

## News Release

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**December 1, 2011**

### **Magna Resources Ltd. and Confederation Minerals Ltd. Sign Definitive Agreement for American Potash LLC**

**Magna Resources Ltd. (CNSX:MNA) and Confederation Minerals Ltd. (TSX-V: CFM) ([www.confederationmineralsltd.com](http://www.confederationmineralsltd.com))** are pleased to announce that they have signed a definitive purchase agreement ("Purchase Agreement") in respect of the previously announced acquisition by Magna of Confederation's 50% interest in American Potash LLC (the "Transaction").

Under the terms of the Purchase Agreement, Magna will complete a 2 for 1 subdivision (the "Stock Split") of its outstanding common shares, resulting in 22,420,000 Magna common shares being issued and outstanding. Thereafter, Confederation will subscribe for 6,666,666 Magna common shares at \$0.30 per share for gross proceeds to Magna of \$2,000,000, and transfer to Magna all shares of American Potash owned by Confederation in exchange for an additional 22,420,000 common shares and 2,400,000 common share purchase warrants of Magna. Each warrant will entitle the holder thereof to purchase a Magna common share at a price of \$0.10 until February 25, 2016.

Upon completion of the Transaction, Magna will have an aggregate of 51,506,666 common shares issued and outstanding (on a non-diluted basis), of which 56.47% will be held by Confederation, and American Potash will be a wholly-owned subsidiary of Magna.

Magna will seek shareholder approval of the Share Split at its upcoming annual and special general meeting to be held on December 19, 2011. A management information circular and proxy for the meeting was mailed to all Magna shareholders today.

Subject to any required regulatory approval, Confederation has agreed to provide interim financing to Magna, the proceeds of which will be used for the advancement of operations at the American Potash properties and for general working capital purposes. Such loans, if any, will bear no interest and will be repayable by Magna in full upon the earlier of (a) the termination of the Purchase Agreement (in which case Magna will have sixty (60) days to make such repayment); and (b) the date of the closing of the Private Placement.

Completion of the Transaction is subject to receipt of applicable regulatory approvals and other conditions disclosed in Magna's September 27, 2011 press release. A copy of the Purchase Agreement and the management information circular for the Magna shareholders' meeting is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board,  
Confederation Minerals Ltd.

*"Lawrence Dick"*

Lawrence A. Dick, Ph.D., P.Geol  
President, CEO, and Director

On Behalf of the Board,  
Magna Resources Ltd.

"Rudy de Jonge"  
Rudy de Jonge, CEO and President

For further information, please contact:

Magna Resources Ltd.  
Rudy de Jonge  
CEO and President  
(604) 782-4191

CORPORATE INQUIRIES  
Confederation Minerals Ltd.  
Suite 1980, 1075 West Georgia Street  
Vancouver, B.C.  
Leo Karabelas  
1-416-543-3120  
leo@frontlineir.com  
www.confederationmineralsltd.com

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### **Forward-Looking Information**

*This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the companies expect to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the companies believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include failure to complete the conditions of the Purchase Agreement. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the companies' management on the date the statements are made. Except as required by applicable securities laws, the companies undertake no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.*