M | PARTNERS
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March 13, 2018

Magna Gold Corp.
390 Bay Street, Suite 806
Toronto, Ontario
M5H 2Y2

Attn: Arturo Bonillas, CEO

Re: Plan of Distribution and Engagement Agreement

M Partners Inc. (the "**Agent**") understands that Magna Gold Corp. (the "**Corporation**") has been established as a Capital Pool Corporation that intends to proceed with an initial public offering of its securities (the "**Offering**"). The Agent further understands that the Corporation intends to issue 2,000,000 common shares (the "**Common Shares**") at a price of $0.10 per Common Share resulting in gross proceeds of $200,000. The Agent is prepared to act as agent in connection with the Offering to solicit subscriptions on a commercially reasonable efforts basis. The Agent shall be under no obligation to purchase the Common Shares as principal.

This letter sets out the terms and conditions of the engagement (the "**Engagement Letter**") between the Corporation and the Agent in respect of the Offering.

1. SERVICES AND RELATED MATTERS

On the terms and conditions set forth in this Engagement Letter:

A. **Exclusive Agent:** the Agent is appointed as exclusive agent for the Corporation from the date hereof to the earlier of (i) the completion of the Offering or (ii) the termination of this engagement letter, to solicit subscriptions for the sale of the Common Shares on a commercially reasonable efforts basis to a minimum of 200 shareholders;

B. **Selling Group:** the Agent receives the right to form a selling group of securities dealers to assist in the sale of the Common Shares;

C. **Agency Agreement:** The Corporation and the Agent will enter into a formal agency agreement, to be dated as at the date of this Engagement Letter, as soon as practicable and, in any event, not later than the date of the Final Receipt of the Prospectus. The Agency Agreement shall be the customary form of Agency Agreement for an equity issue of this nature and shall contain the usual representations and warranties, conditions, indemnity clauses and "market out" clauses.

2. CLEARANCE BY PROSPECTUS

The Common Shares issued will be qualified by way of a prospectus to be filed by the Corporation;

A. **Closing:** Closing of the Offering shall take place as soon as possible but in any event, no later than 90 days from the Final Receipt Date, unless specifically extended in writing by the parties hereto;

B. **Listing:** The Corporation shall list the Common Shares for trading on the TSX Venture Exchange.

3. COMPENSATION

In consideration for the services provided by the Agent, the Corporation agrees to pay to the Agent:

A. **Cash Commission:** a cash commission at the rate of ten percent (10%) of the gross proceeds of the Offering;

B. **Corporate Finance Fee:** a corporate finance fee of $35,000 + HST comprising of a non-refundable deposit of $15,000 + HST due and payable upon the execution of this Engagement Letter and the remaining $20,000 + HST due and payable upon the Closing of the Offering; and

C. **Legal Fees:** Regardless of whether or not the Offering is completed, the Corporation will be responsible for paying the reasonable legal fees of the Agent. The Agent will require the approval of the Corporation prior to incurring any Legal Fees in excess of $15,000 + HST and disbursements.

4. DUE DILIGENCE AND TERMINATION

The Agent's obligation to complete the Offering and execute the preliminary prospectus and final prospectus will be subject to the satisfactory completion of its due diligence on the Corporation. The Corporation shall allow the Agent and its representatives to conduct all due diligence investigations which the Agent may reasonably require to fulfill its obligations as Agent. Such due diligence shall be to the complete satisfaction of the Agent prior to the Closing. The Agent may terminate this agreement at any time if, in its sole discretion, the findings of its due diligence investigations are not to its complete satisfaction. The Corporation covenants and agrees that up to and including the Closing, it will promptly notify the Agent in writing of any material change (actual, contemplated or threatened) in the financial condition, business or affairs of the Corporation and of any change (actual, contemplated or threatened) of any material fact.

5. TERM

Unless otherwise terminated by the Agent, this Engagement Letter shall continue to be in force for a period from the date of execution of this Engagement Letter to the earlier of; the completion of the Offering or August 31, 2018, unless specifically extended in writing by the parties hereto.

6. PRESS RELEASES

Any press release relating to the Offering shall be in the form and content agreed to by the Agent and the Corporation, both acting reasonably.

7. INDEMNITY

The indemnity attached as Schedule "A" hereto is incorporated herein by reference and forms a part of this agreement. The provisions of Schedule "A" shall survive completion of the Offering and shall continue in full force and effect for the benefit of the Agent.

8. GOVERNING LAW

The agreement confirmed by this Engagement Letter is to be governed and construed in accordance with the laws of the Province of Ontario.

9. SURVIVAL

The provisions of clauses 3, 7, 9, and 10 and the indemnity provisions contained in Schedule "A" shall survive the completion of the Offering and shall survive the termination of this agreement. The indemnity agreement contained in Schedule "A" shall be in addition to, and not in substitution for, any liability which the Corporation or any other person may have to the Agent or other persons indemnified pursuant to the indemnity provisions contained in Schedule "A" at law or in equity and shall remain in full force and effect regardless of any investigation made by or on behalf of the Agent.

10. SEVERABILITY

If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this letter agreement, but this letter agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

If the foregoing accurately reflects your understanding of the terms of the Offering, please execute this letter where indicated below and return a copy to the Agent, whereupon the signing of which by all parties this letter shall become a binding agreement between the Corporation and the Agent.

Yours very truly,

M PARTNERS INC.

Per: "Steven Isenberg"
Steven Isenberg
CEO

The foregoing accurately reflects the terms of the transaction, which we are to enter into and such terms are hereby agreed to.

ACCEPTED this 13th day of April, 2018.

MAGNA GOLD CORP.

Per: "Arturo Bonillas"
Authorized Signatory

Name: Arturo Bonillas

Title: President & Chief Executive Officer

SCHEDULE "A"
INDEMNITY AGREEMENT

Magna Gold Corp. (the "**Indemnitor**") hereby agrees to indemnify and hold M Partners Inc. (the "**Agent**") and each and every of the directors, officers, employees, sub-Agent (if any) and shareholders of the Agent (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses, claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent to which the Agent and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agent and its Personnel hereunder or otherwise in connection with the matters referred to in the attached letter agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Agent or their Personnel have been negligent or exercised bad faith in the course of such performance; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud referred to in (i).

If for any reason (other than the occurrence of any of the events itemized in (i) and (ii) above), the foregoing indemnification is unavailable to the Agent or insufficient to hold them harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent on the other hand but also the relative fault of the Indemnitor and the Agent, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability any excess of such amount over the amount of the fees received by the Agent hereunder pursuant to the attached letter agreement.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Agent and any Personnel of the Agent shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agent, the Agent shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agent and any of the Personnel of the Agent. The foregoing provisions shall survive the completion of professional services rendered under the attached letter agreement or any termination of the authorization given by the attached letter agreement.