing free cash flow by the weighted average number of shares outstanding for the period.

Operating cash flow per share is a non-IFRS Accounting Standards measure and does not constitute a measure recognized by IFRS Accounting Standards and does not have a standardized meaning defined by IFRS Accounting Standards. Operating cash flow per share is calculated by dividing cash flow from operating activities in the Company's Financial Statements by the weighted average number of shares outstanding for each year. It may not be comparable to information in other issuers' reports and filings.

In 000s, except per share amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Net cash provided by operating activities per financial statements (c)	(10,781)	(11,560)	(2,584)	(7,105)	(3,635)	(3,747)	(3,322)	(1,754)	(24,925)	(10,704)
Sustaining mine exploration and development	(2,780)	(468)	-	-	-	-	-	-	(3,248)	-
Sustaining mine capital equipment	(1,342)	(1,381)	-	-	-	-	-	-	(2,723)	-
Purchase of Project Nikolas Company Inc.	-	-	(5,000)	-	-	-	-	-	(5,000)	-
Proceeds from purchase of NorthX	666	-	-	-	-	-	-	-	666	-
Site maintenance capital equipment	(113)	(231)	-	-	-	-	-	-	(344)	-
Exploration equipment	-	-	-	(10)	-	(6)	(8)	(4)	-	(14)
Exploration and evaluation	-	-	-	-	-	-	-	(6)	-	-
Funds held against standby letters of credit	-	2,926	(3,000)	-	-	(168)	-	-	(74)	(168)
Interest on restricted funds	-	(4)	-	-	-	-	-	-	(4)	-
Payment of lease liabilities	-	-	-	-	-	-	-	-	-	-
Free cash flows (a)	(14,350)	(10,718)	(10,584)	(7,115)	(3,635)	(3,921)	(3,330)	(1,764)	(35,652)	(10,886)
Weighted number of shares (000s) (b)	211,308	203,647	197,739	186,593	169,379	163,534	163,380	163,201	204,277	165,445
Per Share data										
Operating cash flow (c) ÷ (b)	(0.05)	(0.06)	(0.01)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.12)	(0.06)
Free cash flow (a) ÷ (b)	(0.07)	(0.05)	(0.05)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.17)	(0.07)

Adjusted net loss and Adjusted net loss per share

Adjusted net loss and adjusted net loss per share are non-IFRS Accounting Standards performance measures and do not constitute a measure recognized by IFRS Accounting Standards and do not have standardized meanings defined by IFRS Accounting Standards, as well both measures may not be comparable to information in other issuers' reports and filings. Adjusted net loss is calculated by removing the one-time gains and losses resulting from the disposition of non-core assets, non-recurring expenses and significant tax adjustments (mining tax recognition and exploration credit refunds) not related to current period's income, as detailed in the table below. Magna discloses this measure, which is based on its financial statements, to assist in the understanding of the Company's operating results and financial position.

In 000s, except per share amounts	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YTD 2025	YTD 2024
Net income (loss) per financial statements	(10,642)	(9,501)	29,098	(4,717)	(4,498)	(3,948)	(3,105)	(2,477)	8,955	(11,551)
Adjustments for:										
Gain on bargain purchase of KGHM assets	-	-	(57,227)	-	-	-	-	-	(57,227)	-
Project Nikolas Company Inc. Integration costs	285	742	779	-	-	-	-	-	1,806	-
Transaction Costs	30	35	2,426	-	-	-	-	-	2,491	-
Flow-through premium income	-	-	-	(929)	(557)	(672)	(788)	(388)	-	(2,017)
Total adjustments	315	777	(54,022)	(929)	(557)	(672)	(788)	(388)	(52,930)	(2,017)
Related income tax effect	(83)	(206)	10,236	246	148	178	209	103	9,947	535
Recognition of mining taxes	-	-	9,246	-	-	-	-	-	9,246	-
Adjusted net loss (a)	(10,410)	(8,930)	(5,442)	(5,400)	(4,907)	(4,442)	(3,684)	(2,762)	(24,782)	(13,033)
Weighted number of shares (000s) (b)	211,308	203,647	197,739	186,593	169,379	163,534	163,380	163,201	204,277	165,445
Per Share data										
Adjusted net loss (a) ÷ (b)	(0.05)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.12)	(0.08)

ACCOUNTING MATTERS

BASIS OF PRESENTATION

The condensed interim consolidated financial statements of Magna for the three and nine months ended September 30, 2025 have been prepared in accordance with International Accounting Standard 34 – “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with IFRS Accounting Standards. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS Accounting Standards have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2024.

The IFRS Accounting Standards applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended December 31, 2024.

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company’s condensed interim financial statements are consistent with those applied and disclosed.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards 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. 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. Significant estimates as at September 30, 2025 relate to the use of estimates related to the valuation of acquired businesses and assets, the determination of mineral reserves and resources, depletion of mineral properties, provision for decommissioning obligations, stock based compensation, income taxes and deferred taxes, recoverability of mining properties, inventory - ore stockpile, deferred revenue, contingent consideration, convertible debentures, and provisions and contingent liabilities.

CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

Exploration and evaluation expenditures

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Reserves and resources

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources that have been incorporated into the mine plan. The Company estimates its proven and probable reserves and measured, indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body.

Changes in the proven and probable reserves or measured, indicated and inferred mineral resource estimates may impact the carrying value of mining properties and equipment, depletion, impairment assessments and the timing of decommissioning and remediation obligations.

(ii) Depletion

Mining properties are depleted using the units of production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves.

The calculation of the UOP rate, and therefore the annual depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the commodity prices used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Provision for decommissioning obligations

The Company assesses its provision for decommissioning on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations applicable to each mining operation. Also, future changes to environmental laws and regulations could increase the extent of decommissioning work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

(iv) Share-based compensation

The determination of the fair value of share-based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Share-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures, and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(v) *Income taxes and deferred taxes*

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for income taxes and deferred tax represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to be recognized changes significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the consolidated financial statements in the year these changes occur.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

(vi) *Recoverability of mining properties*

The Company's management reviews the carrying values of its mining properties on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties depends on confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on life-of-mine ("**LOM**") plans in its assessments of economic recoverability and probability of future economic benefit. LOM plans provide an economic model to support the economic extraction of reserves and resources. A long-term LOM plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.

(vii) *Inventory – ore stockpile*

Expenditures incurred and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore maintained in stockpiles. These deferred amounts are carried at the lower of cost or net realizable value ("**NRV**"). Impairments of ore in stockpiles resulting from NRV impairments are reported as a component of current period costs.

The allocation of costs to ore in stockpiles and the determination of NRV involve the use of estimates. There is a significant degree of uncertainty in estimating future milling costs, future milling levels, prevailing and long-term metal prices, and the ultimate estimated recovery for ore.

(viii) *Deferred revenue - streaming agreement*

A metals streaming agreement is an agreement where a company received an upfront payment in exchange for agreeing to deliver a portion of the future metal production from a specific mining operation at a price that is usually at a discount to market prices. Streaming agreements are classified as financial liabilities or deferred revenue, depending on the contractual terms and substance of the arrangement. The classification and measurement are assessed under IFRS 9, Financial Instruments, while the determination of fair value is performed in accordance with IFRS 13, Fair Value Measurement.

The fair value of streaming agreements are determined using discounted cash flow models that consider the expected production profile, forecasted commodity prices, contractual delivery terms, counterparty credit risk, and market participant assumptions.

(ix) Contingent consideration

As part of the business acquisition of the base metal assets from KGHM, additional consideration is payable to KGHM contingent on the achievement of specific future milestones. Under IFRS 3, Business Acquisitions, contingent consideration is recognized at fair value on the acquisition date and can be classified as either a financial liability or an equity instrument. If the contingent consideration is classified as an equity instrument, there is no subsequent remeasurement. The contingent consideration given as part of the acquisition of the KGHM Sale Assets has been classified as a financial liability, and, as a result, the liability is remeasured at each reporting period with changes in fair value recognized through profit and loss. The remeasured liability reflects updated estimate of probabilities, expected cash flows, time value of money, and other assumptions.

(x) Business combination

Business combinations are accounted for using the acquisition method of accounting. The allocation of the purchase price requires estimates as to the fair value of acquired assets and liabilities. The Company engages independent appraisers to assist with the determination of the fair value of assets acquired, liabilities assumed, and goodwill/bargain purchase, if any, based on recognized business valuation methodologies. The information necessary to measure the fair values as at the acquisition date of assets acquired and liabilities assumed requires management to make certain judgements and estimates, including but not limited to the most appropriate valuation methodology, estimates of mineral reserves and mineral resources of the assets acquired, value of resources outside life of mine plans including assumptions for market values per ounce, future production levels, future operating costs, capital expenditures, discount rates, future metal prices and long-term foreign exchange rates. Changes to the preliminary measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date. The Company determined that the acquisition of the portfolio of base metal assets from a subsidiary of KGHM International Ltd. met the requirements to be accounted for as a business combination.

(xi) Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

ACCOUNTING PRONOUNCEMENTS

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 is in the process of assessing 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. 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.

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.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to note 29 of the Company's condensed interim consolidated financial statements for a discussion of the factors that affect Magna.

RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors and the Company's approach to the management of these risks are discussed in detail in the 2024 annual MD&A.

RESPONSIBILITY FOR TECHNICAL INFORMATION

The technical and scientific information disclosed in this document was prepared under the supervision of and verified and reviewed by Dave King, P.Geo., Vice President, Exploration of Magna, who is a "Qualified Person" as defined in NI 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

Data verification involves data input and review by senior project geologists at site, scheduled weekly and monthly reporting to senior exploration management and the completion of project site visits by senior exploration management to review the status of ongoing project activities and data underlying reported results. All drilling results for exploration projects or supporting resource and reserve estimates referenced in this MD&A have been previously reported in news release disclosures by the Company and have been prepared in accordance with NI 43-101. The sampling and assay data from drilling programs are monitored through the implementation of a quality assurance - quality control ("QA-QC") program designed to follow industry best practice.

INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

Any mineral reserve or resource estimates in this document were prepared in accordance with NI 43-101 as required by Canadian securities regulatory authorities. For United States reporting purposes, the United States Securities and Exchange Commission ("SEC") applies different standards when classifying mineralization as a resource or reserve. In particular, while the terms "measured," "indicated" and "inferred" mineral resources are required pursuant to NI 43-101, the SEC may not recognize their exact definitions. Canadian standards differ significantly from the requirements of the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories constitute or will ever be converted into reserves. In addition, "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 securities laws, issuers must not make any disclosure of results of an economic analysis that includes inferred mineral resources, except in rare cases.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, constitute "forward-looking statements" and "forward-looking information" and are based on expectations, estimates and projections as of the date of this MD&A. The words – "potential", "believe", "expect", "anticipate", "plan", "forecast", "intend", "continue", "estimate", "may", "might", "could", "should", "would", "will", "schedule" and similar words, phrases, expressions or variations thereof identify forward-looking statements. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. No reliance should be placed on forward-looking statements. Factors that could cause results or events to differ materially from current expectations expressed or implied are inherent to the volatile nature of the copper mining industry and include, but are not limited to, those discussed in the section entitled "Risks and Uncertainties" in the 2024 annual MD&A, which are incorporated herein by reference. The Company does not intend and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by applicable laws.

ADDITIONAL INFORMATION

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