

# **MAGNA MINING INC.**

(Expressed in thousands of Canadian Dollars)

## **Unaudited Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2025 and 2024

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**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in thousands of Canadian dollars - unaudited)  
**As at**

	Notes	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 63,121	\$ 17,535
Trade and other receivables	11	29,427	3,029
Inventories	12	8,032	-
Prepaid expenses		789	213
Deferred financing costs	19	594	198
<b>Total current assets</b>		<b>101,963</b>	<b>20,975</b>
<b>Non-current</b>			
Restricted cash	13	1,023	944
Mineral property, plant and equipment	14	85,921	119
Exploration and evaluation assets	15	23,228	17,533
Derivative asset	19	521	-
<b>Total non-current assets</b>		<b>110,693</b>	<b>18,596</b>
<b>Total assets</b>		<b>\$ 212,656</b>	<b>\$ 39,571</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	16	\$ 22,421	\$ 3,607
Streaming payable	18	5,381	-
Deferred revenue	18	3,729	-
Right-of-use lease liability		39	36
<b>Total current liabilities</b>		<b>31,570</b>	<b>3,643</b>
<b>Non-current</b>			
Deferred acquisition costs	5	1,932	-
Contingent consideration	17	6,844	-
Deferred revenue	18	12,384	-
Convertible debentures	19	15,264	-
Asset retirement obligation	20	10,633	875
Right-of-use lease liability		-	10
Deferred tax liabilities		16,045	-
<b>Total non-current liabilities</b>		<b>63,102</b>	<b>885</b>
<b>Total liabilities</b>		<b>94,672</b>	<b>4,528</b>
<b>Shareholders' equity</b>			
Share capital	21	135,294	71,285
Share-based payment reserve		6,108	3,945
Warrants reserve	24	1,266	1,429
Equity portion of convertible debentures	19	7,977	-
Deficit		(32,661)	(41,616)
<b>Total shareholders' equity</b>		<b>117,984</b>	<b>35,043</b>
<b>Total shareholders' equity and liabilities</b>		<b>\$ 212,656</b>	<b>\$ 39,571</b>

Going concern (note 1)  
Commitments and contingencies (note 30)  
Subsequent events (note 31)

*"Jason Jessup"* Director

*"John Seaman"* Director

See accompanying notes to the condensed interim consolidated financial statements

## Magna Mining Inc.

### Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

(Expressed in thousands of Canadian dollars, except share and per share amounts - unaudited)

	Notes	Three months ended		Nine months ended	
		2025	September 30, 2024	2025	September 30, 2024
<b>Revenue</b>	7	\$ 16,282	\$ -	\$ 39,201	\$ -
<b>Cost of sales</b>					
Mine operating costs	8	17,382	-	39,673	-
Depletion, depreciation and amortization	8,9	1,998	-	4,404	-
Cost of sales		19,380	-	44,077	-
<b>Loss from mining operations</b>		<b>(3,098)</b>	-	<b>(4,876)</b>	-
Corporate and general		1,576	1,775	6,306	4,287
Share-based compensation	23,25	1,182	816	2,276	1,262
Exploration and evaluation		2,681	2,469	5,719	7,904
Site maintenance		3,242	28	7,504	215
<b>Operating loss</b>		<b>(11,779)</b>	<b>(5,088)</b>	<b>(26,681)</b>	<b>(13,668)</b>
Flow-through premium income		-	557	-	2,016
Finance and interest expense	10(a)	(1,619)	(33)	(3,374)	(171)
Gain on bargain purchase of KGHM assets	5	-	-	36,575	-
Costs on purchase of KGHM assets	5	(30)	-	(2,491)	-
Accretion of asset retirement obligation	20	(58)	(7)	(192)	(21)
Other income	10(b)	513	73	519	293
<b>(Loss) income before income and mining taxes</b>		<b>(12,973)</b>	<b>(4,498)</b>	<b>4,356</b>	<b>(11,551)</b>
Current income expense		(8)	-	(8)	-
Deferred income and mining tax recovery		2,339	-	4,607	-
<b>Net (loss) income and comprehensive (loss) income</b>		<b>\$ (10,642)</b>	<b>\$ (4,498)</b>	<b>\$ 8,955</b>	<b>\$ (11,551)</b>
<b>Net (loss) earnings per share</b>					
Basic	22	\$ (0.05)	\$ (0.03)	\$ 0.04	\$ (0.07)
Diluted	22	\$ (0.05)	\$ (0.03)	\$ 0.04	\$ (0.07)
<b>Weighted average number of outstanding shares</b>					
Basic	22	211,307,866	169,378,856	204,277,356	165,445,260
Diluted	22	211,307,866	169,378,856	223,184,560	165,445,260

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, 2025 and 2024**

(Expressed in thousands of Canadian dollars, except share amounts - unaudited)

	Notes	Number of shares	Share capital	Share-based payment reserve	Warrants reserve	Equity portion of convertible debenture	Deficit	Total shareholders' equity
Balance at December 31, 2023		163,379,860	\$ 45,784	\$ 2,820	\$ 1,593	\$ -	\$ (25,348)	\$ 24,849
Net loss and comprehensive loss for the period		-	-	-	-	-	(11,551)	(11,551)
Warrants exercised	21,24	9,202,178	3,914	-	(82)	-	-	3,832
Options exercised	21,23	300,000	253	(114)	-	-	-	139
Share-based compensation	23,25	-	-	1,262	-	-	-	1,262
Balance at September 30, 2024		172,882,038	\$ 49,951	\$ 3,968	\$ 1,511	\$ -	\$ (36,899)	\$ 18,531
Balance at December 31, 2024		194,910,244	\$ 71,285	\$ 3,945	\$ 1,429	\$ -	\$ (41,616)	\$ 35,043
Net income and comprehensive income for the period		-	-	-	-	-	8,955	8,955
Private placement	21	27,284,920	60,000	-	-	-	-	60,000
Share issue costs	21	-	(3,171)	-	-	-	-	(3,171)
Share issued on acquisition of KGHM Sales Assets	5	1,180,705	2,000	-	-	-	-	2,000
Equity portion of convertible debenture, net of tax	19	-	-	-	-	7,977	-	7,977
Warrants exercised	21,24	11,210,842	4,914	-	(163)	-	-	4,751
Options exercised	21,23	223,932	266	(113)	-	-	-	153
Share-based compensation	23,25	-	-	2,276	-	-	-	2,276
<b>Balance at September 30, 2025</b>		<b>234,810,643</b>	<b>\$ 135,294</b>	<b>\$ 6,108</b>	<b>\$ 1,266</b>	<b>\$ 7,977</b>	<b>\$ (32,661)</b>	<b>\$ 117,984</b>

See accompanying notes to the condensed interim consolidated financial statements

**Magna Mining Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**

(Expressed in thousands of Canadian dollars - unaudited)

	Notes	Three months ended		Nine months ended	
		September 30,		September 30,	
		2025	2024	2025	2024
<b>Operating activities</b>					
Net (loss) income for the period		\$ (10,642)	\$ (4,498)	\$ 8,955	\$ (11,551)
Items not requiring an outlay of cash:					
Depletion, depreciation and amortization	9,14	3,231	25	7,350	71
Finance expense	10(a)	1,619	33	3,374	171
Share-based compensation	23,25	1,182	816	2,276	1,262
Accretion of asset retirement obligation	20	58	7	192	21
Unrealized foreign exchange loss		(102)	1	-	-
Flow-through premium income		-	(557)	-	(2,016)
Interest income		-	(10)	(5)	(27)
Market-to-market on embedded derivative	10(b)	(307)	-	(412)	-
Recognition of deferred streaming revenue	18	(941)	-	(2,491)	-
Deferred income and mining taxes		(2,339)	-	(4,607)	-
Gain on bargain purchase of KGHM assets	5	-	-	(36,575)	-
Net change in non-cash working capital balances	27	(2,540)	548	(2,982)	1,365
<b>Cash flow used in operating activities</b>		<b>(10,781)</b>	<b>(3,635)</b>	<b>(24,925)</b>	<b>(10,704)</b>
<b>Financing activities</b>					
Issuance of common shares, net of costs	21	47,435	-	56,829	-
Proceeds from convertible debenture, net	19	-	-	22,335	-
Proceeds from exercise of warrants		4,051	3,030	4,751	3,832
Proceeds from exercise of options		15	139	153	139
Payment of lease liabilities		(11)	(12)	(34)	(34)
Payment of deferred financing cost		(137)	-	(1,068)	-
Interest paid		(900)	-	(1,728)	-
<b>Cash flow provided by financing activities</b>		<b>50,453</b>	<b>3,157</b>	<b>81,238</b>	<b>3,937</b>
<b>Investing activities</b>					
Acquisition of NorthX assets	6	666	-	666	-
Increase in restricted cash		-	-	(78)	(168)
Acquisition of KGHM assets, net of cash received		-	-	(5,000)	-
Additions to mineral properties, plant and equipment		(4,235)	-	(6,315)	(14)
<b>Cash flow used in investing activities</b>		<b>(3,569)</b>	<b>-</b>	<b>(10,727)</b>	<b>(182)</b>
Increase (decrease) in cash during the period		36,103	(478)	45,586	(6,949)
Cash at the beginning of the period		27,018	4,419	17,535	10,890
<b>Cash at the end of the period</b>		<b>\$ 63,121</b>	<b>\$ 3,941</b>	<b>\$ 63,121</b>	<b>\$ 3,941</b>

Supplemental cash flow information (note 27)

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**  
**For the three and nine months ended September 30, 2025 and 2024**  
(Expressed in thousands of Canadian dollars - unaudited)

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**1. Reporting entity**

Magna Mining Inc. (the “Company” or “Magna”) is a producing mining company with a portfolio of copper, nickel and platinum group metals with operating, exploration and development projects in the Sudbury Region of Ontario, Canada. The Company’s primary assets are the producing McCreedy West copper mine and the past-producing Levack, Podolsky, Shakespeare, and Crean Hill mines.

The Company is a corporation governed by the Canadian Business Corporations Act. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol NICU.

The Company’s head office and principal business address is 1300 Kelly Lake Road, Sudbury, Ontario, P3E 5P4.

**Going concern**

These unaudited condensed interim consolidated financial statements (“consolidated financial statements”) have been prepared in accordance with 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. As at September 30, 2025, the Company reported an accumulated deficit of \$32,661 (December 31, 2024 - \$41,616).

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”) (see note 5 - Acquisition of KGHM mining operations and exploration assets). Prior to the Transaction, the Company had not generated any revenue from commercial mining operations and was considered to be in the exploration stage. Upon completion of the Transaction, the Company acquired a revenue-producing operation, the McCreedy West copper mine. Additionally, during the nine months ended September 30, 2025, the Company closed a private placement financing (debt and equity) for aggregate gross proceeds of \$33,488 and a brokered common share financing for gross proceeds of \$50,000 (see note 19(a) – Debt facilities: Convertible debentures and note 21 – Issued share capital). As a result, the Company expects to rely on cash flow from operations at the McCreedy West copper mine and on proceeds from financings. As at September 30, 2025, the Company had a cash balance of \$63,121 (December 31, 2024: \$17,535) and a working capital balance of \$70,393 (December 31, 2024: \$17,332). However, the Company may need to obtain additional funding from loans or equity financings by the Company’s existing shareholders and/or new shareholders or through other arrangements to continue its mining operations and exploration and development activities. There is no assurance that the Company will be successful in this regard if additional funding is required. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These 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**  
**For the three and nine months ended September 30, 2025 and 2024**  
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**2. Basis of presentation**

**(a) Statement of compliance**

These 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 consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and, except as discussed below, have been prepared using the same accounting policies and methods of application as the most recent annual financial statements of the Company.

These 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, 2024. In management’s opinion, all adjustments necessary for fair presentation have been included in these consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended December 31, 2025.

The Board of Directors authorized these interim consolidated financial statements for issuance on November 25, 2025.

**(b) Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Magna Mining (Canada) Corp., Ursa Major Minerals Incorporated, Lonmin Canada Inc., and Project Nikolas Company Inc. (“PNCI”).

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. The Company has consolidated PNCI since the completion of the Transaction on February 28, 2025. 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
Project Nikolas Company Inc.	Canada	100%	Mineral production, development and exploration

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**(c) Basis of presentation**

These 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, 2024 annual financial statements, other than as noted below. The notes presented in these 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 Accounting Standards for annual financial statements. These consolidated financial statements should be read in conjunction with the Company’s last annual financial statements as at December 31, 2024 and for the year then ended.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2025 and 2024**  
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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., Lonmin Canada Inc., and PNCI. In concluding the functional currencies of the parent and its subsidiary companies, management considered the currency that mainly influences the sales price of its metal and 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. The Company reconsiders its functional currency and that of its subsidiaries if there is a change in events and conditions that determine the primary economic environment in which the entity operates and accounts for the effects of a change in functional currency prospectively.

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

**(e) Significant estimates and critical 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 revision 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, share-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

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

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 and depreciation*

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 copper equivalent payable pounds 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 depreciation, 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.

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**Magna Mining Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**2. Basis of presentation (continued)**

*(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 change 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) Inventories – 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 receives 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. The deferred revenue component of the Company's streaming agreement linked to certain mines is considered variable and is subject to retroactive adjustment when there is a change in the timing of the delivery of ounces or in the underlying production profile of the relevant mine. The impact of such a change in the timing or quantity of ounces to be delivered under a streaming agreement will result in retroactive adjustments to both the deferred revenue recognized and the accretion recorded prior to the date of the change.

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**Notes to the Condensed Interim Consolidated Financial Statements**  
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**2. Basis of presentation (continued)**

(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 combinations, 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 an updated estimate of the probabilities of the assets commencing commercial production along with the expected timing.

(x) *Business combinations*

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 judgments 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; refer to note 5.

(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.

**3. Material accounting policies**

Other than as discussed below, the accounting policies in preparation of these consolidated financial statements are consistent with those applied and disclosed in note 4 of the Company's audited financial statements for the year ended December 31, 2024.

**Inventories**

Inventories are comprised of ore stockpiles and supplies. All inventories are carried at the lower of cost and net realizable value. The cost of ore inventory includes all direct costs incurred in production, including mining, processing, mine site administration, freight, waste removal costs, and depreciation charges relating to the production of inventory. Net realizable value is the estimated selling price for inventories less costs of completion and estimated distribution, and other selling costs. The cost of inventories is determined using the average cost method. Write-downs of inventory to net realizable value are recorded as a cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value may be reversed to the extent that the related inventory has not been sold.

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**3. Material accounting policies (continued)**

**Mineral properties**

Mineral properties consist of the costs of acquiring, permitting, and developing mineral properties. Once in production, mineral properties are amortized on a units-of-production basis over the component of the ore body to which the capitalized costs relate.

Property acquisition costs arise either from an individual asset purchase or as part of a business combination and may represent a combination of proven and probable reserves, resources, or future exploration potential. When management has not determined that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the entire amount is considered property acquisition costs and not amortized.

Mineral property development costs include underground mine development costs that are incurred to build new shafts, drifts and ramps that will enable the Company to physically access ore underground. The time over which the Company will continue to incur these costs depends on the mine life. These underground development costs for operating mines are capitalized as incurred. Capitalized underground development costs are depreciated on a unit-of-production basis, based on the estimated proven and probable reserves and the portion of resources considered probable of economic extraction.

Construction in progress includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Construction in progress includes advances on long-lived items. Construction in progress is not depreciated.

**Deferred revenue**

Deferred revenue is recognized in the consolidated statements of financial position when consideration is received prior to the sale of metals. Revenue is subsequently recognized in the consolidated statements of (loss) income and comprehensive (loss) income when control has been transferred to the customer. The Company recognizes the time value of money, where there is a significant financing component and the period between the payment by the customer and the transfer of the contracted goods exceeds one year. Interest expense on deferred revenue is recognized in finance and interest expense in the consolidated statements of (loss) income and comprehensive (loss) income. The Company determines the current portion of deferred revenue based on quantities anticipated to be delivered over the next twelve months.

**Business combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred to the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

When the consideration transferred by the Company in a business combination includes liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill, if any. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. All other subsequent changes in the fair value of contingent consideration classified as a liability are accounted for in accordance with the relevant policy. Other contingent consideration is remeasured to fair value at subsequent reporting dates, with changes in fair value recognized in profit or loss.

**3. Material accounting policies (continued)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that time. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

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 an updated estimate of probabilities, expected cash flows, time value of money, and other assumptions.

**Derivative financial instruments**

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured at their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

**4. Recent accounting pronouncements***Standards and amendments issued but not yet effective*

The 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.

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**4. 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.

**5. 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 mining district from a subsidiary of KGHM International Ltd. (“KGHM”) (the “KGHM 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 acquisition of the KGHM Sale Assets expands the Company’s presence in the Sudbury mining district, adding an operating mine, multiple mineral and exploration properties with existing mining infrastructure and an existing workforce. This will provide the Company with the opportunity to pursue efficiencies through shared services and integrated operations.

The KGHM Transaction was structured as a share purchase transaction whereby the Company acquired all of the outstanding shares of PNCL from KGHM. The purchase price was comprised of:

- \$5,300 in cash paid on closing;
- 1,180,705 common shares with a value of \$2,000 issued on February 28, 2025;
- a deferred payment of \$2,000 in cash payable on December 31, 2026; and

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**5. Acquisition of KGHM mining operations and exploration assets (continued)**

- contingent payments on the satisfaction of certain future milestones totalling up to \$24,000, which includes following payments if the respective properties commence commercial production:

<b>Property</b>	<b>Contingent consideration</b>
Levack	\$ 6,000
Podolsky	4,000
Kirkwood	4,000
Falconbridge Footwall	4,000
NW Foy	2,000
Rand	2,000
Northrange	2,000
<b>Total</b>	<b>\$ 24,000</b>

The Company also assumed certain liabilities of PNCI, including reclamation liabilities with a preliminary estimated fair value of \$9,000 and a metal streaming obligation with a preliminary estimated fair value of \$18,603.

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.

The Company has determined that the KGHM Transaction represents a business combination under IFRS 3. The Company has consolidated the operating results, cash flows and net assets of the KGHM Sale Assets from February 28, 2025. For the period from February 28, 2025 to September 30, 2025, the KGHM Sale Assets contributed revenue of \$39,201 and incurred a loss before income taxes of \$13,086. If the acquisition of the KGHM Sale Assets had taken place on January 1, 2025, pro-forma consolidated revenue and a loss before taxes for the Company would have been \$46,518 and \$18,869, respectively, for the nine months ended September 30, 2025. Transaction costs related to the KGHM Sale Assets of \$2,491 have been expensed.

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

Share consideration <sup>(1)</sup>	\$	2,000
Cash paid		5,300
Present value of deferred cash payment <sup>(2)</sup>		1,900
Contingent consideration <sup>(3)</sup>		6,700
<b>Total consideration</b>	<b>\$</b>	<b>15,900</b>

<sup>(1)</sup> The fair value of the 1,180,705 common shares issued was determined using the Company's share price of \$1.69.

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

<sup>(3)</sup> The fair value of the contingent consideration was determined based on an estimated probability that the various properties will trigger the payment milestone, which is commencing commercial production.

In accordance with the acquisition method of accounting, the acquisition cost was allocated to the underlying assets acquired and liabilities assumed based on 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. Additionally, the identification of assets and liabilities on acquisition is subject to change. Any adjustments made will be recognized retrospectively, and comparative information will be revised.

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**5. Acquisition of KGHM mining operations and exploration assets (continued)**

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

<sup>(1)</sup> Fair value is preliminary and subject to change.

The fair values of mineral properties and reclamation provisions were estimated using discounted cash flow models. Inventory was valued at net realizable value. The fair values of plant and equipment were estimated using market or cost approaches. The fair values of the exploration and evaluation assets were estimated using a comparable transaction approach. The fair value of receivables, less any expected credit losses and payables, is equal to their gross contractual amounts at the transaction date. Expected future cash flows, used to estimate the fair value of mineral properties, are based on estimates of future metal prices, projected future production, estimated quantities of ore reserves, metallurgical recovery estimates, expected future production costs, expected capital expenditures, and discount rates based on the life of mine plan at the transaction date.

The liability related to a streaming agreement with a third party assumed as part of the KGHM Transaction, which requires the delivery of 50% of the gold, platinum and palladium from the McCreedy West, Levack, and Podolsky mines and potentially certain other deposits until the earlier of the remaining life of these deposits or 2048. The preliminary fair value of the acquired deferred revenue was valued using the income valuation method. Key assumptions in the income valuation method include forward metal price curves, the level of metal production over the life of the mine and discount rates. Additional details on the streaming agreement are provided in note 18, Deferred revenue.

The Company recognized a bargain purchase gain of \$36,575 ("Purchase Gain"), equal to the excess of the fair value of the net assets acquired over the total consideration on the consolidated statements of income and comprehensive income during the nine months ended September 30, 2025. The Purchase Gain was largely the result of the assets and operations acquired in the KGHM Transaction being non-core to KGHM.

As at September 30, 2025, the purchase price allocation was yet to be finalized.

**6. Asset acquisition from NorthX Nickel Corp.**

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.

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**6. Acquisition of exploration properties from NorthX Nickel Corp. (continued)**

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 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 and other liabilities.

The acquisition of the NorthX Assets constitutes an asset acquisition and has been accounted for under the acquisition method. 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
<b>Net assets (liabilities) acquired:</b>	
Cash	\$ 666
Accounts payable and accrued liabilities	(151)
Asset retirement obligations	(515)
<b>Fair value of net assets acquired</b>	<b>\$ -</b>

**7. Revenue**

The Company's revenue-producing operation, the McCreedy West mine, was acquired as part of the Transaction with KGHM on February 28, 2025.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Copper	\$ 12,205	\$ -	\$ 25,568	\$ -
Nickel	1,392	-	5,805	-
Cobalt	42	-	163	-
Platinum	1,226	-	3,203	-
Palladium	1,223	-	3,035	-
Gold	300	-	1,610	-
Silver	791	-	1,337	-
Revenue from contracts	17,179	-	40,721	-
Recognition of deferred streaming revenue	941	-	2,491	-
Treatment and refining charges	(1,838)	-	(4,011)	-
	<b>\$ 16,282</b>	<b>\$ -</b>	<b>\$ 39,201</b>	<b>\$ -</b>

**8. Cost of sales**

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Mining	\$ 6,607	\$ -	\$ 15,014	\$ -
Processing and surface operations	4,780	-	10,305	-
Site administration	3,710	-	9,192	-
Changes in inventories	(61)	-	(179)	-
Production costs	15,036	-	34,332	-
Royalties and streaming expense	2,346	-	5,341	-
Depletion, depreciation and amortization	1,998	-	4,404	-
<b>Cost of sales</b>	<b>\$ 19,380</b>	<b>\$ -</b>	<b>\$ 44,077</b>	<b>\$ -</b>

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**9. Depreciation, depletion and amortization**

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Cost of sales	\$ 1,998	\$ -	\$ 4,404	\$ -
Site maintenance	1,233	25	2,946	71
	\$ 3,231	\$ 25	\$ 7,350	\$ 71

**10. Finance and interest expense, and other income****(a) Finance and interest expense**

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Accretion on convertible debentures (note 19)	\$ 991	\$ -	\$ 2,164	\$ -
Amortization of deferred financing costs (note 19)	324	-	673	-
Interest on letter of credit facility (note 19)	63	-	161	-
Interest on deferred acquisition costs (note 5)	14	-	32	-
Interest on factoring facility (note 19)	165	-	198	-
Change in contingent consideration (note 17)	62	-	144	-
Interest on lease liabilities	-	33	2	171
	\$ 1,619	\$ 33	\$ 3,374	\$ 171

**(b) Other income (expense)**

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Foreign exchange gain (loss)	\$ 164	\$ 1	\$ (271)	\$ (12)
Mark-to-market on derivative asset (note 19)	307	-	412	-
Other	42	72	378	305
	\$ 513	\$ 73	\$ 519	\$ 293

**11. Trade and other receivables**

The Company's trade and other receivables are from the sale of copper, nickel, cobalt, platinum, palladium, gold and silver, harmonized sales tax ("HST") due from Canadian taxation authorities, a grant receivable from the Ontario government, and other receivables.

	September 30, 2025	December 31, 2024
Trade receivables	\$ 25,748	\$ 1,374
Government grant receivable	150	500
HST receivables	985	1,155
Other	2,544	-
	\$ 29,427	\$ 3,029

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**12. Inventories**

	September 30, 2025	December 31, 2024
Stockpile ore	\$ 239	\$ -
Supplies	7,793	-
	\$ 8,032	\$ -

**13. Restricted cash**

Restricted cash includes cash provided as financial assurance for future reclamation work and corporate credit cards. At September 30, 2025, the aggregate deposits plus accrued interest amounted to \$1,023 (December 31, 2024: \$944).

**KGHM assets**

Following the February 28, 2025 Transaction, the Company provided \$3,000 in cash as collateral for a letter of credit provided as financing assurance on the KGHM Sale Assets. The restrictions on the cash were subsequently removed, and as at September 30, 2025, the aggregate deposit provided as financing assurance on the KGHM Sale Assets was \$nil.

**Shakespeare Mine**

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, 2025, the deposit, including accrued interest, had a balance of \$735 (December 31, 2024 - \$732).

**Crean Hill**

During the year ended December 31, 2024, the Company posted \$168 in cash as collateral for a letter of credit provided as financial assurance for work commencing at the Crean Hill Project. As at September 30, 2025, the deposit, including accrued interest, had a balance of \$173 (December 31, 2024 - \$171).

**Other**

The Company has provided cash as financial security for a corporate credit card facility in the amount of \$115 (December 31, 2024 - \$41).

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**14. Mineral property, plant and equipment**

	Mineral properties	Plant and equipment	Plant and equipment - ROU Assets	Total
<b>Cost</b>				
Balance, December 31, 2023	\$ -	\$ 160	\$ 98	\$ 258
Additions	-	24	43	67
Disposals and write down	-	(6)	-	(6)
Balance, December 31, 2024	\$ -	\$ 178	\$ 141	\$ 319
Additions	3,300	3,066	25	6,391
Acquisition of KGHM Sale Assets	33,216	53,545	-	86,761
Balance, September 30, 2025	\$ 36,516	\$ 56,789	\$ 166	\$ 93,471
<b>Accumulated depletion and depreciation</b>				
Balance, December 31, 2023	\$ -	\$ 66	\$ 58	\$ 124
Depletion and depreciation	-	40	43	83
Disposals and write down	-	(7)	-	(7)
Balance, December 31, 2024	\$ -	\$ 99	\$ 101	\$ 200
Depletion and depreciation	2,312	5,009	29	7,350
Balance, September 30, 2025	\$ 2,312	\$ 5,108	\$ 130	\$ 7,550
<b>Carrying amount</b>				
Balance, December 31, 2023	\$ -	\$ 94	\$ 40	\$ 134
Balance, December 31, 2024	\$ -	\$ 79	\$ 40	\$ 119
Balance, September 30, 2025	\$ 34,204	\$ 51,681	\$ 36	\$ 85,921

As at September 30, 2025, the Company's mineral properties included the operating McCreedy West mine and the past-producing Levack and Podolsky mines, which were acquired as part of the Transaction with KGHM. All of the Company's properties are located near Sudbury, Ontario, Canada.

As at September 30, 2025, included within plant and equipment are assets under construction of \$220 (December 31, 2024 - \$nil).

**15. Exploration and evaluation assets**

Exploration and evaluation assets as at September 30, 2025 and December 31, 2024, are as follows:

	KGHM Sale Assets	Crean Hill Project	Shakespeare Mine	Spanish River Option	Total
Balance, December 31, 2023	\$ -	\$ 16,515	\$ 864	\$ 136	\$ 17,515
Additions to asset retirement obligation assets	-	147	-	-	147
Change in asset retirement obligation estimate	-	-	(129)	-	(129)
Balance, December 31, 2024	\$ -	\$ 16,662	\$ 735	\$ 136	\$ 17,533
Assets acquired	5,695	-	-	-	5,695
Balance, September 30, 2025	\$ 5,695	\$ 16,662	\$ 735	\$ 136	\$ 23,228

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**15. Exploration and evaluation (continued)**

All of the Company's exploration and evaluation assets are located near Sudbury, Ontario, Canada and include the following material properties:

Property	Ownership	Royalty
Crean Hill Project	100%	3% net smelter return royalty
Shakespeare Mine	84%	Parts of the property are subject to aggregate NSR royalties totalling 2.5%, of which 1% can be purchased
Stumpy Bay Property	100%	The Stumpy Bay Property is subject to a 0.5% NSR royalty, which can be purchased for \$250
Kirkwood Mine	100%	4% NSR royalty, of which 3% can be purchased
Falconbridge Footwall	81%	4% NSR royalty, of which 3% can be purchased
Northwest Foy	81%	4% NSR royalty, of which 3% can be purchased
North Range	100%	4% NSR royalty, of which 3% can be purchased
Rand	100%	4% NSR royalty, of which 3% can be purchased
Porter Baldwin Property	100%	4% NSR royalty, of which 3% can be purchased
Spanish River Property	100%	The optionor has retained a 2% net returns royalty, of which 1% can be purchased for \$1,000. Advance royalty payments of \$24 per year commenced January 15, 2007

**16. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities consist of:

	September 30, 2025	December 31, 2024
Trade accounts payable	\$ 5,831	\$ 1,258
Accrued liabilities and other payables	16,590	2,349
	\$ 22,421	\$ 3,607

**17. Contingent consideration**

As part of the February 28, 2025 acquisition of the KGHM Sale Assets, the Company agreed to pay additional consideration to KGHM contingent on the achievement of future milestones, specifically commencing commercial production. The table below lists the acquired properties, the respective milestone payments, and the preliminary fair value the Company recorded for the contingent payment on the date of acquisition and as of September 30, 2025.

Property	Milestone payment	Fair value on acquisition	Fair value September 30, 2025
Levack	\$ 6,000	\$ 4,700	\$ 4,805
Podolsky	4,000	1,670	1,697
Kirkwood	4,000	90	93
Falconbridge Footwall	4,000	90	93
NW Foy	2,000	50	52
Rand	2,000	50	52
Northrange	2,000	50	52
	\$ 24,000	\$ 6,700	\$ 6,844

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**17. Contingent consideration (continued)**

The following is an analysis of the Company's contingent consideration:

		<b>Contingent consideration</b>
Balance, December 31, 2024 and 2023	\$	-
Contingent consideration liability acquired on acquisition of KGHM Sale Assets		6,700
Remeasurement of contingent consideration		144
<b>Balance, September 30, 2025</b>	<b>\$</b>	<b>6,844</b>

**18. Deferred revenue**

As part of the acquisition of the KGHM Sale Assets, the Company assumed a stream arrangement with Franco-Nevada. Under an agreement dated July 15, 2008, there is an obligation to sell to Franco-Nevada 50% of the ounces of gold, platinum and palladium (adjusted by relative price into gold ounces, or "gold equivalent ounces") contained in ore mined and shipped from the McCreedy West, Levack and Podolsky mines and certain other KGHM Sale Assets until the earlier of the remaining life of these deposits, or 2048.

Upon the acquisition of the KGHM Sale Assets, the Company determined a preliminary fair value of the stream obligation to be \$18,603, which was recorded as deferred revenue. The fair value was determined using the income approach, which is based on the present value of future cash flows. A discounted cash flow method was used to calculate the expected payments based on the contractual terms, the operations production schedule and forward commodity prices. The expected payments were then discounted with an average risk-free rate of approximately 3.9% and a credit spread of 24.4%.

The following table summarizes the changes in deferred revenue:

		<b>Stream Agreement</b>	
Balance, December 2024 and 2023	\$		-
Deferred revenue acquired on acquisition of KGHM Sale Assets			18,603
Recognition of deferred streaming revenue			(2,490)
<b>Balance, September 30, 2025</b>	<b>\$</b>		<b>16,113</b>
		<b>September 30,</b>	<b>December 31,</b>
		<b>2025</b>	<b>2024</b>
Current	\$	3,729	\$ -
Non-current		12,384	-
	<b>\$</b>	<b>16,113</b>	<b>\$ -</b>

As at September 30, 2025, the streaming payable on precious metal sales for revenue recognized but not settled is \$5,381.

**19. Debt facilities**

**(a) Convertible debentures**

On March 5, 2025, the Company completed a \$23,967 private placement of unsecured convertible debentures ("Debentures") for net proceeds of \$22,335. 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.

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**19. Debt facilities (continued)**

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 were 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 cash flow model with an expected life of four years and a discount rate of 26%. The debt component is subsequently measured at amortized cost, net of any directly attributable transaction costs 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 was initially recognized at a 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. As at September 30, 2025, the embedded derivative had an estimated fair value of \$521.

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.

		<b>Convertible debentures</b>
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
<b>Balance, September 30, 2025</b>	<b>\$</b>	<b>15,264</b>

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.

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**19. Debt facilities (continued)**

**(b) 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 (December 31, 2024 - \$nil) and during the nine months ended September 30, 2025, had incurred interest expense of \$161 (nine months ended September 30, 2024 - \$nil). The transaction costs of \$762 incurred in connection with the LC Facility have been recorded as deferred financing costs and are being amortized over the life of the facility on a straight-line basis.

**(c) Factoring agreement**

On March 31, 2025, PNCI, 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 has been guaranteed by PNCI's parent company, Magna Mining Inc. 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 Factoring 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, if 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.

The transaction costs of \$505 in connection with the Factoring Facility have been recorded as deferred financing costs and will be amortized over the twelve-month life of the agreement on a straight-line basis.

As at September 30, 2025, a total of \$8,666 was outstanding under the Factoring Facility, and interest expense of \$198 was recorded during the nine months ended September 30, 2025 (nine months ended September 30, 2024 - \$nil).

**20. Asset retirement obligation**

The Company has recognized provisions for closure and reclamation costs at its Shakespeare and Crean Hill properties, the McCreedy West, Levack, and Podolsky properties acquired from KGHM, and the Broken Hammer property acquired from NorthX. Although the ultimate amount of the future closure and reclamation costs is uncertain, the provision is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, water treatment, demolition of facilities, monitoring, and other costs.

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**20. Asset retirement obligation (continued)**

The Company has estimated its total provision for closure and reclamation to be \$10,633 at September 30, 2025 (December 31, 2024 - \$875), using inflation rates of 2.00% to 3.00% (December 31, 2024 – 2.43%) and discount rates of 3.01% to 3.28% (December 31, 2024 – 3.28%) over a period of between 5 and 20 years (December 31, 2024 – 20 years).

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

	<b>Nine months ended</b>		<b>Year ended</b>	
	<b>September 30, 2025</b>		<b>December 31, 2024</b>	
Balance, beginning of the period	\$	875	\$	832
Acquisition of KGHM Sale Assets (note 5)		9,000		-
Acquisition of NorthX (note 6)		515		-
Accretion		192		23
Additions		-		149
Change in estimate		51		(129)
<b>Balance, end of the period</b>	<b>\$</b>	<b>10,633</b>	<b>\$</b>	<b>875</b>

As at September 30, 2025, the Company has secured letters of credit to the MNDM in the amount of \$10,825. The letters of credit were provided under the Company's LC Facility (note 19) and are secured against the assets of the Company and with a cash surety deposit (note 13).

**21. 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, 2025, the Company had 234,810,643 common shares outstanding (December 31, 2024 – 194,910,244).

*Transactions for the nine months ended September 30, 2025:*

Brokered Offering

On September 18, 2025, the Company completed a brokered offering of 20,833,300 common shares at a price of \$2.40 per common share for gross proceeds of \$50,000. Total costs that were allocated to the share issuance were \$2,565, which included an aggregate cash commission of \$2,038 and cash finder's fees of \$225.

Private Placement

On March 5, 2025, the Company completed a private placement of 6,451,620 common shares at a price of \$1.55 per common share for gross proceeds of \$10,000. The private placement also included the issuance of convertible debentures for aggregate gross proceeds of \$23,488. Total costs that were allocated to the share issuance were \$606.

Option and warrant exercises

During the nine months ended September 30, 2025, a total of 223,932 common shares were issued upon the exercise of options for proceeds of \$153. A total of \$113 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 during the nine months ended September 30, 2025 was \$1.66.

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**21. Issued share capital (continued)**

During the nine months ended September 30, 2025, a total of 11,210,842 common shares were issued upon the exercise of warrants for proceeds of \$4,751. A total of \$163 was reallocated from reserves to share capital in connection with the exercise of the warrants.

*Transactions for the year ended December 31, 2024:*

Private Placement

On November 4, 2024, the Company completed a private placement of 20,809,480 common shares at a price of \$1.05 per common share for gross proceeds of \$21,850. The Company paid \$1,517 in share issue costs, which included legal fees, agent expenses, exchange fees, and a cash payment for agent fees of \$1,291.

Option, RSU and warrant exercise/settlement

During the year ended December 31, 2024, a total of 903,300 common shares were issued upon the exercise of options for proceeds of \$458. A total of \$353 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 during the year ended December 31, 2024 was \$1.26.

During the year ended December 31, 2024, a total of 457,000 RSUs were settled, with 229,400 RSUs issued in common shares and the remaining 227,600 RSUs settled in cash to pay payroll withholding taxes. A total of \$100 was reallocated from reserves to share capital in connection with the settlement of the 229,400 RSUs settled for common shares.

During the year ended December 31, 2024, a total of 9,588,204 common shares were issued upon the exercise of warrants for proceeds of \$4,093. A total of \$164 was reallocated from reserves to share capital in connection with the exercise of the warrants.

**22. Basic and diluted (loss) income per share**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net (loss) income for the period	\$ (10,642)	\$ (4,498)	\$ 8,955	\$ (11,551)
Weighted average number of shares - basic	211,307,866	169,378,856	204,277,356	165,445,260
Dilutive securities:				
Stock options	-	-	5,359,924	-
RSUs	-	-	1,956,500	-
DSUs	-	-	44,073	-
Warrants	-	-	11,546,707	-
	-	-	18,907,204	-
Weight average number of shares - diluted	211,307,866	169,378,856	223,184,560	165,445,260
Basic (loss) earnings per share	\$ (0.05)	\$ (0.03)	\$ 0.04	\$ (0.07)
Diluted (loss) earnings per share	\$ (0.05)	\$ (0.03)	\$ 0.04	\$ (0.07)

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**22. Basic and diluted (loss) income per share (continued)**

The calculation of dilutive weighted-average number of common shares excludes the impact of 25,159,414 and nil shares for the three and nine months ended September 30, 2025, respectively (36,900,087 shares for both the three and nine months ended September 30, 2024). The shares related to stock options, RSUs, and warrants that were excluded as the exercise price related to the particular security exceeded the average market price of the Company's common shares for the period, or the inclusion of the share units had an anti-dilutive effect on net income.

**23. Share-based payment reserve**

The Company has established an omnibus equity incentive plan (the "Incentive Plan") that provides for the issuance of stock options (the "Options"), RSUs, and DSUs, 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, 2025		Year ended December 31, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding at beginning of period	10,762,900	\$ 0.70	8,786,800	\$ 0.48
Granted during the period	1,603,363	2.46	2,896,100	1.30
Exercised during the period	(223,932)	0.69	(903,300)	0.51
Expired/cancelled during the period	(98,668)	0.47	(16,700)	0.44
Outstanding at end of period	12,043,663	\$ 0.93	10,762,900	\$ 0.70
Vested and exercisable	8,188,323	\$ 0.64	8,000,030	\$ 0.56

During the nine months ended September 30, 2025, the Company granted 1,603,393 Options (year ended December 31, 2024 – 2,896,100) to directors, officers, employees, and consultants, exercisable at an average exercise price of \$2.46 per common share (year ended December 31, 2024 - \$1.30 per common share) over a five-year period. The total fair value of the Options granted during the nine months ended September 30, 2025 was \$2,439 (year ended December 31, 2024 – \$2,623) based on a weighted average grant-date fair value per Option of \$1.52 (year ended December 31, 2024 - \$0.91).

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

As at September 30, 2025, 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	700,000	0.66	\$ 0.50	700,000
December 23, 2021	December 23, 2026	525,000	1.23	\$ 0.40	525,000
November 10, 2022	November 10, 2027	3,250,000	2.11	\$ 0.47	3,250,000
August 9, 2023	August 9, 2028	915,800	2.86	\$ 0.58	915,800
November 2, 2023	November 2, 2028	1,930,000	3.09	\$ 0.44	1,279,997
November 23, 2023	November 23, 2028	250,000	3.15	\$ 0.47	166,666
September 19, 2024	September 19, 2029	1,005,300	3.97	\$ 1.15	914,165
October 17, 2024	October 17, 2029	250,000	4.05	\$ 1.17	83,332
December 20, 2024	December 20, 2029	1,614,200	4.22	\$ 1.41	-
April 14, 2025	April 14, 2030	150,000	4.54	\$ 1.40	50,000
April 28, 2025	April 28, 2030	75,000	4.58	\$ 1.47	25,000
May 12, 2025	May 12, 2030	50,000	4.62	\$ 1.43	-
September 4, 2025	September 4, 2030	278,363	4.93	\$ 2.70	278,363
September 9, 2025	September 9, 2030	200,000	4.94	\$ 2.58	-
September 17, 2025	September 17, 2030	800,000	4.96	\$ 2.69	-
September 22, 2025	September 22, 2030	50,000	4.98	\$ 2.69	-
		<b>12,043,663</b>	<b>3.07</b>	<b>\$ 0.93</b>	<b>8,188,323</b>

The Options outstanding at September 30, 2025 had a weighted-average exercise price of \$0.93 (December 31, 2024: \$0.70) and a weighted-average remaining contractual life of 3.07 years (December 31, 2024: 3.53 years). The Options vest from November 2025 to May 2028.

With the exception to the Options issued on September 17, 2025, the Company uses the Black-Scholes option pricing model to value the Options. The inputs to the Black-Scholes option pricing model for the nine months ended September 30, 2025 and the year ended December 31, 2024 are as follows:

	Nine months ended September 30, 2025	Year ended December 31, 2024
Dividend	NIL	NIL
Expected volatility	75.94% - 77.72%	87.1% - 88.5%
Risk-free interest rate	2.53% - 2.92%	2.72% - 3.05%
Expected life (months)	60	60
Exercise price	\$1.40 - \$2.70	\$1.15 - \$1.41
Spot price	\$1.40 - \$2.70	\$1.15 - \$1.41
Forfeiture rate	0%	0%

Prior to 2025, expected volatility was determined by calculating the historical volatility of comparable public companies over the same period as the Options' expected life.

The Options granted September 17, 2025, at a strike price of \$2.69, vest only upon the fulfillment of certain time and share price performance conditions. The Company's share price must increase to and remain at certain levels for at least 20 consecutive trading days before the options will vest, ranging from \$2.25 to \$5.00. The fair value of these Options was calculated using a Monte Carlo simulation model. The Monte Carlo simulation model requires the use of subjective assumptions including expected share price volatility, and risk-free interest rate. The fair value of the award was determined using a share price return volatility of 77.70% and risk-free interest rate of 2.53%. Historical and market data are considered in setting the assumptions.

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

The Company recognized total share-based compensation expense related to Options of \$1,799 during the nine months ended September 30, 2025 (nine months ended September 30, 2024 - \$1,131).

**24. Warrants**

The outstanding warrants as at September 30, 2025 and December 31, 2024, and the respective changes during the periods are summarized as follows:

	Nine months ended September 30, 2025		Year ended December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding at beginning of period	26,181,360	\$ 0.41	35,769,564	\$ 0.41
Exercised during the period	(11,210,842)	\$ 0.42	(9,588,204)	\$ 0.40
Outstanding at end of period	14,970,518	\$ 0.41	26,181,360	\$ 0.41

Details of the warrants outstanding and exercisable as at September 30, 2025 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	14,970,518	0.09	\$ 0.41
		14,970,518	0.09	\$ 0.41

The Company did not issue warrants during the nine months ended September 30, 2025, or during the year ended December 31, 2024.

Subsequent to September 30, 2025, the Company issued 14,933,518 common shares upon the exercise of warrants for proceeds of \$6,048, and 37,000 warrants expired unexercised.

**25. Restricted and deferred share units**

The Company's Incentive Plan provides for the issuance of restricted share units ("RSU"), which grant RSUs to directors, senior officers, employees, and consultants of the Company and its subsidiaries, and deferred share units ("DSU"), which grant DSUs to directors. The issuance of RSUs and DSUs 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 Company's Board administers the issuance of RSUs and DSUs.

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

On September 4, 2025, the Company's non-executive directors were granted an aggregate of 44,073 DSUs with a fair value of \$119. Each DSU vested on the grant date and may be redeemed upon a director's retirement from the Board of Directors.

On April 14, 2025, the Company granted a certain officer 40,000 RSUs with a fair value of \$59. The RSUs will fully vest at the end of three years from the grant date.

On December 20, 2024, the Company granted certain officers 559,500 RSUs with a fair value of \$789. The RSUs will fully vest at the end of three years from the grant date.

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**25. Restricted and deferred share units (continued)**

Details of the RSUs issued and settled during the nine months ended September 30, 2025 and the year ended December 31, 2024 are as follows:

	<b>Nine months ended September 30, 2025</b>		<b>Year ended December 31, 2024</b>	
	<b>Number of RSUs</b>	<b>Weighted average grant date fair value</b>	<b>Number of RSUs</b>	<b>Weighted average grant date fair value</b>
Outstanding at beginning of period	1,916,500	\$ 0.73	1,814,000	\$ 0.44
Issued during the period	40,000	\$ 1.47	559,500	\$ 1.41
Settled during the period	-	\$ -	(457,000)	\$ 0.43
Outstanding at end of period	1,956,500	\$ 0.74	1,916,500	\$ 0.73

As of September 30, 2025, the Company had the following RSUs outstanding:

<b>Grant date</b>	<b>RSUs outstanding</b>	<b>Price</b>	<b>Fair value</b>	<b>Vesting date</b>
November 10, 2022	510,000	\$ 0.47	\$ 240	November 10, 2025
November 2, 2023	847,000	\$ 0.44	\$ 368	November 2, 2026
December 20, 2024	559,500	\$ 1.41	\$ 789	December 20, 2027
April 14, 2025	40,000	\$ 1.47	\$ 59	April 14, 2028
	<b>1,956,500</b>	<b>\$ 0.74</b>	<b>\$ 1,456</b>	

The Company recognized total RSU compensation expense of \$358 for the nine months ended September 30, 2025 (nine months ended September 30, 2024 – \$131) within share-based compensation expense.

As of September 30, 2025, the Company had 44,073 DSUs outstanding (December 31, 2024 – nil) and recorded DSU compensation expense of \$119 for the nine months ended September 30, 2025 (nine months ended September 30, 2024 – \$nil) within share-based compensation expense.

**26. Segmented information**

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

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**27. Supplemental cash flow information**

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Net changes in non-cash working capital</b>				
Operating activities				
Trade and other receivables	\$ (11,453)	\$ (1,186)	\$ (26,398)	\$ (1,517)
Inventories	107	-	(58)	-
Prepays expenses	(370)	-	(576)	(172)
Accounts payable and accrued liabilities	6,798	1,734	18,669	3,054
Streaming payable	2,378	-	5,381	-
	\$ (2,540)	\$ 548	\$ (2,982)	\$ 1,365
<b>Supplemental disclosures with respect to cash flows</b>				
Cash paid during the period for income taxes	\$ 8	\$ -	\$ 8	\$ -
Cash paid during the period for interest	\$ 897	\$ -	\$ 1,730	\$ -
<b>Non-cash transactions</b>				
Recognition of right-of-use-assets	\$ 25	\$ -	\$ 25	\$ 43
Issuance of common shares on acquisition of KGHM Sale Assets	-	-	2,000	-
Change in asset retirement obligation estimate	51	-	51	-
	\$ 76	\$ -	\$ 2,076	\$ 43

**28. Capital management**

The Company defines its capital as both shareholders' equity and long-term debt, in the form of its Debentures. At September 30, 2025, the Company had shareholders' equity of \$117,984 (December 31, 2024 - \$35,043) and long-term debt of \$15,264 (December 31, 2024 - \$nil). During the nine months ended September 30, 2025, the Company revised its capital management structure to include the use of the Debentures as part of its capital structure. The Company's Debentures have financial covenants, including the requirement to maintain minimum working capital requirements of \$5,000 (note 19(a)). The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration, development and operation of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the business. As such, the Company expects to rely on cash flows from operations at its McCreedy West mine and the equity/debt markets to fund its activities.

In order to carry out planned exploration, development and operational activities and pay for administrative costs, the Company will need to generate sufficient cash flows from the McCreedy West mine and/or will need to raise additional funds. The Company will also continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2025, except for the inclusion of long-term debt.

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**29. Financial instruments**

**Carrying value and fair value**

The Company's financial instruments are comprised of cash and cash equivalents, restricted cash, trade and receivables, accounts payable and accrued liabilities, streaming payable, contingent consideration, embedded derivatives, and convertible debentures.

Cash and cash equivalents, restricted cash, other receivables, accounts payable and accrued liabilities and convertible debentures are recorded in the financial statements at amortized cost.

The Company's metal sales are subject to provisional pricing, with the selling prices adjusted at the end of the quotational period. The Company's trade receivables are marked-to-market at each reporting period based on quoted forward prices for which there exists an active commodity market.

**Fair value**

Fair market value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists. The levels of the hierarchy are 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).

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

The carrying value of trade receivables is remeasured mark-to-market at each reporting period and, therefore, classified as within Level 1 of the fair value hierarchy. The fair value approximates its carrying value.

The carrying value of the Debentures was determined using a discounted cash flow model method using a discount rate that equates to the risk-free rate plus an unobservable credit spread that approximates the Company's credit risk. Therefore, the convertible debt is classified within Level 3 of the fair value hierarchy, and the fair value approximates its carrying value.

The carrying value of contingent consideration is determined using management's estimate of the probability and timing of the respective properties commencing commercial production and is updated through profit and loss at each reporting period. Therefore, the contingent consideration is classified within Level 3 of the fair value hierarchy. The fair value approximates its carrying value.

The carrying value of the embedded derivative asset related to the Debentures is determined using an option pricing model using assumptions that include the Company's share price and expected volatility, risk-free interest rate and time to maturity and is updated through profit and loss at each reporting period. Therefore, the embedded derivative asset is classified within Level 2 of the fair value hierarchy. The fair value approximates its carrying value.

There were no amounts transferred between levels of the fair value hierarchy during the nine months ended September 30, 2025 and 2024.

**Financial risk factors**

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, foreign exchange risk, interest rate risk, and risks related to provisionally priced revenues.

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**29. Financial instruments (continued)**

**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 and cash equivalents, trade and other receivables, 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. Management believes the credit risk is low. The Company monitors the financial condition of its customers and deals with a limited number of counterparties for its metal sales. The Company had only two significant customers during the nine months ended September 30, 2025 for its metal sales revenue (during the nine months ended September 30, 2024, the Company had no metal sales). There are no impairments recognized on the trade receivables. The Company also manages credit risk by placing cash and investments with major Canadian financial institutions. At September 30, 2025, the Company's other receivables consist of sales tax receivables due from the Government of Canada and a grant receivable from the Government of Canada. Management assessed the Company's credit risk as low.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages liquidity risk through the management of its capital structure. The primary sources of funds available to the Company are cash flows generated by the operations at McCreedy West and its cash reserves. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due.

As at September 30, 2025, the Company had the following contractual obligations:

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

**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 but has significant foreign exchange risk as its operations metal sales, and royalty and streaming liabilities, are denominated in US dollars. The Company has cash and cash equivalents, trade receivables, royalties payable and deferred revenues that are denominated in US dollars, 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.

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**29. Financial instruments (continued)**

The Company held the following foreign currency-denominated balances as at September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
Cash (US\$)	\$ 4,857	\$ 1,639
Trade receivables (US\$)	18,524	954
Accrued liabilities (US\$)	(347)	(347)
Streaming payable (US\$)	(3,871)	-
Deferred revenue (US\$)	(11,592)	-
	<b>7,571</b>	<b>2,246</b>
Foreign exchange rate	1.39	1.44
Equivalent in Canadian dollars	<b>\$ 10,523</b>	<b>\$ 3,234</b>

Based on the balances held as at September 30, 2025, a 10% change in the Canadian dollar per US dollar exchange rate would have resulted in an increase or decrease in the net income (loss) for the period then ended of approximately \$1,052 (December 31, 2024: \$323).

**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. The Company is exposed to interest rate risk on its cash and cash equivalents and lease liabilities. The Company's Factoring Facility has a variable interest rate component that exposes the Company to changes in market interest rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk.

Based on the Company's interest rate exposure at September 30, 2025, a change of 25 basis points increase in market interest rates would have resulted in a [\$XX] increase interest expense during the nine months ended September 30, 2025 (\$nil - nine months ended September 30, 2025).

**Provisionally priced revenues**

Under the terms of the Company's product sales contracts, the final sales amount is based on final assay results and quoted market prices, which typically occurs in a period subsequent to the date of sale.

Due to the processing, refining and treatment of the various metals, the final metal settlement is between two to five months, depending on the metal, exposing the Company to commodity price risk during this period. Provisional pricing mechanisms embedded within the sales contracts have the character of a commodity derivative and are carried at fair value as part of trade receivables. Therefore, expected cash receipts in subsequent periods will be adjusted for any changes to provisionally priced trade receivables outstanding at period end. Final pricing is usually two to five months after the date of shipment; therefore, changes in metal prices may have a material impact on the final cash receipt. This settlement receivable is recorded at fair value each reporting period by reference to the pricing per metal in its contracts, with changes in fair value recorded as an adjustment to the revenue.

As at September 30, 2025, the Company had trade receivables related to provisionally priced metal sales of \$25,748, net of milling and refining charges. A 10% increase or decrease in the realized prices would reduce or increase the final cash receipt by \$1,756.

**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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**30. Commitments and contingencies**

**Contingent consideration**

As part of the February 28, 2025 acquisition of the KGHM Sale Assets, the Company agreed to pay additional consideration to KGHM contingent on the achievement of future milestones, specifically commencing commercial production. The preliminary fair value of the liability on acquisition of \$6,700 was determined using management's estimate of the probability and timing of the respective properties commencing commercial production and is updated every period end through profit and loss.

**Deferred revenue – metal streaming payable obligation**

As part of the acquisition of the KGHM Sale Assets, the Company assumed a stream arrangement with Franco-Nevada. Under an agreement dated July 15, 2008, there is an obligation to sell to Franco-Nevada 50% of the ounces of gold, platinum and palladium (adjusted by relative price into gold ounces, or "gold equivalent ounces") contained in ore mined and shipped from the McCreedy West, Levack and Podolsky mines and certain other KGHM Sale Assets until the earlier of the remaining life of these deposits or 2048.

Upon the acquisition of the KGHM Sale Assets, the Company determined a preliminary fair value of the stream obligation to be \$18,603, which was recorded as deferred revenue. The fair value was determined using the income approach, which is based on the present value of future cash flows. A discounted cash flow method was used to calculate the expected payments based on the contractual terms, the operations production schedule and forward commodity prices. The expected payments are then discounted by a risk-adjusted discount rate. Additional details are provided in note 18.

**Letter of credit facility**

The Company has a \$12,000 letter of credit facility (the "LC Facility") with Desjardins, and as at September 30, 2025, letters of credit totalling \$10,825 (December 31, 2024 - \$nil) have been issued to provide financial assurance regarding the Company's future closure and reclamation costs at its various mineral properties and exploration and evaluation assets (note 19(b)). 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.

**Royalties**

The Company has royalty obligations on various properties, including 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. Additional details are provided in note 15.

**Environmental contingencies**

Exploration and production activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes it is materially in compliance with all applicable laws and regulations. Management believes that the Company has made appropriate expenditures to comply with such laws and regulations.

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**31. Subsequent events**

*Warrants exercised*

Subsequent to September 30, 2025, the Company issued 14,933,518 common shares upon the exercise of warrants for proceeds of \$6,048, and 37,000 warrants expired unexercised.

*Settlement of RSUs*

Subsequent to September 30, 2025, a total of 510,000 RSUs were settled with the issuance of 69,206 common shares and the balance of 440,794 RSUs were settled with cash.