

**Magna Mining (Canada) Corp. (formerly
Magna Mining Corp.)**

(An Exploration Stage Company)
Management Discussion and Analysis
For the three-months ended March 31, 2021

INTRODUCTION

This management discussion and analysis of financial condition and results of operations ("**MD&A**") focuses upon the activities, results of operations, liquidity and capital resources of Magna Mining (Canada) Corp. (formerly Magna Mining Corp.) (the "**Company**" or "**Magna**") for the three-months ended March 31, 2021. In order to better understand this MD&A, it should be read in conjunction with the unaudited condensed interim financial statements for the three-months ended March 31, 2021, and the related notes thereon. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") in Canada. This MD&A is current to May 26, 2021, and expressed in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein, such as statements about the size and timing of future exploration on, and the development of, the Company's properties, are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of the Company's common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulators. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date such statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Investors are cautioned against attributing undue certainty to forward-looking statements.

This MD&A has been prepared in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("**NI 43-101**") and National Instrument 51-102 "Continuous Disclosure Obligations."

OVERVIEW

Description of Business

As at December 31, 2020, Magna is a private mineral exploration and development company and is engaged in the exploration of mineral properties. Its assets consist of the Shakespeare Nickel Project, located near Sudbury, Ontario, Canada, and the Shining Tree Ni-Cu-PGE project, located 100-km north of Sudbury, Ontario, Canada.

On May 4, 2021, the Company completed a previously announced reverse-takeover Qualifying Transaction with Magna Mining Inc. (formerly CT Developers Ltd.) and started trading on the TSX Venture Exchange

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(the "TSXV") on May 11, 2021, following the issuance of the Final Exchange Bulletin by the TSXV with respect to the Magna Mining Inc's (formerly CT Developers Ltd.) Qualifying Transaction.

Following the closing, the board of directors of the Company is comprised of Jason Jessup, Derrick Weyrauch, Vernon Baker, Carl DeLuca and John Seaman, and officers of the Company are Jason Jessup (Chief Executive Officer), Derrick Weyrauch (Interim Chief Financial Officer) and Paul Fowler (Senior Vice President and Corporate Secretary).

HIGHLIGHTS DURING AND SUBSEQUENT TO THE THREE-MONTHS ENDED MARCH 31, 2021 AND 2020

Consulting agreement

On October 26, 2020, the Company entered into a financial consultancy agreement with 1821 Capital Corp. and First Canadian Capital Corp. (collectively the "Consultants") to assist with undertaking the following transactions:

- An offering of common shares of the Company ("**Common Shares**") at a price of \$0.50 per Common Share for minimum aggregate gross proceeds of \$1,000,000 to the Company;
- a potential going public transaction, in one transaction or a series of transactions, involving the Company and/or its subsidiaries, including by way of an initial public offering of Common Shares, a reverse take-over, or other similar transaction (the "**Go-Public Transaction**"); and
- prior to or concurrent with the closing of the Go-Public Transaction, an offering of units of the Company ("**Units**"), with each Unit comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"), at a price per Unit to be determined by the Company at its sole discretion, acting reasonably, for minimum aggregate gross proceeds of \$5,000,000 to the Company;

On October 26, 2020, Magna issued 3,000,000 common share purchase Warrants (the "Magna Warrants") to consultants as consideration for services, on terms which include: (i) a vesting provision such that the Magna Warrants shall not vest unless a Go-Public Transaction and prior to or concurrent with the closing of the Go-Public Transaction, an offering of Units of Magna, with each Unit comprised of one common share and one-half of one common share purchase warrant, for minimum aggregate gross proceeds of \$5,000,000 are closed at least two business days before the expiry of the Magna Warrants and (ii) exercise of the Magna Warrants will be conditional upon, among other things, the Warrant holders entering into lock-up agreements.

Each Magna Warrant is exercisable to acquire, subject to adjustment as provided for in the warrant certificate evidencing such Magna Warrants, one Magna Share at a price of \$0.10 per share at any time prior to October 26, 2022. On completion of the Transaction, each Magna Warrant issued to the Consultants will be exchanged for CT Exchange Warrants on the basis of the Exchange Ratio (such warrants to be referred to as Resulting Issuer Warrants following the Closing). Based on the existing terms of the Magna Warrants, after giving effect to the Exchange Ratio, the Consultants would receive an aggregate of 4,875,000 Resulting Issuer Warrants in connection with the transaction, each Resulting Issuer Warrant entitling the holder thereof to acquire one Resulting Issuer Share at an effective exercise price of \$0.06 per share. However, prior to and as a condition to completion of the Transactions, as required by the TSX

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Venture Exchange, the Resulting Issuer amended the warrant certificates issued to the Consultants such that an aggregate of no more than 4,209,405 Resulting Issuer Warrants were issued to the Consultants upon the Closing, with an effective exercise price of \$0.40 per Resulting Issuer Share.

Letter of intent – Definitive Agreement

On October 26, 2020, Magna and CT Developers Ltd. ("CT") entered into a letter of intent (the "**Letter of Intent**") to complete a reverse take-over and acquisition (the "**Acquisition**") by CT of all the issued and outstanding Common Shares of Magna. On February 10, 2021, Magna and CT finalized a definitive agreement for the transaction and completed the transaction on May 4, 2021.

CT acquired all of the issued and outstanding Common Shares in consideration for CT issuing to each shareholder of Magna (a "**Magna Shareholder**") 1.625 shares of CT ("**CT Shares**") for each Common Share (such exchange ratio, the "**Exchange Ratio**") held by such Magna Shareholder and each convertible, exchangeable or exercisable security of Magna was exchanged for a convertible, exchangeable or exercisable security of CT at the Exchange Ratio on substantially the same economic terms and conditions as the original convertible, exchangeable or exercisable security of Magna.

Immediately prior to the Acquisition:

- CT completed a private placement of 2,000,000 CT Shares to eligible investors at a price of \$0.10 per CT Share, for aggregate gross proceeds of \$200,000; and
- CT completed a share consolidation on the basis of 4 pre-consolidation CT Shares for 1 post-consolidation CT Share.

Sale of Fox Mountain Property

On February 5, 2020, Magna completed the sale of all of the right, title and interest in and to the mining claims located in the Disraeli Lake Area (the "**Fox Mountain Property**") pursuant to the terms of the mining claim acquisition agreement (the "**Fox Mountain Acquisition Agreement**") dated February 5, 2020.

As total consideration for the acquisition of the Fox Mountain Property, the purchaser agreed to pay to Magna the sum of \$5,000. The Fox Mountain Acquisition Agreement also contemplates the payment to Magna of a \$1,000,000 discovery bonus, in cash or such number of shares of the purchaser (or part cash and part shares) equivalent in value to \$1,000,000, payable upon the completion of a resource estimate or calculation prepared in accordance with NI 43-101 of at least one million ounces of palladium (or palladium equivalent being based on the three-year trailing average dollar value of platinum, gold, copper, nickel, and cobalt estimated as a portion of the three-year trailing average dollar value of palladium) on the Fox Mountain Property at any time after the Closing Date (as defined in the Fox Mountain Acquisition Agreement), but before the eighth anniversary of such Closing Date.

In connection with the sale, Magna also retained a 1.0% NSR royalty interest in the property, 50% (0.5%) of which can be bought back by the purchaser at any time after the Closing Date but prior the eighth anniversary of the Closing Date for \$1,000,000.

Stock Options

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On November 6, 2020, Magna issued 1,500,000 stock options

1,000,000 stock options have a term of 3-years, vest immediately and have an exercise price of \$0.35 per common share.

200,000 stock options have a term of 3-years, vest immediately and have an exercise price of \$0.45 per common share.

300,000 stock options have a term of 3-years, vest one-third immediately and one-third annually thereafter and have an exercise price of \$0.50 per common share.

On October 23, 2020, 97,000 stock options were exercised, at a strike price of \$0.001 per common share, for proceeds of \$97.

Spanish River Option Agreement

On November 2, 2020, Magna entered into an option to purchase agreement with 2060014 Ontario Inc. to acquire 100% of 7 claim units located in Baldwin Township, Ontario (the “Spanish River Option”). The terms of the agreement were as follows;

- Within 10 days from the date of signing: \$6,000 cash and 25,000 shares of Magna;
- Before the 1st anniversary date of signing: \$14,000 cash and 25,000 shares of Magna;
- Before the 2nd anniversary date of signing: \$25,000 cash and 25,000 shares of Magna; and
- Before the 3rd anniversary date of signing: \$30,000 cash and 25,000 shares of Magna.

Magna will also be required to complete cumulative exploration expenditures totaling \$100,000 prior to the third anniversary date of signing.

2060014 Ontario Inc. will retain a 1.5% NSR royalty which Magna can repurchase 50% (0.75%) for \$1,000,000 at anytime and is entitled to receive a payment of \$200,000 in cash or Magna shares within 30 days of the start of Commercial Production as defined in the agreement.

Financing

On March 19, 2020, the Company closed a private placement financing pursuant to which a total of 200,000 flow through Common Shares were issued at a price of \$0.69 per share, for gross proceeds of \$138,000. Finder's fees of 12,000 Common Shares were paid in connection with this financing at a price of \$0.55 per share, for aggregate gross total of \$6,600.

On March 19, 2020, the Company closed a private placement financing pursuant to which a total of 629,636 Common Shares were issued at a price of \$0.55 per share, for gross proceeds of \$346,300. In aggregate, directors and officers subscribed for 449,090 Common Shares for gross proceeds of \$247,000.

On November 13, 2020, the Company closed a private placement financing pursuant to which a total of 3,385,000 Common Shares were issued at a price of \$0.50 per share, for gross proceeds of \$1,692,500. Finder's fees of \$125,011 were paid in connection with this financing.

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On February 12, 2021, Magna completed a private placement of 10,770,000 subscription receipts ("Subscription Receipts") at a price of \$0.65 per Subscription Receipt for gross proceeds of \$7,000,500. Each Subscription Receipt being exchangeable, without payment of any consideration in addition to the purchase price therefor, for one common share and one-half of one warrant of Magna ("Magna Unit"). \$6,231,775 of the proceeds was allocated to share capital and \$768,725 was allocated to warrant reserve.

Subscription Receipt issue costs include Agent's fee of 6% of gross proceeds payable in either cash or Subscription Receipts at the option of the Agent of \$408,488, Agent's expenses of \$13,475, legal fees of \$125,000, TSX Trust fees of \$6,199, a Corporate Finance fee of 1.5% payable in Subscription Receipts and Agents Warrants of 6% to acquire Subscription Receipts and having a term of 24-months.

Upon completion of the private placement, 50% of the cash commission and 100% of estimated expenses were released to the Agents. The remaining portion of the aggregate gross proceeds were held in escrow and were released upon completion of the transaction on May 4, 2021.

MINERAL PROPERTIES

The Company's primary mineral property is the Shakespeare Project.

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

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

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

Shakespeare Project

The Shakespeare Project is currently comprised of 22 patented claims, 3 leased claims and 787 mining claims within Dunlop, Porter, Shakespeare, Hyman and Baldwin Townships, and covers an area of 18,178 ha. Magna currently has a 100% interest in most of the Shakespeare Project, with 83.9% ownership of a joint venture on certain claims, leases, and patents surrounding the Shakespeare Mine.

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

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

Spanish River Option

On November 2, 2020, Magna entered into an option to purchase agreement with 2060014 Ontario Inc. to acquire 100% of 7 claim units located in Baldwin Township, Ontario. The terms of the agreement were as follows:

- within 10 days from the date of signing: \$6,000 cash and 25,000 shares of Magna;

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- before the 1st anniversary date of signing: \$14,000 cash and 25,000 shares of Magna;
- before the 2nd anniversary date of signing: \$25,000 cash and 25,000 shares of Magna; and
- before the 3rd anniversary date of signing: \$30,000 cash and 25,000 shares of Magna.

Magna will also be required to complete cumulative exploration expenditures totaling \$100,000 prior to the third anniversary date of signing.

2060014 Ontario Inc. will retain a 1.5% NSR royalty, of which Magna can repurchase 50% (0.75%) for \$1,000,000 at anytime, and is entitled to receive a payment of \$200,000 in cash or Common Shares within 30 days of the start of Commercial Production (as defined in the option to purchase agreement).

Shining Tree Nickel Project

Magna has a 100% interest in a nickel-copper deposit located near Shining Tree, Ontario. The Shining Tree Nickel Project is located in Fawcett Township, 110 km north of Sudbury, Ontario and consists of certain claims covering an area of approximately 1,600 acres.

Magna has not conducted any exploration work on the Shining Tree Nickel Project since acquiring the project in 2017. There are no plans for exploration work on the property in 2021.

OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its exploration and evaluation assets.

With a robust market for nickel demand spurred by increasing sales of electric vehicles, Magna increased its liquidity opportunities by obtaining a listing on the TSXV and the start of trading on May 11, 2021.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-months ended March 31, 2021 and 2020

During the three months ended March 31, 2021, the Company reported a net comprehensive loss of \$452,128 (2020 - \$222,080), an increase of \$230,048. The primary contributors were:

- The increase is primarily related to increased exploration expenditures of \$291,826 compared to \$77,303 in the comparable 2020 period and increased share-based compensation of \$153,974 compared to 41,450 in the comparable 2020 period.

Exploration and evaluation expenditures

The Company expenses all exploration costs as incurred.

Exploration expenditures at the Shakespeare Project, in the three months ended March 31, 2021, were primarily due to Electro Magnetic (EM) surveys at Shakespeare..

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

	Three months ended March 31, 2021	Three months ended March 31, 2020
Shining Tree		
Claim maintenance	\$ -	\$ -
Field Work	-	-
	\$ -	\$ -
Shakespeare Mine		
Acquisition	\$ -	\$ -
Advanced royalty	24,000	24,000
Assays and surveying	-	369
Claim maintenance	1,172	3,541
Care and maintenance	-	-
Consulting	13,750	20,133
Drilling	-	-
Engineering	-	-
Feasibility update	-	1,520
Field work	86,536	21,741
Geophysics	166,256	-
	\$ 291,714	\$ 71,303
Spanish River		
Claim Maintenance	\$ 112	\$ -
	\$ 112	\$ -
Exploration and evaluation expenditures	\$ 291,826	\$ 71,303

SUMMARY OF QUARTERLY RESULTS

The following summary information is taken from the Company's quarterly and annual financial reports covering the last eight reporting quarters.

	Quarter ended 31-Mar-21		Quarter ended 31-Dec-20		Quarter ended 30-Sep-20		Quarter ended 30-Jun-20	
Exploration and evaluation expenses	\$	291,826	\$	269,107	\$	29,127	\$	33,377
Site maintenance		16,337		32,290		17,897		19,682
Corporate general and administrative		153,974		67,706		41,732		8,458
Share based payments		10,024		408,538		13,242		12,369
Depreciation of equipment		750		606		558		553
Net comprehensive loss		452,128		741,176		69,051		58,767
Total assets		2,214,142		2,743,737		983,706		999,153
Total liabilities		1,340,580		1,577,701		1,322,789		1,272,417
Shareholders' equity		873,562		1,166,036		(339,083)		(273,264)

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	Quarter ended 31-Mar-20	Quarter ended 31-Dec-19	Quarter ended 30-Sep-19	Quarter ended 30-Jun-19
Exploration and evaluation expenses	\$ 71,303	\$ 82,051	\$ 61,093	\$ 106,838
Site maintenance	31,794	28,985	17,183	38,217
Corporate general and administrative	41,450	8,502	11,786	32,994
Share based payments	12,370	52,706	1,861	1,861
Depreciation of equipment	901	1,406	1,392	1,376
Net comprehensive loss	222,080	213,578	111,243	179,388
Total assets	1,032,018	910,078	933,289	1,050,920
Total liabilities	1,258,884	1,390,134	1,340,331	1,350,166
Shareholders' equity	(226,866)	(480,056)	(407,042)	(299,246)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Three-months ended March 31, 2021 and 2020

As at March 31, 2021, the Company reported working capital surplus of \$887,792 (2020 – \$1,176,454).

Cash used in operating activities during the three-month ended March 31, 2021, was \$889,243 (2020 - \$161,187). The main cause of this change was increased exploration activities and accounts payable in the three-months ended March 31, 2021.

Cash used by investing activities for the three-months ended March 31, 2021, was \$1,432 (2020 – \$Nil).

Cash proceeds generated from financing activities for the three-months ended March 31, 2021, was \$6,320 (2020 - \$268,462).

Financing activities

On March 19, 2020, the Company closed a private placement financing pursuant to which a total of 200,000 flow through Common Shares were issued at a price of \$0.69 per share, for gross proceeds of \$138,000, including a flow through share premium of \$28,000. Finder's fees of 12,000 Common Shares were paid in connection with this financing.

On March 19, 2020, the Company closed a private placement financing pursuant to which a total of 265,999 Common Shares were issued at a price of \$0.55 per share, for gross proceeds of \$146,301.

On November 13, 2020, the Company closed a private placement financing pursuant to which a total of 3,385,000 Common Shares were issued at a price of \$0.50 per share, for gross proceeds of \$1,692,500. Finder's fees of \$125,011 were paid in connection with this financing.

Going concern

At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. See "Risks and Uncertainties".

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In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company may raise money through the sale of equity instruments. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares to date. The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Contractual commitments

The Company had no significant medium- or long-term contractual commitments.

The Company is required to make certain option payments totalling \$24,000 per annum in order to maintain its property agreements in good standing. These payments are not considered to be commitments as the applicable agreements may be terminated by the Company at short notice without penalty.

Off-Balance Sheet Arrangements

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

PROPOSED TRANSACTIONS

Apart from the Definitive Agreement discussed above, there are no proposed transactions that have not been disclosed herein.

TRANSACTIONS WITH RELATED PARTIES

No salaries, wages or related compensation was paid to officers or directors of the Company.

In 2019, a director advanced a loan of \$194,439 to the Company to fund operations. The loan was unsecured, interest free with no set terms of repayment. The loan was settled through the issuance of shares of the Company during the three-months ended March 31, 2020.

During the three-months ended March 31, 2021, the Company earned consultancy income of \$Nil (2020 - \$68,550) from Mine Management Partners Ltd., a Company controlled by the Chief Executive Officer. Accounts receivables in relation to the above revenue was \$12,204 as at March 31, 2021 (2020 - \$12,404).

Stock based compensation to related parties during the three-months ended March 31, 2021 was \$3,341 (2020 \$2,311).

OUTSTANDING SHARE DATA

The Company has authorized capital of an unlimited number of Common Shares with no par value.

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The Company had the following Common Shares, Warrants and stock options outstanding as of May 3, 2021:

Issued and outstanding common shares	27,119,418
Stock options	2,675,000
Warrants	3,000,000
Fully diluted common shares	32,794,418

As discussed above, on May 4, 2021, the Company completed a Qualifying Transaction and exchanged all equity instruments for new securities of Magna Mining Inc. (formerly CT Developers Ltd.).

The Qualifying Transaction was completed by way of a three-cornered amalgamation pursuant to which, among other things, (i) Magna amalgamated with 2813443 Ontario Inc., a wholly-owned subsidiary of Magna Mining Inc. (formerly CT Developer Ltd.), pursuant to the provisions of the Business Corporations Act (Ontario) and continued as an amalgamated corporation under the name “Magna Mining (Canada) Corp.” (“Amalco”), and (ii) all of the outstanding common shares of Magna (each, a “Magna Share”) were exchanged for an aggregate of 61,832,817 post-Consolidation Shares (including the Shares issued on conversion of the Magna subscription receipts as described above) on the basis of 1.625 Shares for each Magna Share (the “Exchange Ratio”), and the convertible securities of Magna were replaced with convertible securities of the Company.

Following the closing of the Qualifying Transaction, there are 63,717,429 post-Consolidation Shares issued and outstanding on an undiluted basis. As disclosed in the Filing Statement, 21,616,958 Shares (representing approximately 33.9% of the issued and outstanding Shares on an undiluted basis) and 1,665,625 stock options of the Company have been deposited into escrow with TSX Trust Company pursuant to a Tier 1 value security escrow agreement, and an additional 257,500 Shares remain subject to a capital pool company escrow agreement.

Magna Mining Inc.’s (formerly CT Developers Ltd) capital structure as of the date hereof is:

Issued and outstanding common shares	63,717,429
Warrants	13,091,289
Broker warrants	992,365
<u>Stock options</u>	<u>4,466,875</u>
Fully diluted common shares	82,267,958

FINANCIAL INSTRUMENTS

Carrying value and fair value

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

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

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

Cash and restricted cash are recorded in the consolidated financial statements at amortized cost.

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

Fair value

The carrying values of cash, restricted cash, accounts payable, accrued liabilities and due to related parties do not materially differ from their fair values.

Financial risk factors

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

Credit risk

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. Financial instruments that potentially subject the Company to credit risk consist of cash, and restricted cash. The carrying value of the Company's financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believe the credit risk is low.

Foreign exchange risk

The Company operates in Canada and therefore, currently, has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. Other than Canadian dollar balances, the Company holds balances in cash and royalty payable that are denominated in U.S. 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.

The Company held the following foreign currency denominated balances as at December 31, 2020 and 2019.

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	March 31, 2021	December 31, 2020
	US\$	US\$
Cash and cash equivalents	82	100
Receivables and prepaid expenses	-	-
Accounts payable and accrued liabilities	346,628	346,628
Due to related parties	-	-
	(346,546)	(346,528)
Foreign exchange rate	1.2575	1.2732
Equivalent in Canadian dollars	(435,781)	(441,199)

Based on the balances held as at March 31, 2021, a 10% decrease in the Canadian dollar per U.S. dollar exchange rates would have resulted in a increase in the net loss for the year then ended of approximately \$44,000 (2020: \$44,200).

Interest rate risk

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

The Company's did not have any interest-bearing liabilities outstanding as at March 31, 2021 and 2020.

CAPITAL MANAGEMENT

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

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

Given the current exploration stage of its projects, the Company's primary source of capital is derived from equity issuances. Capital consists of equity attributable to common shareholders.

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

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ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS

New standards and interpretations

IAS 1: Presentation of Financial Statements & IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued “Definition of Material”, an amendment to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, to clarify the definition of material and to align the definition used in the Conceptual Framework and the standards themselves. Materiality is defined as “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” This amendment is effective for the annual period beginning January 1, 2020. The Company has adopted IAS 1 and IAS 8 as of January 1, 2020, with no impact on its consolidated financial statements.

New standards not yet adopted

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

In January 2020, the IASB issued Classification of Liabilities as Current or Non current (“Amendments to IAS 1”). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted.

Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued Onerous Contracts – Cost of Fulfilling a Contract (“Amendments to IAS 37”) amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment is effective for annual reporting periods beginning on or after January 1, 2022.

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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COVID-19 estimation uncertainty

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

RISKS AND UNCERTAINTIES

Risks Related to the Industry

Mineral Exploration, Development and Operating Risks

Operations in which Magna has a direct or indirect interest are subject to all of the risks normally incidental to the exploration for, and the development and operation of, mineral properties, any of which could result in damage to properties or production facilities, delays, work stoppages, monetary losses, environmental damage, damage to or destruction of equipment, personal injury or death and possible legal liability. Magna has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and to ensure safe, reliable and efficient operations in all phases of its operations.

Magna maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. While Magna believes its insurance coverage adequately addresses material risks to which it is exposed and is at a level customary for its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which Magna is exposed. In addition, no assurance can be given that such insurance will be adequate to cover Magna's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If Magna were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if such liability was incurred at a time when they are unable to obtain liability insurance, the business, results of operations and financial condition of Magna could be materially adversely affected. Magna may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of Magna's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by Magna will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is

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also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of Magna. There can be no assurance that Magna's mineral exploration activities will be successful. In the event that such commercial viability is never attained, Magna may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Estimation of Mineralization, Resources and Reserves

There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. These estimates depend upon geological interpretation and statistical inference drawn from drilling and sampling analysis, which may prove unreliable. There can be no assurance such estimates will be accurate. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material changes in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves. Different experts may provide different interpretations of resource estimates.

Exploration Costs

Magna's exploration costs are based on certain cost estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Magna's viability.

Regulatory Risks

All of Magna's activities take place within Canada. Magna's exploration activities are subject to, and any future development and production operations will be subject to, regulation by governmental authorities. Achievement of its business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and Magna's ability to obtain and retain all necessary regulatory approvals for the operation of its mining exploration activities. While Magna believes that it will be able to maintain its existing approvals and obtain regulatory approvals in a time and cost-effective manner in the future, changes to regulatory requirements could result in delays and could have a material adverse effect on the business, results of operations and financial condition of Magna.

Change in Laws, Regulations and Guidelines

Magna's operations are subject to a variety laws, regulations and guidelines relating to exploration, management transportation, storage and disposal of mining materials or discharge, and laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. While, to the knowledge of Magna's management, Magna is currently in compliance with all such laws, changes to such

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laws, regulations and guidelines may have a material adverse effect on the business, results of operations and financial condition of Magna.

Permits

Magna requires licenses and permits from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex and time-consuming process. There can be no assurance that Magna will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Magna from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that Magna will have the resources or expertise to meet its obligations under such licenses and permits.

Title to Properties

Acquisition of rights to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although Magna has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, Magna cannot give an assurance that title to such properties will not be challenged or impugned. Magna can never be completely certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. Magna does not carry title insurance on its properties. A successful claim that Magna does not have title to a property could cause Magna to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Aboriginal Title and Rights Claims

Magna operates in some areas presently or previously inhabited or used by Indigenous peoples. Various national and international laws, codes, resolutions, conventions, guidelines and other materials relate to the rights of Indigenous peoples. Many of these materials impose obligations on the government to respect the rights of Indigenous peoples. Some mandate that the government consult with Indigenous peoples regarding government actions which may affect them, including actions to approve or grant mining rights or permits. The obligations of the government and private parties under the various national and international materials pertaining to Indigenous peoples continue to evolve and be defined. Magna's current and future operations are subject to the risk that one or more groups of Indigenous peoples may oppose the continued operation, further development or new development of those projects or operations in which Magna holds an interest. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Magna's activities. Opposition by Indigenous peoples to Magna's activities may require modification of, or preclude operation or development of, Magna's projects or may require Magna to enter into agreements with Indigenous peoples with respect to Magna's projects. Such agreements may have a material adverse effect on Magna's business, financial condition and results of operations.

On June 26, 2014, the Supreme Court of Canada issued a decision in the case *Tsilhqot'in Nation v. British Columbia* (the "**Tsilhqot'in Decision**") that may affect the Shakespeare Project located in Ontario. In the

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Tsilhqot'in Decision, the Court issued the first declaration of Aboriginal title in Canadian history. The Court confirmed that the Tsilhqot'in Nation held Aboriginal title to an area in northern British Columbia within their traditional territory. While the Shakespeare Project is not located within the areas involved in the Tsilhqot'in Decision, the decision has legal precedent implications for all areas in Canada where Indigenous peoples claim Aboriginal title and may lead other communities or groups to pursue similar claims in the area where the Shakespeare Project is located. While an Aboriginal title claim remains unsettled either by a treaty or court ruling, there is the potential for Aboriginal title to be established, along with the inherent rights associated with Aboriginal title, which includes the exclusive right to decide how the land is used and the right to benefit from those uses.

In areas where Indigenous peoples claim treaty or Aboriginal rights, including Aboriginal title, the Crown (federal and provincial governmental agencies) must act honourably in its dealings which may affect treaty or Aboriginal rights, whether proven or asserted. When a Crown action – such as granting a permit – may adversely affect those rights, then the Crown has a duty to consult with the affected Indigenous group before deciding on the permit. The Crown must then consider the potential impacts on the interest being claimed and how any impact may be avoided, mitigated or accommodated. Magna relies on the Crown to adequately discharge its duty of consultation before issuing any permit or right to Magna, including the grant of mineral titles and associated rights. To assist in managing the risk associated with any adverse impact on treaty or Aboriginal rights, Magna works to establish good relations and relationship agreements with affected Indigenous communities to confirm their support or consent for Magna's rights and permits.

Magna cannot accurately predict whether Aboriginal rights and title claims will have a material adverse effect on its ability to carry out the intended exploration and work programs on its properties located in Canada. The legal basis for, and the strength of, an Aboriginal rights or title claim is a complex issue, and the prospect and impact of any resolution of any such claim through court decision or settlement with the government is beyond the control of Magna and cannot be predicted with certainty.

Acquisition of Additional Mineral Properties

If Magna loses or abandons its interest in one or more of its properties, then there is no assurance that it will be able to acquire other mineral properties of merit, whether by way of option or otherwise, should Magna wish to acquire any additional properties.

Technology

Magna operates in a competitive environment where its products and services are subject to technological change and evolving industry standards. Magna's future success will depend on its ability to enhance existing operations, accurately predict and anticipate evolving technology, and respond to technological advances in its industry. If Magna is unable to respond to technological changes, or fails or delays to incorporate technological enhancements in a timely and cost-effective manner, its operations may become uncompetitive and it may be unable to recover its exploration expenses, which could negatively affect its profitability and the continued viability of its business.

Reliance on Management

The success of Magna's business is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such

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employees. Any loss of the services of key personnel could have a material adverse effect on the business, operating results or financial condition of Magna.

Factors which may Prevent Realization of Growth Targets

Magna is currently in the exploration stage. Magna's growth strategy contemplates focusing on certain parts of the Shakespeare Project to identify mineral resources. There is a risk that proposed exploration activities may not be achieved on time, on budget, or at all, as it could be adversely affected by a variety of factors, including: delays in obtaining, or conditions imposed by, regulatory approvals; facility design errors; environmental pollution issues; non-performance by third party contractors; increases in materials or labour costs; construction performance falling below expected levels of output or efficiency; breakdown, aging or failure of equipment or processes; contractor or operator errors; labour disputes; disruptions or declines in productivity; inability to attract sufficient numbers of qualified workers; disruption in the supply of energy and utilities; and major incidents and/or catastrophic events, such as fires, explosions, earthquakes or storms.

Additional Financing Requirements

In order to execute its anticipated growth strategy, Magna may require additional equity and/or debt financing to support ongoing operations, undertake capital expenditures, or undertake business combination transactions or other initiatives. There can be no assurance that additional financing will be available to Magna when needed or on terms which are acceptable. Magna's inability to raise additional financing could limit its growth and may have a material adverse effect upon its business, operations, results, financial condition or prospects.

If additional funds are raised through further issuances of equity or securities convertible into equity, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Magna to obtain additional capital and to pursue business opportunities.

Liquidity and Funding

As at the date hereof, Magna has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither Magna nor any of the directors of Magna, nor any other party, can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to Magna, or at all. Any additional equity funding will dilute existing shareholders of Magna. Further, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project will be dependent on many factors, including, for example, exploration success, subsequent development, commissioning and operational performance.

Repatriation of Earnings

There is no assurance that any countries other than Canada in which Magna may carry on business in the future will not impose restrictions on the repatriation of earnings to foreign entities.

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Unprofitable Operations

Magna is not yet generating revenue from its exploration activities and does not expect to earn any revenue in the near future. Magna may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Magna expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Magna's revenues do not increase to offset these expected increases in costs and operating expenses, Magna may not be profitable.

Competition

Magna is expected to face competition from other companies, some of which can be expected to have longer operating histories and more financial resources than Magna. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of Magna.

Reliance on Key Inputs

Magna's business is dependent on a number of key inputs, including supplies and equipment required to continue operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of Magna. Further, some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Magna might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Magna in the future. Any inability to secure required supplies and services, or to do so on acceptable terms, could have a material adverse impact on the business, financial condition and operating results of Magna.

Dependence on Suppliers and Skilled Labour

The ability of Magna to compete and grow will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that Magna will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the exploration program contemplated by Magna may be significantly greater than anticipated by Magna's management and/or may cost more than the funds available to Magna, in which circumstance Magna may curtail, or extend the timeframes for completing, its expansion plan. This could have a material adverse effect on the financial results and operations of Magna.

Management of Growth

Magna may be subject to growth-related risks, including capacity constraints and pressure on internal systems and controls. The ability of Magna to manage growth effectively will require it to continue to implement and improve its operational and financial systems, and to expand, train and manage its employee base. The inability of Magna to deal with this growth may have a material adverse effect on the business, financial condition, results of operations and prospects of Magna.

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Conflicts of Interest

Certain of the directors and officers of Magna are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of Magna and as officers and directors of such other companies.

Litigation

Magna may become party to litigation from time to time in the ordinary course which could adversely affect its business. Should any such litigation be determined against Magna, such a decision could adversely affect its ability to continue operating and the market price for its securities. Even if successful, such litigation would require Magna to expend significant time and money.

Market Conditions

Share market conditions may affect the value of Magna's securities regardless of its operating performance. Share market conditions are affected by many factors, such as: general economic outlook; introduction of tax reform or other new legislation; interest rates and inflation rates; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; and terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Magna does not warrant the future performance of Magna or any return on an investment in Magna.

Commodity Prices

The price of the Common Shares and Magna's profitability, financial results and exploration activities may in the future be significantly adversely affected by declines in the price of base and precious metals. Metal prices fluctuate on a daily basis and are affected by a number of factors beyond the control of Magna, including the U.S. dollar and other foreign currency exchange rates, central bank and financial institution lending and sales, producer hedging activities, global and regional supply and demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The price of nickel has fluctuated widely in recent years, and future trends cannot be predicted with any degree of certainty. In addition to adversely affecting Magna's financial condition and exploration and development activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project, as well as have an impact on the perceptions of investors with respect to metal equities, and therefore, the ability of Magna to raise capital. A sustained, significant decline in the price of nickel could also cause development of any properties in which Magna may hold an interest from time to time to be impracticable. Future production from Magna's future properties, if any, will be dependent upon, among other things, the price of nickel, copper, cobalt and platinum group metals being adequate to make these properties economic. There can be no assurance that the market price of nickel will remain at current levels, that such price will increase or that market prices will not fall.

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Dividends

Magna has no dividend record and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Any dividends paid by Magna would be subject to tax and, potentially, withholdings.

Environmental and Employee Health and Safety Regulations

Magna's operations are subject to environmental and safety laws and regulations concerning, among other things: emissions and discharges to water, air and land; the handling and disposal of hazardous and non-hazardous materials and wastes; and employee health and safety. Magna expects to incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or restrictions on Magna's operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof, or other unanticipated events, could require extensive changes to Magna's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Magna.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve the potential risk of releases of metals, chemicals, fuels, liquids having acidic properties and other contaminants to soil, surface water and groundwater. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for all mining companies. Magna may be liable for environmental contamination and natural resource damages relating to the properties that it currently owns or operates or at which environmental contamination occurred while or before Magna owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

COVID-19 Coronavirus Outbreak

In December 2019, a novel strain of coronavirus known as COVID-19 emerged and spread around the world, causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to Magna. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of Magna's mineral projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation, and the duration and severity of the impact of COVID-19 and associated restrictions remains uncertain. If the exploration or any development of Magna's mineral projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on Magna's financial position and the market price of its securities.

Magna's business could be significantly adversely affected by the effects of COVID-19 or any other widespread global outbreak of contagious disease. Magna cannot accurately predict the impact that COVID-19 will have on third parties' ability to meet their obligations with Magna, including due to uncertainties relating to the severity of the disease, the duration of the outbreak and the extent of travel and

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quarantine restrictions imposed by governments of affected countries. In addition, the current outbreak of COVID-19, and any future emergence and spread of contagious disease, could have a material adverse impact on global economic conditions, which may adversely impact the market price of its securities, its operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, and the operations of its suppliers, contractors and service providers. Any potential stoppages on exploration activities could result in additional costs, project delays, cost overruns and operational restart costs. The total amount of funds that Magna needs to carry out its proposed operations may increase from these and other consequences of the COVID-19 pandemic.

While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

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

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

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

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