

Magna Mining Provides an Update on Loncan Acquisition

Sudbury, Ontario--(Newsfile Corp. - November 2, 2022) - Magna Mining Inc. (TSXV: NICU) (the "**Corporation**") is pleased to announce that it expects to satisfy the final conditions precedent to the previously announced acquisition of Lonmin Canada Inc. (the "**Acquisition**") on or about November 4, 2022. Upon the satisfaction of the final conditions to the Acquisition, the escrow release conditions relating to the 74,128,860 subscription receipts of the Corporation (the "**Subscription Receipts**") issued on a non-brokered private placement basis at a price of \$0.27 per Subscription Receipts for gross proceeds of approximately \$20 million (the "**Offering**") will be satisfied and the Corporation expects to be able to proceed with the conversion of each Subscription Receipt into common shares of the Corporation (a "**SR Share**") and one-half of one warrant (each whole warrant, a "**Warrant**") and the closing of the Acquisition. The gross proceeds of the Offering with the interest thereon (the "**Escrowed Funds**") to be released to the Corporation upon escrow release, will be used in part, to fund the initial closing payment of \$13 million payable in connection with the Acquisition, with the balance of the Escrowed Funds to be used for ongoing exploration and development activities at the Denison Project. A deferred payment of \$3 million will also payable on or before the 12-month anniversary of the closing of the Acquisition. The Acquisition is subject to the final acceptance of the TSX Venture Exchange (the "**TSXV**").

As previously disclosed by the Corporation, certain insiders of the Corporation participated in the Offering. The subscriptions by the participating insiders in the Offering (the "**Insider Subscriptions**") are exempt from the formal valuation requirement under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") pursuant to section 5.5(b) of MI 61-101, on the basis that no securities of the Corporation are listed or quoted on markets specified in that section.

Staff of the Ontario Securities Commission ("**OSC Staff**") have indicated that, in respect of the Insider Subscriptions, the Corporation was not able to rely on the exemption from the requirement for minority shareholder approval in section 5.7(1)(a) of MI 61-101 as the fair market value of the aggregate value of the SR Shares and the common shares underlying the Warrants to be issued to participating insiders upon conversion of the Subscription Receipts represents more than 25% of the Corporation's market capitalization (the "**Market Cap Amount**") calculated in accordance with MI 61-101.

As no other exemptions from the minority approval requirement under MI 61-101 were available for the Offering, at the request of OSC Staff, the Corporation is seeking minority approval (the "**Minority Approval**") from the shareholders of the Corporation in respect of the number of SR Shares and Warrants comprising the Insider Subscriptions that exceed 25% of the Corporation's market capitalization calculated in accordance with MI 61-101 (the "**Excess Insider Subscription**"). The common shares of the Corporation held by the participating insiders, being Dundee, Paul Fowler, Vernon Casey Baker, John Seaman and Derek Teevan, representing an aggregate of 18,308,987 common shares, will be excluded for the purposes of obtaining the Minority Approval in respect of the Excess Insider Subscriptions.

In order to facilitate the escrow release and conversion of the Subscription Receipts prior to obtaining the Minority Approval, the Corporation will, upon conversion of the Subscription Receipts, place a restriction on the Warrants held by the participating insiders (as set out below) expressly prohibiting such holder from exercising any portion of their Warrants until such time as the Corporation obtains the required Minority Approval (the "**Warrant Restrictions**"). Additionally, each of Paul Fowler, Vernon Casey Baker, John Seaman and Derek Teevan will place in escrow, upon issuance of the SR Shares on conversion of the Subscription Receipts, the pro rata portion of their respective SR Shares which in the aggregate exceed the Market Cap Amount and will not be permitted to sell, transfer, assign, pledge or

otherwise dispose of such SR Shares (the "**Share Restrictions**") until such time as Minority Approval is obtained and certain conditions are met (as described below). The imposition of Share Restrictions on the SR Shares to be issued to Dundee is not required to reduce the subscriptions by the participating insiders below the Market Cap Amount.

The following table provides an update on the Insider Subscriptions:

Insider	Insider Relationship	Subscription Receipts Purchased	SR Shares subject to Share Restrictions	Warrants Subject to Warrant Restrictions
Dundee Corporation (" Dundee ") ⁽¹⁾	10% Security Holder of the Corporation	18,518,518	-	9,259,259
Paul Fowler	Senior Vice President, Corporate Secretary	370,370	292,079	185,185
Vernon Casey Baker	Director of the Corporation	520,000	410,078	260,000
John Seaman	Director of the Corporation	200,000	157,722	100,000
Derek Teevan	Vice President, ESG of the Corporation	74,100	58,436	37,050
TOTAL		19,682,988⁽²⁾	918,315	9,841,491

Notes:

(1) Held through Dundee Resources Limited, a wholly owned subsidiary of Dundee.

(2) As at the time of the closing of the Offering, Jason Jessup had subscribed for 92,600 Subscription Receipts but following the closing of the Offering, as a result of discussions with OSC Staff in regard to the application of MI 61-101, he cancelled his subscription and as a result, did not participate in the Offering. The Corporation subsequently replaced such cancelled subscription with a subscription by a third party subscriber that is not a related party to the Corporation.

To avoid undue cost and delay associated with holding a meeting, and as the Corporation has received voting support agreements from shareholders of the Corporation holding 27,167,103 common shares (the "**Supporting Shareholders**") that would be eligible to be voted at a meeting in respect of the Excess Insider Subscription, representing approximately 50.7% of the eligible common shares, the Corporation is seeking the Minority Approval by way of written consent instead of calling and holding a meeting. In the event the Corporation is not able to obtain the Minority Approval by way of written consent it intends to hold a meeting of shareholders on or about December 13, 2022 to seek such Minority Approval. OSC Staff have advised that they will not object to the Corporation proceeding in this manner. The form of shareholder consent and a disclosure document that contains the information required pursuant to section 5.3 of MI 61-101 (the "**Disclosure Document**") will be provided to Supporting Shareholders and filed in due course on SEDAR (www.sedar.com) under the Corporation's issuer profile. The Warrant Restrictions and Share Restrictions will not be lifted unless and until 14 days have elapsed from the date the Disclosure Document and the form of consent are filed on SEDAR and

Supporting Shareholders have had 14 days to review the Disclosure Document prior to providing their written consent.

In the event that the Minority Approval is not obtained, the SR Shares subject to the Share Restrictions and the Warrants subject to the Warrant Restrictions will be cancelled, and, in the case of the SR Shares that are subject to the Share Restrictions, the Corporation will return the applicable subscription proceeds to the participating insiders.

About Magna Mining Inc.

Magna Mining is an exploration and development Corporation focused on nickel, copper and PGM projects in the Sudbury Region of Ontario, Canada. The Corporation's flagship asset is the past producing Shakespeare Mine which has major permits for the construction of a 4500 tonne per day open pit mine, processing plant and tailings storage facility and is surrounded by a contiguous 180km² prospective land package. Additional information about the Corporation is available on SEDAR (www.sedar.com) under the Corporation's issuer profile and on the Corporation's website (www.magnamining.com).

For further information on this news release, visit www.magnamining.com or contact:

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Cautionary Note Regarding Forward-Looking Information

This news release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Corporation's future plans, objectives or goals, including words to the effect that the Corporation or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Corporation, the Corporation provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes, but is not limited to, the ability and timing of the Corporation to complete the Acquisition; the ability and timing for the satisfaction of the final conditions to the Acquisition, the escrow release conditions to the Offering and the conversion of the Subscription Receipts; the gross amount of the proceeds of the Offering which will be available to the Corporation which is dependent on the ability to obtain the Minority Approval; the ability and timing by the Corporation to obtain Minority Approval; the timing and receipt the final acceptance of the TSXV of the Acquisition; the Corporation's current expectations, anticipated synergies and benefits of the Acquisition; the use of the net proceeds from the Offering; and the Corporation's objectives, goals or future plans in respect of the Denison Project. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, the inability or delay in satisfying the conditions to the Acquisition and the escrow release conditions to the Offering, the inability or delay in completing the Acquisition, the inability or delay in obtaining Minority Approval, the inability to receive final acceptance of the TSXV, changes in equity markets, inflation, fluctuations in commodity prices,

delays in the development of projects, capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Corporation's public documents filed on SEDAR. Although the Corporation believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Corporation disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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