



Magna Mining Inc.

First Quarter 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Magna Mining Inc.'s ("Magna" or the "Company") condensed interim consolidated financial statements for the three months ended March 31, 2025 and 2024, and their related notes ("financial statements") which have been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts stated in this MD&A are denominated in thousands of Canadian dollars, except per share data and unless otherwise indicated. The discussion and analysis within this MD&A are effective as of May 29, 2025.

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

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

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

NON-IFRS PERFORMANCE MEASURES

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

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

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

BUSINESS OVERVIEW

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

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

ACQUISITION OF KGHM MINING OPERATIONS AND EXPLORATION ASSETS

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

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

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

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

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

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

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

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

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

In accordance with the acquisition method of accounting, the acquisition cost was allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. The table below summarizes the preliminary fair values of the assets acquired and liabilities assumed on the date of acquisition. The allocation is preliminary, and the fair values are subject to change as there has not been sufficient time to complete the valuation process. The valuation work must be finalized within twelve months following the acquisition date. Mineral properties, plant and equipment, exploration and evaluation assets, reclamation obligations, streaming liability, and deferred taxes are all subject to change. Any adjustments made will be recognized retrospectively and comparative information will be revised. The total transaction costs associated with the acquisition were \$2.4 million, which were expensed in Q1 2025.

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

Q1 2025 PERFORMANCE

Operations and Financial Results	Comparison to Q1 2024
Copper equivalent payable production of 790 thousand pounds.	Subsequent to the transaction closing on February 28, 2025, McCreedy West produced 790 thousand pounds of copper equivalent payable, which includes 631 thousand pounds from the 700 Copper Zone and 159 thousand pounds from the Intermain Nickel Zone, by processing 20,388 tons of ore at an average grade of 3.01% copper equivalent for the one month of production in March 2025,
Cash costs of \$5.98 (US\$4.16) per pound of copper equivalent payable¹.	Subsequent to the transaction closing on February 28, 2025, cash costs ¹ in Canadian dollars were \$5.98 (US\$4.16) per pound for the one month of production in March 2025.
AISC of \$6.65 (US\$4.63) per pound of copper equivalent payable¹.	Subsequent to the transaction closing, AISC ¹ in Canadian dollars were \$6.65 (US\$4.63) per pound for the one month of production in March 2025.
Cash margin of \$0.3 million¹.	Cash margin ¹ was \$0.3 million for the one month of production in March 2025.
Operating cash outflow of \$2.6 million or (\$0.01) per share¹.	Decreased by 20% or \$0.7 million (Q1 2024 - \$3.3 million or (\$0.02) per share ¹) due to the increase in working capital of \$3.4 and the \$1.5 million decrease in exploration spending; partially offset by the transaction costs of \$2.4 million, the \$1.5 million increase in corporate costs to support the additional corporate activities and technical staff required to transition from an exploration company to a production company.
Free cash outflow of \$10.9 million or (\$0.06) per share¹.	The free cash outflow ¹ increased by \$7.6 million (Q1 2024 - \$3.3 million or (\$0.02) per share ¹) primarily due to the acquisition of the former KGHM mining operation and exploration assets.
Net income attributable to shareholders of \$29.1 million or \$0.15 per share. Adjusted net loss¹ attributable to shareholders of \$5.4 million or (\$0.03) per share.	Net income increased by \$32.2 million (Q1 2024 - \$3.1 million net loss or (\$0.02 per share) primarily related to the after-tax gain on the bargain purchase of the KGHM assets of \$36.6 million ² ; partially offset by the transaction costs and the increased corporate costs to support the transition from an exploration company to a production company. After removing this one-time item, the adjusted net loss ¹ increased by \$1.1 million from Q1 2024.

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

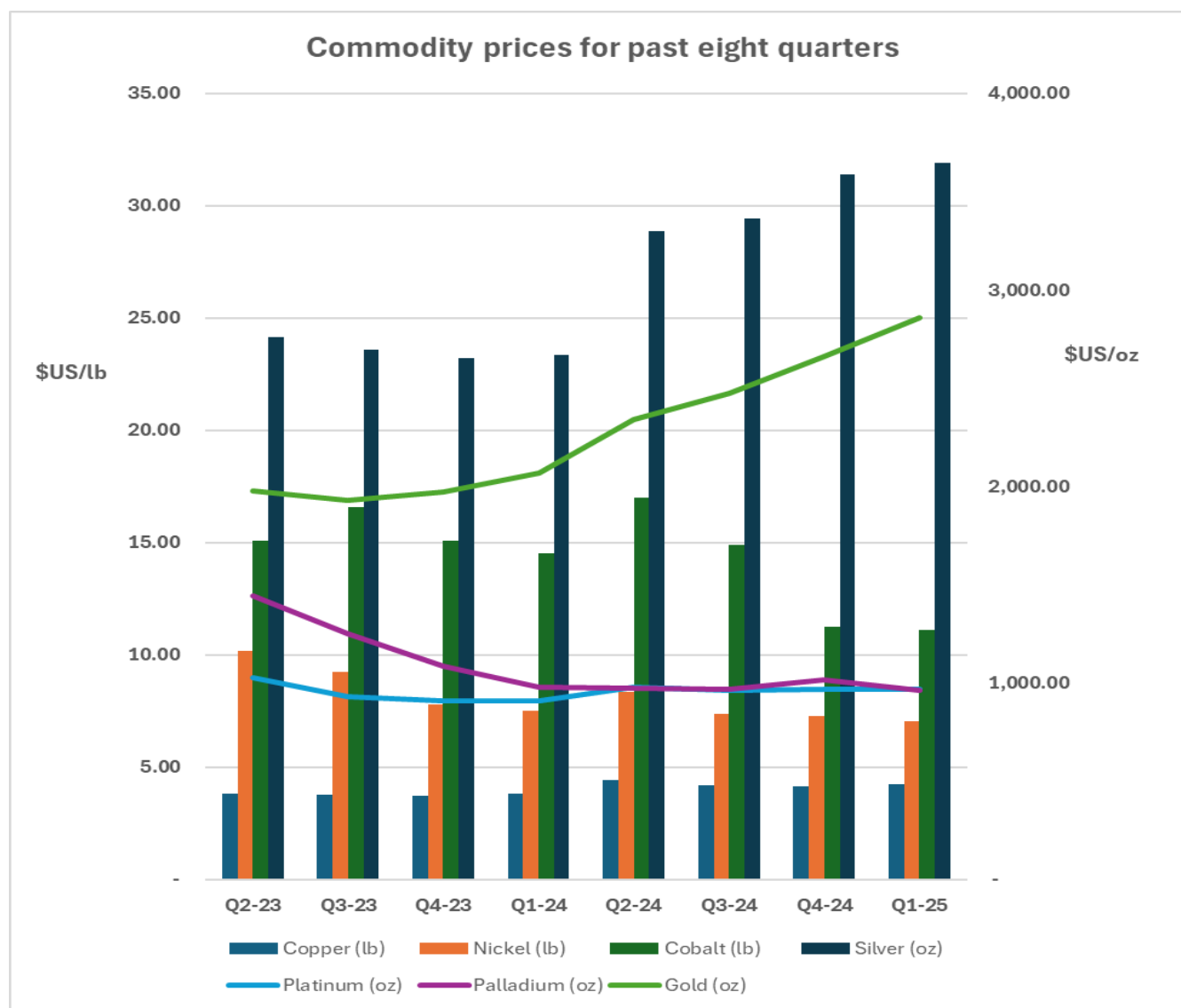
² The gain is preliminary as the fair values of mineral properties, plant and equipment, exploration and evaluation assets, reclamation obligations, deferred revenue, and deferred taxes are subject to change as there has not been sufficient time to complete the valuation process. Any adjustments made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

Exploration Updates	Performance
McCreedy West	• Diamond drilling at McCreedy West is focused on production support, primarily in the 1010 and 1150 levels of the 700 Copper zone. Two drill rigs are active in the area, defining remnant mineralization adjacent to historical stoping areas, to facilitate detailed mine planning and scheduling. Assay results from the two drillholes (see press release March 31, 2025) are selected examples of high-grade intersections, over significant widths remaining in the 700 Copper Zone. In addition to drilling, rehabilitation of existing development, and planning of new development is ongoing to access other areas of the 700 Copper Zone with potential to expand mineralization on the west side.
Levack	• The Levack Mine was operated by KGHM until 2019 and is currently under care and maintenance. There are two surface diamond drillholes active at Levack, with a third drill, which was mobilized to site in late April. This third rig at Levack will begin testing deeper footwall exploration targets that we believe have the potential for a new, copper-rich footwall discovery. The 2025 drilling program at Levack is designed to support the Magna Mining internal Levack Mine restart study and exploration for new footwall and contact style deposits. Drilling at Levack was targeting the near surface Keel Footwall Cu zone. • The drilling done in the Keel Zone area has provided Magna with more certainty in the orientation of the vein trend and provided fresh core which can be used for metallurgical work as required. We can now move away from the known Keel Zone mineralization and begin expansion drilling with the goal of growing the resource closer to surface and to the east towards the Main Orebody.
Crean Hill	• No current exploration activity at Crean Hill. In H2 2025, we are moving forward with power, engineering, commercial discussions and water pre-treatment design/installation activities as we continue to advance the project.

MARKET OVERVIEW AND FOREIGN CURRENCY EXCHANGE RATE OVERVIEW

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

LME Average Prices (in US Dollars)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Copper (lb)	4.25	4.16	4.18	4.42	3.83	3.71	3.79	3.84
Nickel (lb)	7.06	7.26	7.37	8.34	7.53	7.81	9.23	10.16
Cobalt (lb)	11.09	11.26	14.90	17.00	14.51	15.07	16.58	15.07
Platinum (oz)	968.71	968.37	963.85	981.14	909.90	910.26	931.13	1,025.60
Palladium (oz)	960.98	1,015.26	969.97	972.61	977.38	1,086.67	1,250.53	1,443.90
Gold (oz)	2,859.62	2,663.38	2,474.29	2,338.18	2,069.80	1,971.49	1,928.48	1,975.93
Silver (oz)	31.88	31.38	29.43	28.84	23.34	23.20	23.57	24.13



In Q1 2025, the copper price ranged from US\$3.99 per pound to a new all-time high of US\$5.22 per pound on March 26, 2025, before closing at US\$4.41 per pound on March 31, 2025. The volatility in copper prices during Q1 2025 was primarily driven by the potential for tariffs from the US, combined with increased inventory levels by downstream manufacturers and concerns about the health of the global economy. Nickel prices hit five-year lows in the first quarter due to oversupply and US tariff concerns. Gold and silver prices increased due to the potential for tariffs from the US, geopolitical uncertainty, and broader global political tension. Palladium prices were influenced by the potential for tariffs from the US, increased production, decreased demand from the automotive sector, and a shift towards electric vehicles. Platinum prices were impacted by supply constraints, growing demand from the auto sector, and investment interest.

The Company's reporting and functional currency is the Canadian dollar ("**CAD**") as all of its assets and operations are based in Canada. However, the Company's revenues, profitability and cash flows are exposed to the changes in the United States dollar ("**USD**") to Canadian dollar exchange rates as the Company's products, are predominately traded in the US dollar. Magna had no forward foreign exchange rate contracts in place during Q1 2025 and as at March 31, 2025. This position will be reviewed from time to time as market conditions warrant. Please see note 29 of the Company's condensed interim consolidated financial statements for an analysis of Magna's exposure to the Canadian and US dollar exchange rate.

QUARTERLY FINANCIAL AND OPERATIONAL RESULTS

In 000s, except per units and per share amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2024	Q2 2024
Financial results								
Net revenue from mining operations	4,453	-	-	-	-	-	-	-
Cash margin ¹	269	-	-	-	-	-	-	-
Net income (loss)	29,098	(4,717)	(4,498)	(3,947)	(3,105)	(2,477)	(3,061)	(2,068)
Adjusted net loss ¹	(5,442)	(5,293)	(5,055)	(4,619)	(3,893)	(2,865)	(4,003)	(2,737)
Earnings before interest, taxes, depreciation and amortization ¹	(4,918)	(5,643)	(4,997)	(4,458)	(3,871)	(2,822)	(3,877)	(2,618)
Operating cash flow	(2,630)	(7,105)	(3,635)	(3,747)	(3,322)	(1,754)	(3,332)	(3,487)
Free cash flow ¹	(10,930)	(7,115)	(3,635)	(3,921)	(3,330)	(1,764)	(3,343)	(3,492)
Per share information:								
Net earnings (loss)	0.15	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)
Adjusted net loss ¹	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)
Operating cash flow ¹	(0.01)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Free cash flow ¹	(0.06)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Selected Financial Statement data:								
Cash and cash equivalents	38,250	17,535	3,941	4,419	7,549	10,890	15,585	18,520
Working capital	39,330	17,373	871	1,371	4,449	25,694	8,853	11,155
Total assets	168,132	39,571	25,202	24,509	9,826	30,281	34,954	37,648
Total non-current liabilities	68,601	885	869	871	866	846	751	725
Operational results								
Ore Processed (Dry tons)								
700 Copper Zone	13,911	-	-	-	-	-	-	-
Intermain Nickel Zone	6,477	-	-	-	-	-	-	-
Throughput	20,388	-	-	-	-	-	-	-
Copper equivalent grade (%)								
700 Copper Zone ²	3.04	-	-	-	-	-	-	-
Intermain Nickel Zone ²	2.96	-	-	-	-	-	-	-
	3.01	-	-	-	-	-	-	-
Metals Payable								
Copper (000s lbs)	552	-	-	-	-	-	-	-
Nickel (000s lbs)	132	-	-	-	-	-	-	-
Cobalt (000s lbs)	2	-	-	-	-	-	-	-
Platinum (ozs)	-	-	-	-	-	-	-	-
Palladium (ozs)	13	-	-	-	-	-	-	-
Gold (ozs)	-	-	-	-	-	-	-	-
Silver (ozs)	1,638	-	-	-	-	-	-	-
Cu equivalent payable pounds (000s) ²	790	-	-	-	-	-	-	-

In 000s, except per units and per share amounts								
Per pound of copper equivalent payable ¹								
Average realized price ¹	6.32	-	-	-	-	-	-	-
Cash costs ^{1,2}	5.98	-	-	-	-	-	-	-
Cash margin ¹	0.34	-	-	-	-	-	-	-
AISC ^{1,2}	6.65	-	-	-	-	-	-	-
Production costs/ton processed ¹	194	-	-	-	-	-	-	-
Average 1 USD → CAD exchange rates	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3414	1.3428
Cost Metrics (in USD)								
Cash costs ^{1,2}	4.16	-	-	-	-	-	-	-
AISC ^{1,2}	4.63	-	-	-	-	-	-	-

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

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

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

Q1 2025 FINANCIAL AND OPERATIONAL RESULTS

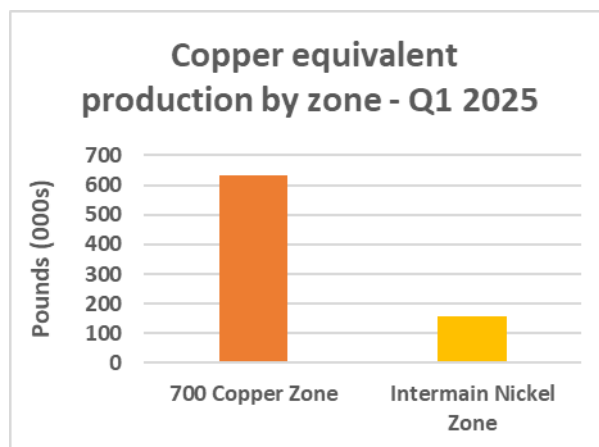
Operational Results

	Q1 2025	Q1 2024	Change	
700 Copper Zone				
Ore processed (Dry tons)	13,911	-	13,911	-
Grade				
Copper (%)	2.230	-	2.23	-
Nickel (%)	0.280	-	0.28	-
Cobalt (%)	0.020	-	0.02	-
Platinum (oz/ton)	0.005	-	0.005	-
Palladium (oz/ton)	0.008	-	0.008	-
Gold (oz/ton)	0.002	-	0.002	-
Silver (oz/ton)	0.236	-	0.236	-
Copper equivalent ²	3.040	-	3.040	-
Intermain Nickel Zone				
Ore processed (Dry tons)	6,477	-	6,477	-
Grade				
Copper (%)	0.280	-	0.280	-
Nickel (%)	1.540	-	1.540	-
Cobalt (%)	0.050	-	0.050	-
Platinum (oz/ton)	0.002	-	0.002	-
Palladium (oz/ton)	0.003	-	0.003	-
Gold (oz/ton)	-	-	0.000	-
Silver (oz/ton)	0.023	-	0.023	-
Copper equivalent ²	2.960	-	2.960	-
McCreedy West				
Ore processed (Dry tons)	20,388	-	20,388	-
Grade				
Copper (%)	1.610	-	1.610	-
Nickel (%)	0.680	-	0.680	-
Cobalt (%)	0.020	-	0.020	-
Platinum (oz/ton)	0.004	-	0.004	-
Palladium (oz/ton)	0.006	-	0.006	-
Gold (oz/ton)	0.002	-	0.002	-
Silver (oz/ton)	0.168	-	0.168	-
Copper equivalent ²	3.010	-	3.010	-
Payable				
Copper (000s lbs)	552	-	552	-
Nickel (000s lbs)	132	-	132	-
Cobalt (000s lbs)	2	-	2	-
Platinum (ozs)	-	-	0	-
Palladium (ozs)	13	-	13	-
Gold (ozs)	-	-	0	-
Silver (ozs)	1,638	-	1,638	-
Copper equivalent (000s lbs) ^{1,2}	790	-	790	-

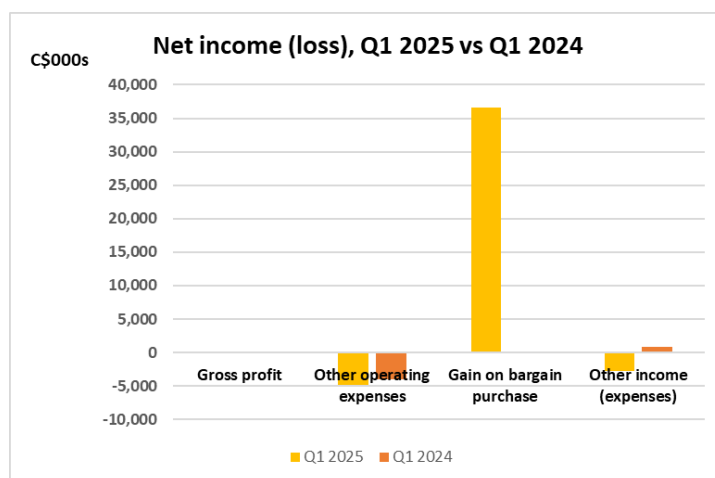
¹ Totals for tonnage and copper equivalent payable pounds information may not add due to rounding.

² Copper equivalent payable pounds and grade were calculated using the following US dollar prices:
Q1 2025: \$4.40/lb Cu, \$7.18/lb Ni, \$15.38/lb Co, \$944.31/oz Pt, \$1,005.61/oz Pd, \$3,135.60/oz Au, \$34.61 Ag.

McCreedy West produced 790 thousand pounds of copper equivalent payable in Q1 2025, which included 631 thousand pounds from the 700 Copper Zone grading at 3.04% and 131 thousand pounds from the Intermain Nickle Zone grading at 2.96%. As Nickel prices are expected to remain depressed throughout 2025, the Company is planning to mine primarily from the 700 Copper Zone for the remainder of 2025.



Financial Review, Q1 2025 as compared to Q1 2024



Net income attributable to shareholders for the three months ended March 31, 2025 was \$29.1 million or \$0.15 per share as compared to a net loss of \$3.1 million or (\$0.02) for the same period in 2024. After-giving effect to the non-recurring recognition in income of the gain on bargain purchase of the KGHM assets, and the transaction and integration costs of \$34.5 million (net of tax of \$19.5 million), adjusted net loss¹ for Q1 2025 was \$5.4 million or (\$0.03) per share as compared to \$3.9 million or (\$0.02) per share for Q1 2024.

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

In \$000s	Q1 2025	Q1 2024	Change	
Revenue from mining operations	4,992	-	4,992	-
Less: Smelting, refining and treatment charges	(539)	-	(539)	-
Net revenue from mining operations	4,453	-	4,453	
Costs and expenses				
Cost of sales	4,422	-	4,422	-
Corporate and general	2,537	1,081	1,456	135%
Share-based compensation	494	227	267	118%
Exploration and evaluation	1,215	2,703	(1,488)	(55)%
Site maintenance	524	-	524	-
	9,192	4,011	5,181	
Operating loss	(4,739)	(4,011)	(189)	18%
Transaction costs	(2,426)	-	(2,426)	-
Flow-through premium income	-	788	(788)	(100)%
Gain on bargain purchase of KGHM assets ²	36,575	-	36,575	-
Interest and other income (expenses)	(312)	119	(431)	(362)%
Income (loss) before taxes	29,098	(3,104)	32,741	
Mining and income tax expense	-	-	-	
Net income (loss)	29,098	(3,104)	32,741	(1037)%
Total comprehensive income (loss)	29,098	(3,104)	-	
Operating cash flow	(2,630)	(3,322)	692	(21)%
Free cash flow ¹	(10,630)	(3,330)	(7,300)	219%

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

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

Revenues

In \$000s	Q1 2025	Q1 2024	Change	
Revenue from mining operations	4,992	-	4,992	-
Less: smelting, refining and treatment charges	(539)	-	(539)	-
	4,453	-	4,453	-

In Q1 2025, Magna generated \$4.5 million in revenue from the sale of 790 thousand copper equivalent payable pounds at \$6.32 (US\$4.40) per pound from the McCreedy West Mine, which was purchased on February 28, 2025.

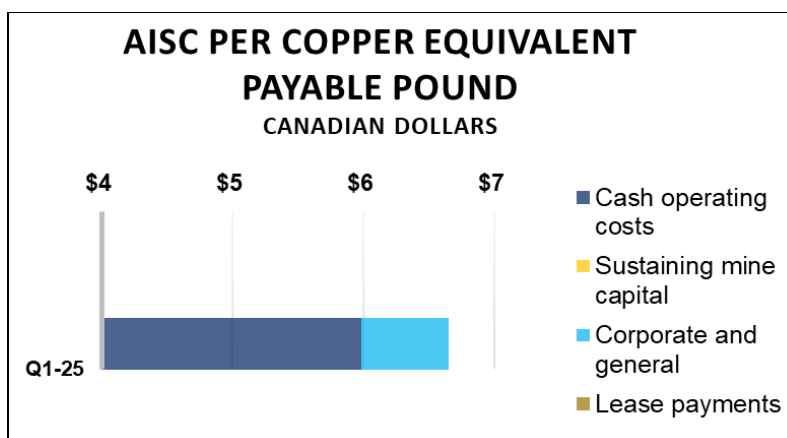
Cost of Sales

In \$000s	Q1 2025	Q1 2024	Change	
Cost of Sales				
Mining and processing costs				
Mining	1,887	-	1,887	
Processing and surface operations	1,077	-	1,077	
Site administration	1,423	-	1,423	
Change in ore stockpile	(426)	-	(426)	
	3,961	-	3,961	
Royalties	223	-	223	
Depletion and depreciation	238	-	238	
	4,422	-	4,422	-

Cost of sales in Q1 2025 from the McCreedy West Mine, purchased on February 28, 2025, was \$4.4 million, which included a \$0.4 million increase in the ore stockpile and \$0.2 million of depletion and depreciation.

Cash cost and AISC per copper equivalent payable pound in Q1 2025 were \$5.98 (US\$4.16) and \$6.65 (US\$4.63) per pound, respectively.

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



Corporate and General

Corporate and general expenditures in Q1 2025 increased by \$1.5 million or 135% to \$2.5 million primarily due to the PNCI integration costs of \$0.8 million, and the increase in corporate activities and technical staff required to transition from an exploration company to a production company.

Transaction costs

The transaction costs associated with the acquisition of the KGHM mining operations and exploration assets were \$2.4 million.

Share-based compensation

For the three months ended March 31, 2025, the compensation expense recognized under the stock option and restricted share unit (“**RSU**”) plans was \$0.5 million, which was \$0.3 million higher than the same period in 2024 due to additional technical staff required to transition from an exploration company to a production company. No new options or RSUs were granted during the quarter.

Exploration and evaluation

All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. In Q1 2025, Magna spent \$1.2 million on its exploration program, which includes \$0.5 million at Crean Hill, \$0.4 million at Levack and \$0.2 million at Shakespeare. The overall spending decreased by \$1.5 million compared to Q1 2024 as no exploration activity was completed at Crean Hill during the period.

OPERATING SEGMENTS PERFORMANCE

McCreedy West

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

Production Review, Q1 2025 as compared to Q1 2024

	Q1 2025	Q1 2024	Change	
Operating Results				
700 Copper Zone				
Tons processed	13,911	-	13,911	-
Copper equivalent grade (%)	3.04	-	3.04	-
Copper equivalent payable (thousands of pounds)	631	-	631	-
Intermain Nickel Zone				
Tons processed	6,477	-	6,477	-
Copper equivalent grade (%)	2.96	-	2.96	-
Copper equivalent payable (thousands of pounds)	159	-	159	-
McCreedy West				
Tons processed	20,388	-	20,388	-
Copper equivalent grade (%)	3.01	-	3.01	-
Copper equivalent payable (thousands of pounds)	790	-	790	-

Subsequent to the transaction closing on February 28, 2025, the McCreedy West Mine produced 790 thousand pounds of copper equivalent payable in March 2025, which includes 631 thousand pounds from the 700 Copper Zone and 159 thousand pounds from the Intermain Nickel Zone, at an overall copper equivalent grade of 3.01%. 215 equivalent feet of operating development was achieved, and 11,384 feet of longhole drilling was completed.

Financial Review, Q1 2025 as compared to Q1 2024

In 000s, except per units and per share amounts	Q1 2025	Q1 2024	Change
Financial Results			
Revenue from mining operation	4,992	-	4,992
Less: smelting, refining and treatment charges	(539)	-	(539)
	4,453	-	4,453
Cost of Sales			
Mining	1,887	-	1,887
Processing and surface operations	1,077	-	1,077
Site administration	1,423	-	1,423
Change in inventories	(426)	-	(426)
Royalties and streaming payments	223	-	223
Depreciation and depletion expense	238	-	238
	4,422	-	4,422
Cash cost per pound of copper equivalent payable (CDN dollars) ¹	5.98	-	5.98
Cash margin ¹	269	-	269
All-in sustaining costs per pound of copper equivalent (CDN dollars) ¹	6.65	-	6.65
Production costs per ton processed ¹	194	-	194

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

Revenue

In Q1 2025, the McCreedy West Mine generated \$5.0 million in gross revenue from the sale of 790 thousand copper equivalent payable pounds at \$6.32 (US\$4.40).

Cost of sales

Cost of sales was \$4.4 million in Q1 2025, which included a \$0.4 million increase in ore stockpile and \$0.2 million in depreciation and depletion. The Q1 2025 cash cost and AISC were \$5.98 (US\$4.16) and \$6.65 (US\$4.63) per pound of copper equivalent payable.

Exploration

McCreedy West

Diamond drilling at McCreedy West is focused on production support, primarily in the 1010 and 1150 levels of the 700 FW Cu-PGE zone. Two drill rigs are active in the area, defining remnant mineralization adjacent to historical stoping areas, to facilitate detailed mine planning and scheduling. Assay results from the two drillholes released March 31, 2025 are selected examples of high-grade intersections, over significant widths remaining in the 700 FW. In addition to drilling, rehabilitation of existing development, and planning of new development is ongoing to access other areas of the 700 FW zone with potential to expand mineralization on the west side. Highlights of the recent drilling are summarized as follows (see press release dated March 31, 2025):

- FNX33323: 4.4% Cu, 0.6% Ni, 13.8 g/t Pt + Pd + Au over 18.0 metres.
Including 8.2% Cu, 0.8% Ni, 7.5 g/t Pt + Pd + Au over 7.3 metres.
- FNX33338: 8.7% Cu, 0.3% Ni, 32.8 g/t Pt + Pd + Au over 3.2 metres.
And 3.7% Cu, 3.1% Ni, 2.8 g/t Pt + Pd + Au over 17.5 metres.
- FNX33361: 4.3% Cu, 5.0% Ni, 3.6 g/t Pt + Pd + Au over 2.9 metres.

Levack

The Levack Mine was operated by KGHM until 2019 and is currently under care and maintenance. There are two surface diamond drillholes active at Levack, with a third drill mobilized to site in late April. This third rig at Levack will begin testing deeper footwall exploration targets that have the potential for a new, copper-rich footwall discovery. The 2025 drilling program at Levack is designed to support the Magna Mining internal Levack Mine restart study and exploration for new footwall and contact style deposits. Drilling at Levack was targeting the near surface Keel Footwall Cu zone. The drilling we have done in the Keel Zone area has provided Magna with more certainty in the orientation of the vein trend and provided fresh core which can be used for metallurgical work as required. We can now move away from the known Keel Zone mineralization and begin expansion drilling with the goal of growing the resource closer to surface and to the east towards the Main Orebody. The information we acquire will provide the detail required to inform the Levack Mine restart plan. Highlights of the recent drilling are summarized as follows (see press release dated March 31, 2025):

- FNX33323: 12.2% Cu, 0.5% Ni, 2.8 g/t Pt + Pd + Au over 3.4 metres.
Including 24.9% Cu, 0.4% Ni, 5.0 g/t Pt + Pd + Au over 1.6 metres.

Crean Hill

No current exploration activity at Crean Hill in Q1 2025. In H2 2025, we are moving forward with power, engineering, commercial discussions and water pre-treatment design/installation activities as we continue to advance the project.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2025, Magna had working capital of \$39.3 million compared to \$17.4 million at December 31, 2024. Cash and cash equivalents at March 31, 2025 was \$38.3 million as compared to \$17.5 million at the beginning of the year. The following table provides an abbreviated cash flow statement for the three months ended March 31, 2025 and 2024:

In Millions (Canadian dollar)	Q1 2025	Q1 2024	Change
McCreedy West			
Cash Margin ¹	\$0.3	\$0.0	\$0.3
	0.3	0.0	0.3
Corporate	(2.5)	(1.1)	(1.5)
Exploration	(1.2)	(2.7)	1.5
Site maintenance	(0.5)	0.0	(0.5)
Stock options and warrants exercised	0.6	0.0	0.6
Investment in Project Nikolas Company Inc.	(5.0)	0.0	(5.0)
Transaction costs	(2.4)	0.0	(2.4)
Proceeds from equity issuance	9.4	0.0	9.4
Proceeds from convertible debenture issuance	22.3	0.0	22.3
Cash collateralized for letter of credit facilities	(3.0)	0.0	(3.0)
Payment of deferred financing cost	(0.8)	0.0	(0.8)
Net change in working capital and other	3.7	0.4	3.3
Net decrease in cash	\$20.8	(\$3.4)	\$24.2
Cash, beginning of period	\$17.5	\$10.9	
Cash, end of period	\$38.3	\$7.5	

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

Total cash margin¹ for Q1 2025 was \$0.3 million resulting from operating McCreedy West, subsequent to the completion of the acquisition, for the month of March 2025.

The following table identifies the significant movements in operating cash flow for the three months ended March 31, 2025 and 2024 as follows:

In \$000s	Q1 2025	Q1 2024	Change	
Operating cash flow, previous period	(7,105)	(1,753)	(5,352)	305%
Increase (decrease) in cash margin from mine operations	269	-	269	
Decrease (increase) in other operating expenditures	926	(80)	1,006	
Decrease (increase) in transaction costs	(2,426)	-	(2,426)	
Net change in working capital balances	5,380	(1,474)	6,854	
Other	326	(15)	341	
Net increase (decrease) in operating cash flows	4,475	(1,569)	6,044	
Operating cash flow, current period	(2,630)	(3,322)	692	(21)%

On February 28, 2025, the Company closed the acquisition of the KGHM mining operations and exploration

assets, which included a cash payment at the time of closing of \$5.0 million. The acquisition-date fair value of the consideration transferred consisted of the following:

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

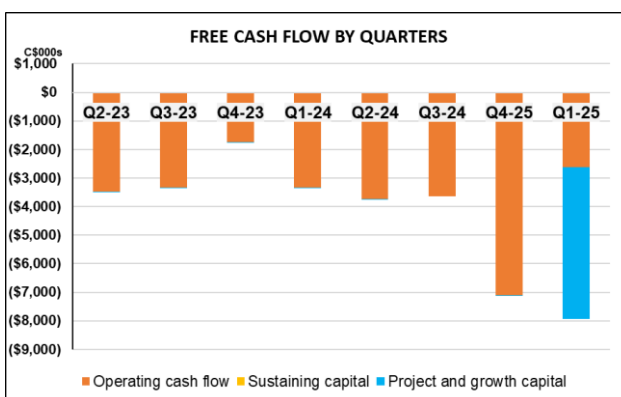
¹ The fair value of the 1,180,705 common shares issued was determined using the Company's share price of \$1.69.

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

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

On March 5, 2025, the Company closed a private placement, which provided \$31.7 million of net proceeds through the issuance of convertible debentures and common shares.

Free cash outflow¹ was \$10.9 million in Q1 2025 compared to free cash outflow¹ of \$3.3 million in Q1 2024. The increase in free cash outflow¹ of \$7.6 million was due to the purchase of PNCI and the cash collateralized standby letters of credit.



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

Debt Facilities

Convertible Debentures

On March 5, 2025, the Company completed a \$23,967 private placement of unsecured convertible debentures ("Debentures") for net proceeds of \$22,335. The Debentures were issued at a 2% discount to the face value for aggregate gross proceeds of \$23,488, and transaction costs of \$1,153 were incurred. The principal amount of the Debentures bear interest at a fixed rate of 10% per annum, payable in cash quarterly in arrears and will mature on March 5, 2029.

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

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

The component parts of the Debentures comprise a financial liability, equity and an embedded derivative. At initial recognition, the net proceeds of \$22,335 from the issuance of the Debentures was allocated into the debt, equity and embedded derivative components as follows:

Debt: the fair value of the debt was determined to be \$14,467 using a discounted cashflow model with an expected life of four years and a discount rate of 28%. The debt component is subsequently measured at amortized cost, net any directly attributable transaction cost and amortized over the four-year term using the effective interest method.

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

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

The transaction costs of \$1,153 related to the issuance of the Debenture were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the Debentures using the effective interest method. The Company elected to allocate the liability component of the transaction costs entirely to the host liability. Transaction costs related to the equity component are recognized directly in equity.

	Convertible Debentures
Balance, December 2024 and 2023	\$ -
Gross proceeds from convertible debenture financing	23,488
Transaction cost	(1,153)
Portion of convertible debenture financing allocated to equity reserves	(7,977)
Portion allocated to forced conversion embedded derivative	109
Interest paid	(173)
Accretion expense	220
Balance, March 31, 2025	\$ 14,514

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 March 31, 2025.

Letter of Credit Facility

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

At March 31, 2025, the Company had drawn down \$10,343 under the LC Facility.

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 is non-recourse but has been guaranteed by PNCI's parent company, Magna. The agreement imposes no obligation on the Company to offer Desjardins eligible receivables to purchase or on Desjardins to purchase receivables offered by the Company.

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

The agreement requires that the Company secure and maintain a credit insurance policy for a value equal to the factored amount. As at March 31, 2025, no amount was outstanding under the Factoring Facility, and the Company had not yet received any payment under this agreement.

SUMMARY OF SHARES ISSUED

As of May 29, 2025, the Company had securities outstanding as follows:

Shares outstanding	000s
Common shares issued	203,529
Common share purchase options	10,902
Share purchase warrants	25,220
Restricted Share Units	1,957
Convertible debentures	23,967

CONTRACTUAL OBLIGATIONS

The following table shows the timing of cash outflows relating to contractual obligations as at March 31, 2025:

In \$000s					
	Total	Within 1 year	1 - 2 Years	3 – 5 Years	Beyond 5 years
Payables and accruals	11,162	\$11,162	-	-	-
Lease liabilities	40	36	4	0	-
Contingent consideration	8,100	-	-	5,400	2,700
Deferred acquisition costs	2,000	-	2,000	-	-
Deferred revenue	29,269	3,720	6,172	13,879	5,498
Convertible debentures	33,554	2,397	2,397	28,760	-
Purchase commitments	20,783	20,783	-	-	-
Asset retirement obligations	12,294	-	-	-	12,294
	\$117,202	\$38,098	\$10,573	\$48,039	\$20,492

NON-IFRS PERFORMANCE MEASURES

Average realized price per copper equivalent payable pound

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

In 000s, except per unit amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue per financial statements (a)	4,992	-	-	-	-	-	-	-
Copper equivalent pounds sold (000s) (b)	790	-	-	-	-	-	-	-
Average realized price copper equivalent sold CAD (c) = (a) ÷ (b)	6.32	-	-	-	-	-	-	-
Average 1 USD → CAD exchange rate (d)	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3414	1.3428
Average realized price copper equivalent sold USD (c) ÷ (d)	4.40	-	-	-	-	-	-	-

Cash costs per copper equivalent payable pound

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

In 000s, except per unit amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Cost of sales per financial statements	4,422	-	-	-	-	-	-	-
Smelting, treatment and refining charges	539	-	-	-	-	-	-	-
Depletion and depreciation	(238)	-	-	-	-	-	-	-
Cash costs (a)	4,723	-	-	-	-	-	-	-
Copper equivalent payable pounds (000s) (b)	790	-	-	-	-	-	-	-
Cash costs per copper equivalent payable pound (c) = (a) ÷ (b)	5.98	-	-	-	-	-	-	-
Average 1 USD → CAD exchange rate (d)	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3414	1.3428
Cash costs per copper equivalent payable pound USD (c) ÷ (d)	4.16	-	-	-	-	-	-	-

Production costs per ton processed

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

In 000s, except per unit amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Cost of sales per financial statements	4,422	-	-	-	-	-	-	-
Depletion and depreciation	(238)	-	-	-	-	-	-	-
Royalties and streaming payments	(223)	-	-	-	-	-	-	-
Mining and processing costs (a)	3,961	-	-	-	-	-	-	-
Ore processed (tons) (b)	20,388	-	-	-	-	-	-	-
Production costs per ton processed (a) ÷ (b)	194	-	-	-	-	-	-	-

Cash margin

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

In 000s, except per unit amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Copper equivalent revenue from mining operations (per above)	4,992	-	-	-	-	-	-	-
Cash costs (per above)	4,723	-	-	-	-	-	-	-
Cash margin	269	-	-	-	-	-	-	-
Per pound of copper equivalent payable (Canadian dollar):								
Average realized price (a)	6.32	-	-	-	-	-	-	-
Cash costs (b)	5.98	-	-	-	-	-	-	-
Cash margin (a) – (b)	0.34	-	-	-	-	-	-	-

All-in sustaining costs

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

In 000s, except per unit amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Cost of sales, per financial statements	4,422	-	-	-	-	-	-	-
Smelting, treatment and refining charges	539	-	-	-	-	-	-	-
Depletion and depreciation	(238)	-	-	-	-	-	-	-
Cash costs	4,723	-	-	-	-	-	-	-
Corporate and general	997	-	-	-	-	-	-	-
Less: KGHM Integration costs	(465)	-	-	-	-	-	-	-
All-in Sustaining costs (AISC) (a)	5,255	-	-	-	-	-	-	-
Pounds of copper equivalent payable (b)	790	-	-	-	-	-	-	-
AISC (c) = (a) ÷ (b)	6.65	-	-	-	-	-	-	-
Average 1 USD → CAD exchange rate (d)	1.4359	1.3990	1.3637	1.3684	1.3488	1.3619	1.3414	1.3428
AISC USD (c) ÷ (d)	4.63	-	-	-	-	-	-	-

Free cash flow and operating and free cash flow per share

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

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

In 000s, except per share amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net cash provided by operating activities per financial statements (c)	(2,630)	(7,105)	(3,635)	(3,747)	(3,322)	(1,754)	(3,332)	(3,487)
Sustaining mine exploration and development	-	-	-	-	-	-	-	-
Sustaining mine capital equipment	-	-	-	-	-	-	-	-
Purchase of Project Nikolas Company Inc.	(5,300)	-	-	-	-	-	-	-
Exploration equipment	-	(10)	-	(6)	(8)	(4)	30	(5)
Exploration and evaluation	-	-	-	-	-	(6)	(41)	-
Funds held against standby letters of credit	(3,000)	-	-	(168)	-	-	-	-
Payment of lease liabilities	-	-	-	-	-	-	-	-
Free cash flows (a)	(10,930)	(7,115)	(3,635)	(3,921)	(3,330)	(1,764)	(3,343)	(3,492)
Weighted number of shares (000s) (b)	197,739	186,593	169,379	163,534	163,380	163,201	161,706	161,520
Per Share data								
Operating cash flow (c) ÷ (b)	(0.01)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Free cash flow (a) ÷ (b)	(0.06)	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)

Adjusted net loss and Adjusted net loss per share

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

In 000s, except per share amounts	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net income (loss) per financial statements	29,098	(4,717)	(4,498)	(3,947)	(3,105)	(2,477)	(3,061)	(2,068)
Adjustments for:								
Gain on bargain purchase of KGHM assets	(57,227)	-	-	-	-	-	-	-
Project Nikolas Company Inc. Integration costs	779	-	-	-	-	-	-	-
Transaction Costs	2,426	-	-	-	-	-	-	-
Flow-through premium income	-	(929)	(557)	(672)	(788)	(388)	(942)	(669)
Other	-	-	-	-	-	-	-	-
Total adjustments	(54,022)	(929)	(557)	(672)	(788)	(388)	(942)	(669)
Related income tax effect	10,236	246	148	178	209	103	250	177
Recognition of mining taxes	9,246	-	-	-	-	-	-	-
	(34,540)	(683)	(409)	(494)	(579)	(285)	(692)	(492)
Adjusted net loss (a)	(5,442)	(5,400)	(4,907)	(4,441)	(3,684)	(2,762)	(3,753)	(2,560)
Weighted number of shares (000s) (b)	197,739	186,593	169,379	163,534	163,380	163,201	161,706	161,520
Per Share data								
Adjusted net loss (a) ÷ (b)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)

EBITDA

Earnings before interest, taxes and depreciation and amortization (“**EBITDA**”) is a non-IFRS Accounting Standards financial measure which excludes the following items from net income (loss): interest expense; mining and income taxes, depletion and depreciation expenses, the one-time gains and losses resulting from the disposition of non-core assets, non-recurring expenses and significant tax adjustments (mining tax recognition and exploration credit refunds) not related to the current period’s income. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, the Company and certain investors use EBITDA as an indicator of Magna’s ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. EBITDA is intended to provide additional information to investors and analysts and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS Accounting Standards. Other producers may calculate EBITDA differently. The following table provides a reconciliation of net income in the Company’s financial statements to EBITDA:

In 000s	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Net income (loss) per financial statements	29,098	(4,717)	(4,498)	(3,947)	(3,105)	(2,477)	(3,061)	(2,068)
Adjustments for:								
Depletion and depreciation	238	-	25	25	21	-	16	14
Non-recurring income	(34,540)	(929)	(557)	(672)	(788)	(388)	(942)	(669)
Interest expense	286	3	33	136	1	43	110	105
EBITDA	(4,918)	(5,643)	(4,997)	(4,458)	(3,871)	(2,822)	(3,877)	(2,618)

ACCOUNTING MATTERS

BASIS OF PRESENTATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of judgments and estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management’s knowledge of the relevant facts and circumstances having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about such judgments and estimations is contained in the accounting policies and notes to the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods. Significant estimates as at March 31, 2025 relate to the use of estimates related to the valuation of acquired businesses and assets, the determination of mineral reserves and resources, depletion of mineral properties, provision for decommissioning obligations, stock based compensation, income taxes and deferred taxes, recoverability of mining properties, inventory - ore stockpile, deferred revenue, contingent consideration, convertible debentures, and provisions and contingent liabilities.

CRITICAL JUDGMENT IN APPLYING ACCOUNTING POLICIES

Exploration and evaluation expenditures

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Reserves and resources

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

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

(ii) Depletion

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

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

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

(iii) Provision for decommissioning obligations

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

(iv) Share-based compensation

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

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

(v) *Income taxes and deferred taxes*

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

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

(vi) *Recoverability of mining properties*

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

(vii) *Inventory – ore stockpile*

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

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

(viii) *Deferred revenue - streaming agreement*

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

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

(ix) Contingent consideration

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

(x) Business combination

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

(xi) Provisions and contingent liabilities

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

ACCOUNTING PRONOUNCEMENTS

Standards and amendments issued but not yet effective

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. IFRS 18 introduces new sets of requirements to improve companies'

reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

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

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

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

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

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

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

Annual Improvements to IFRS Accounting Standards

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

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

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

RISKS AND UNCERTAINTIES

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

RESPONSIBILITY FOR TECHNICAL INFORMATION

The technical and scientific information disclosed in this document was prepared under the supervision of and verified and reviewed by Jeff Huffman, P. Eng, Chief Operating Officer of Magna, and Dave King, P.Geo., Vice President, Exploration of Magna, both of which are "Qualified Persons" as defined in NI 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

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

INFORMATION CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

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

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

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

ADDITIONAL INFORMATION

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