FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Magna Gold Corp. (the "**Corporation**")
18 King Street East, Suite 902
Toronto, Ontario M5C 1C4

Item 2 Date of Material Change

September 17, 2020

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Canada Newswire on September 17, 2020 and a copy was subsequently filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4 Summary of Material Change

On September 17, 2020, the Corporation announced the results from the pre-feasibility study ("**PFS**") completed on its 100%-owned San Francisco mine located in Sonora, Mexico ("**San Francisco**").

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On September 17, 2020, the Corporation announced the results from the PFS completed on San Francisco.

<u>Pre-Feasibility Study Highlights</u>

- Base case after-tax net present value ("**NPV**") of \$80M using a \$1,450/oz gold price and 5% discount rate.
- Assuming a spot gold price of \$1,950 per ounce ("**Spot Gold Price**"), the project economics increase to an after-tax NPV of \$231M using a 5% discount rate.
- Average annual gold production of 69 kozs per year over 2021 to 2027.
- Average all-in sustaining cash costs of \$1,204 per gold ounce.
- No major capital required for resumption of full mining operations.

The PFS employs a gold price of \$1,450 per ounce. All values are shown in United States dollars unless otherwise noted. Some figures may not add due to rounding.

The PFS contemplates a 16,875 tpd heap leach operation using existing processing capacity of 22,000 tpd. Ore placed on the existing leach pad will be sourced primarily from open pits over an initial mine life of eight years, supplemented by a small portion of underground ore. The Corporation is currently processing minerals from the La Chicharra pit, in addition to previously stockpiled material, and plans to initiate underground mining at the higher-grade lenses in the south wall of the San Francisco pit and also resume open pit mining in the San Francisco pit. Over the current mine life to 2028 outlined in the PFS, a total of 47.6 million tonnes at an average grade of 0.50 g/t containing 758 kozs gold will be mined and processed. Given the mine, processing plant and infrastructure are all existing at San Francisco, there are no significant capital investments required to realize the production outlined in the PFS.

Full details of the PFS and the current estimates of mineral reserves and resources can be found in the technical report entitled "NI 43-101F1 Technical Report Pre-Feasibility Study for the San Francisco Gold Project, Sonora, Mexico" dated August 28, 2020. The technical report was prepared by William J. Lewis, P.Geo., Richard M. Gowans, P.Eng., Nigel Fung, B.Sc.H, B.Eng., P.Eng., Christopher Jacobs, CEng, MIMMM, Ing. Alan San Martin, MAusIMM(CP) of Micon International Limited, and Rodrigo Calles-Montijo, CPG of Servicios Geológicos IMEx, S.C. A copy of the technical report has been filed under the Corporation's profile on SEDAR.

Significant Leverage to Gold Price

The Corporation has calculated the impact to the NPV of San Francisco at various gold prices ranging between the price assumed for the PFS and the Spot Gold Price. Using the Spot Gold Price results in an NPV of $231 million, representing a 189% increase in the reported NPV in the PFS.

Assumed Gold Price	**PFS ($1,450)**	**$1,600**	**$1,800**	**Spot ($1,950)**
After-Tax NPV	$80M	$126M	$186M	**$231M**
NPV Difference from PFS Case	--	+58%	+133%	**+189%**

Value Enhancement Potential

The Corporation has identified several near-term resource growth and operational expansion opportunities that have the potential to extend the mine life of San Francisco and further optimize the project parameters and economics outlined in the PFS.

The Corporation is currently implementing an aggressive exploration strategy in and around the existing open pits and at depth to increase mineral reserves and resources in 2021. The Corporation's exploration strategy also extends to various regional targets being evaluated as potential sources of satellite ore, such as the Mercedes property and La Vetatierra target, that could leverage existing equipment and infrastructure to provide incremental low-cost production in the near-term with minimal capital expenditures.

In addition, as part of the operational improvement plan that was implemented shortly after the acquisition of San Francisco, the Corporation is in the process of completing an extensive metallurgical test program and evaluating a potential upgrade of the crushing and leaching operation in order to increase capacity and improve metallurgical recoveries.

The Corporation's overall goal is to establish an operation capable of producing around 100,000 ounces per year for 10 years, providing for an approximate 45% increase from production levels outlined in the PFS.

Summary of Operating Parameters

The table below provides a summary of the PFS inputs and parameters.

Mining	
Total Ore Tonnes Mined	47.6 Mt
Average Diluted Ore Grade	0.50 g/t
Total Contained Gold Ounces	758 kozs
Mine Life (2021 Onwards)	8 years
Processing	
La Chicharra Gold Recovery	73%
San Francisco Gold Recovery	66%
Average Gold Production (2021 – 2027)	**69 kozs**
Total Life of Mine Gold Production	**527 kozs**
Cash Operating Costs ($/t Ore) and Capital Expenditures	
Mining Costs	$7.43
Processing Costs	$4.45
General and Administrative Costs	$0.58
Selling Costs	$0.03
Cash Operating Costs	**$12.49**
Royalties and Mining Tax	$0.34
Total Cash Cost	**$12.83**
Cash Costs per Ounce	**$1,160/oz**
All-In Sustaining Costs per Ounce	**$1,204/oz**
Capital Costs	
Total Development Capital Costs	$3.4M
Total Sustaining Capital Costs	$19.8M
Total Life of Mine Capital Costs	**$23.2M**

Mineral Reserves and Resources

Mineral reserves as of August 8, 2020 are summarized in the table below and have been estimated using a gold price of $1,350 per ounce.

Category	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kozs)
Proven Reserves	21,058	0.511	346
Probable Reserves	25,789	0.490	406
Total Reserves	**46,847**	**0.499**	**752**
Low Grade Stockpile	782	0.256	6
Total Reserves (incl. Stockpile)	**47,629**	**0.495**	**758**

Mineral resources as of August 8, 2020 are summarized in the table below and have been estimated using a gold price of $1,500 per ounce.

Category	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (kozs)
Measured Resources	34,675	0.462	515
Indicated Resources	65,025	0.437	914
Measured & Indicated Resources	**99,700**	**0.446**	**1,430**
Inferred Resources	11,374	0.467	171

Note: Inclusive of mineral reserves

Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Qualified Person

James Baughman (P. Geo.), Consulting Geologist and a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, has approved the scientific and technical information in this material change report and the news release. Mr. Baughman is independent of the Corporation.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

Arturo Bonillas
President and Chief Executive Officer
Telephone: +526623101217

Item 9 Date of Report

September 28, 2020