

MAGNA RESOURCES LTD.

Notice of Annual and Special General Meeting of Shareholders of Magna Resources Ltd.

**to be held on
December 19, 2011**

and

Management Information Circular

November 21, 2011

MAGNA RESOURCES LTD.

Suite 219, 221 Union Street,
Vancouver, BC V6A 0B4

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual and special general meeting (“**Meeting**”) of the holders of common shares (“**Shares**”) of Magna Resources Ltd. (“**Company**”) will be held at Suite 2610 - 1066 West Hastings Street, Vancouver, British Columbia, on Monday, December 19, 2011 at 10:00 a.m. (Pacific Standard Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended July 31, 2011, together with the auditor’s report thereon;
2. to re-elect directors for the ensuing year;
3. to re-appoint MNP LLP as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. to consider and, if deemed appropriate, pass a special resolution authorizing the Company to subdivide all of the issued and outstanding Shares into a larger number of Shares on a two-for-one basis, as more particularly described in the accompanying management information circular of the Company (“**Circular**”); and
5. to transact such further and other business as may properly be put before the Meeting or any postponement(s) or adjournment(s) thereof.

The Company’s shareholders (“**Shareholders**”) are referred to the Circular for more detailed information regarding the foregoing matters to be considered at the Meeting.

All Shareholders are entitled to attend and vote at the Meeting in person or by proxy. Registered Shareholders who will not be attending the Meeting in person are requested to complete, date and sign the accompanying form of proxy and deliver it to Computershare Investor Services Inc. Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 by 10:00 a.m. (Pacific Standard Time) on Thursday, December 15, 2011 (or not less than two business days, excluding Saturdays, Sundays and holidays before the date of any postponed or adjourned Meeting). Non-registered Shareholders receiving these materials through a broker or other intermediary should complete and return the voting instruction form provided to them by the broker or other intermediary in accordance with the instructions provided therein. Failure to do so may result in the Shareholder’s Shares not being voted at the Meeting.

Only Shareholders of record at the close of business on November 14, 2011 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, the 21st day of November, 2011.

ON BEHALF OF THE BOARD

(signed) “Rudy de Jonge”

Rudy de Jonge,
Chief Executive Officer and President

MAGNA RESOURCES LTD.

Suite 219, 221 Union Street,
Vancouver, BC V6A 9B4

MANAGEMENT INFORMATION CIRCULAR
(as at November 21, 2011 except as otherwise indicated)

GENERAL PROXY MATTERS

Solicitation of Proxies

This information circular (“**Circular**”) is provided in connection with the solicitation of proxies by the management of Magna Resources Ltd. (“**Company**”) for use at the annual and special general meeting of the holders (“**Shareholders**”) of common shares (“**Shares**”) of the Company to be held on Monday, December 19, 2011 (“**Meeting**”), at the time and place set out in the accompanying notice of annual and special meeting (“**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy (“**Proxy**”) are directors and/or officers of the Company. **A registered Shareholder may appoint another person to represent them at the Meeting by either striking out the printed names and inserting such person's name in the blank space provided or by completing another form of proxy.**

To be valid, the completed Proxy must be delivered to Computershare Investor Services Inc. (“**Computershare**”) Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y by 10:00 a.m. (Pacific Standard Time), on Thursday, December 15, 2011 (or not less than two business days, excluding Saturdays, Sundays and holidays before the date of any postponed or adjourned Meeting).

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to the registered office of the Company at any time up to and including the last business day before the day set for the holding of the Meeting. If the Shareholder is an individual, the notice of revocation must be signed by the Shareholder or his or her legal personal representative or trustee in bankruptcy. If the Shareholder is a corporation or other entity, the notice of revocation must be signed by the corporation or other entity or by the proxyholder appointed by such entity; or
- (c) attending the Meeting or any adjournment or postponement of the Meeting and registering with the scrutineer as a Shareholder present in person.

Voting of Proxies

The Shares represented by proxy in the enclosed form will be voted or withheld from voting by the persons named therein in accordance with the instructions of the registered Shareholder appointing

them. If there is no direction by the registered Shareholder, Shares represented by valid proxies executed in favour of management will be voted FOR the approval of all resolutions set out in the Notice of Meeting . The Proxy confers discretionary authority to the person named in it to vote as such person sees fit on any amendments or variations to the matters identified in the Notice of Meeting, and any other matters which may properly come before the Meeting or any adjournment or postponement thereof. At the time of printing of this Circular, the management of the Company knows of no other matter which may come before the Meeting other than those referred to in the Notice of Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, the Shares represented by proxies in favour of management will be voted on such matters in accordance with the best judgment of the proxyholder.

Execution of Proxies

The Proxy must be executed by the registered Shareholder or his or her attorney authorized in writing, or if the registered Shareholder is a corporation or other entity, the form of Proxy should be signed by an authorized officer whose title should be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his or her signature. Pursuant to the Company's articles, the chair of the Meeting may inquire into the authority of any person to vote at the Meeting and may demand production of evidence as to the existence of the authority to vote.

Non-Registered Holders

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

"Non-registered" shareholders ("**Non-Registered Holders**") are Shareholders whose Shares are registered in the name of an intermediary such as a brokerage firm, bank or trust company or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares or in the name of a clearing agency (such as CDS Clearing and Depository Services Inc., of which the Intermediary is a participant). Non-Registered Holders either object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") or do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**") issuers may request and obtain a list of NOBOs for, among other things, the distribution of proxy related material.

In accordance with the requirements of NI 54-101, the Company has elected to send the Notice of Meeting, this Circular and the Proxy (collectively "**Meeting Materials**") directly to NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Shares held by Intermediaries may only be voted at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting shares for their clients. Accordingly, existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Holders in advance of shareholders' meetings. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares and mails a machine-readable voting instruction form (in lieu of the form of Proxy) to Non-Registered Holders. Non-Registered Holders are requested to complete and return the form to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A**

Non-Registered Holder receiving a voting instruction form cannot use that form to vote Shares directly at the Meeting. The voting instruction form must be returned as directed to Broadridge (or instructions respecting the voting of Shares must be otherwise communicated to Broadridge) well in advance of the Meeting in order to have such Shares voted.

Although Non-Registered Holders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of an Intermediary, a Non-Registered Holder may attend the Meeting as proxyholder for the registered Shareholder and vote Shares in that capacity. **Non-Registered Holders who wish to attend the Meeting and vote their Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary well in advance of the Meeting.**

If you are a Non-Registered Holder, and the Company or its agent has sent the Meeting Materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf. If the Company or its agent has sent these materials to you directly, the Company (and not the Intermediary holding Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions.

Financial Statements

The audited consolidated financial statements of the Company for the year ended July 31, 2011, together with the auditor's report thereon, will be presented to the shareholders at the Meeting. No vote by Shareholders with respect this matter is required.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company and no associate or affiliate or any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date of this Circular, the Company's authorized capital consists of an unlimited number of Shares and an unlimited number of preferred shares without par value of which 11,210,000 Shares and no preferred shares are issued and outstanding. All Shares carry the right to one vote at the Meeting.

Only Shareholders of record at the close of business on November 14, 2011 will be entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding Shares:

Name	Number of Shares	Percentage of Issued Capital⁽¹⁾
Rudy de Jonge	1,969,000	17.6%
John A. Greig	2,100,000	18.7%
C. Michael O'Brian	2,250,000	20.1%
Darryl Yea	1,950,000	17.4%

Note:

- (1) The information as to Shares beneficially owned or controlled has been provided by the directors themselves. Percentage calculated on a non-diluted basis.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Shares represented by Proxies executed in favour of management will be voted for the election of each of the nominees listed below. Management does not contemplate that any of the nominees will be unable to serve as a director.

The Board of Directors of the Company is currently set at five. It is proposed that only four nominees be elected as directors of the Company at the Meeting in order to facilitate the appointment of three nominees of Confederation Minerals Ltd. ("**Confederation**") as directors of the Company in connection with the Acquisition, described in detail below in *Particulars of Matters to be Acted Upon – Share Split*. Specifically, it is proposed that following the Meeting, one of the directors elected at the Meeting will resign, two nominees of Confederation will be appointed to fill vacancies on the Board of Directors of the Company and one Confederation nominee will be appointed as an additional director, as a result of which, until the next annual general meeting of the Shareholders or until successors are duly elected or appointed, the Board of Directors of the Company is proposed to be comprised six directors, being three nominees listed in the table below and three nominees of Confederation.

The following table sets out, for each nominee, their name, province or state, and country of residence, the offices they hold within the Company, their present principal occupation, business or employment and (if applicable) within the five preceding years, the period(s) during which they have served as a director of the Company, and the number of Shares and its subsidiaries which each beneficially owns, or over which control or direction is exercised, directly or indirectly, as of the date of this Circular:

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal occupation for last five years	Served as director since	Number of Shares beneficially owned, directly or indirectly, or controlled or directed at present⁽¹⁾
RUDY DE JONGE British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	1995 - present: self employed, St. Cloud Mining Services Inc.	June 5, 2006	1,969,000
JOHN A. GREIG⁽²⁾ British Columbia, Canada <i>Director</i>	Retired.	November 21, 2006	2,100,000
C. MICHAEL O'BRIAN⁽²⁾ British Columbia, Canada <i>Director</i>	Retired.	November 21, 2006	2,250,000
DARRYL YEA⁽²⁾ British Columbia, Canada <i>Director and Corporate Secretary</i>	1987 - present: President of Investco Capital Management Inc.; 2000 - 2004: Chairman, President and CEO of Datawest Solutions Inc.	November 21, 2006	1,950,000

Notes:

- (1) The information as to Shares beneficially owned or controlled has been provided by the directors themselves.
- (2) Member of the audit committee.

The Company does not have an executive committee of its Board of Directors.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Company is, or has been, within the ten years prior to the date of this Circular, a director or chief executive officer or chief financial officer of any company, including the Company, that:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while that person was acting in that capacity; or
- (b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after that person ceased acting in that capacity and which resulted from an event that occurred while that person was acting in that capacity.

No proposed director of the Company is, or has been, within the ten years prior to the date of this Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended July 31, 2011, the Company had two “Named Executive Officers”, being Rudy de Jonge, the Chief Executive Officer (“CEO”) and President, and Alexander Peck, the Chief Financial Officer (“CFO”).

For this purpose, “Named Executive Officer” means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion & Analysis

The Company is listed on Canadian National Stock Exchange (“CNSX”) and its primary business is the acquisition and exploration of mineral properties. The CEO is compensated for his services as executive officer of the Company and the Named Executive Officers may be granted incentive stock options from time to time. The Company grants incentive stock options for the purposes of assisting the Company in compensating, attracting, retaining and motivating its Named Executive Officers.

As the Company does not currently have a compensation committee, the Board of Directors has the responsibility to administer compensation policies related to executive management of the Company, including option based awards. The Board recognizes in the future it may need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation of each executive’s level of responsibility. However, at the Company’s present stage of development, such a package is not necessary.

Option-Based Awards

Stock option grants are made on the basis of the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors, employees and consultants of the Company and to closely align the personal interest of such persons to the interest of the Shareholders.

The recipients of incentive stock options and the terms of the stock options granted are determined from time to time by the Board. The exercise price of the stock options granted is generally determined by the market price at the time of grant.

Summary Compensation Table

Set out below is a summary of compensation paid during the Company's most recently completed financial year to the Company's Named Executive Officers:

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Rudy de Jonge, President, CEO and Director	2011	Nil	Nil	Nil	N/A	N/A	N/A	\$10,000 ⁽⁴⁾	\$10,000
	2010	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2009	Nil	Nil	\$59,251 ⁽²⁾	N/A	N/A	N/A	\$3,500 ⁽⁴⁾	62,751
Alexander Peck, CFO	2011	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2010	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
		Nil	Nil	\$10,395 ⁽³⁾	N/A	N/A	N/A	Nil	\$10,395

Notes:

- (1) The valuation of the fair value of the options at the time of the grant is based on the Black-Scholes model and includes the following assumptions; weighted average risk free rate, weighted average expected life, expected volatility and dividend yield. For options that vest, only the vested options are valued.
- (2) Mr. de Jonge's option-based awards during 2009 consisted of 285,000 options granted as of June 8, 2009 at an exercise price of \$0.25 and are fully vested.
- (3) Mr. Peck's option-based awards during 2009 consisted of 50,000 options granted as of June 8, 2009 at an exercise price of \$0.25 and are fully vested.
- (4) Represents consulting fees paid to a company wholly owned by Mr. de Jonge.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the Named Executive Officers of the Company at the end of the most recently completed financial year:

**Outstanding Share-Based Awards and
Option-Based Awards**

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Rudy de Jonge, President, CEO and Director	285,000	\$0.25	June 8, 2014	Nil	Nil	N/A
Alexander Peck, CFO	50,000	\$0.25	June 8, 2014	Nil	Nil	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each Named Executive Officer:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Rudy de Jonge, President, CEO and Director	Nil	Nil	Nil
Alexander Peck, CFO	Nil	Nil	Nil

Narrative Discussion

The following information is intended as a brief description of the Company's stock option plan dated July 26, 2007 ("**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The Stock Option Plan provides that options may be granted to any employee, officer, director, or consultant or service provider of the Company or a subsidiary of the Company.
2. Options granted under the Stock Option Plan will be granted for a term not to exceed 5 years from the date of their grant.
3. The maximum number of Shares to be reserved for issuance under the Stock Option Plan, including options currently outstanding, will not exceed 10% of the number of Shares issued and outstanding on the applicable date of grant.
4. Options under the Stock Option Plan will be subject to such vesting schedule as the Compensation Committee may determine.
5. If an optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider (as defined in the Stock Option Plan) for any reason other than such optionee's death or disability, all options held by such optionee will be exercisable, to the extent that such options were exercisable on the date the optionee ceased to fall under one of the foregoing categories for a period of thirty days.
6. If an optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider (as defined in the Stock Option Plan) because of an optionee's death or disability, all options held by the optionee will be exercisable for a period of 12 months.
7. Options are non-assignable and non-transferable. In the event of an optionee's death prior to the end of the term of an option, any option may be exercised by the personal representative of the optionee's estate or by the person(s) to whom the option is transferred pursuant to the optionee's will or in accordance with the laws of descent and distribution.

Pension Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the Named Executive Officer's employment with the Company or its subsidiaries, a change of control of the Company, or a change in responsibilities of the Named Executive Officer following a change in control.

Director Compensation Table

Other than compensation paid to the Named Executive Officers, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company in their capacity as

members of a committee of the Board or of a committee of the Board of Directors, or as consultants or experts, during the Company's most recently completed financial year.

The following table sets forth the details of compensation provided to the directors, other than the Named Executive Officers during the Company's most recently completed financial year:

Director Compensation Table

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
John A. Greig	Nil	Nil	Nil	N/A	N/A	Nil	Nil
C. Michael O'Brian	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Darryl Yea	Nil	Nil	Nil	N/A	N/A	Nil	Nil

Narrative Discussion

No compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board of Directors of the Company or its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the directors of the Company (excluding directors who are otherwise Named Executive Officers) at the end of the most recently completed financial year:

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John A. Greig	142,500	0.25	June 8, 2014	Nil	N/A	N/A
C. Michael O'Brian	142,500	0.25	June 8, 2014	Nil	N/A	N/A
Darryl Yea	237,500	0.25	June 8, 2014	Nil	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director of the Company (excluding directors who are otherwise Named Executive Officers):

Value Vested or Earned for Incentive Plan Awards during the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John A. Greig	Nil	N/A	N/A
C. Michael O’Brian	Nil	N/A	N/A
Darryl Yea	Nil	N/A	N/A

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, or their respective associates, are as of the date of this Circular, or have been since the beginning of the last completed financial year of the Company, indebted to the Company or any of its subsidiaries (or another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Circular or as set forth below, no director or executive officer of the Company, no proposed nominee for election to the Board of Directors of the Company, no person or company who beneficially owns, exercises control or direction over (or a combination of both), directly or indirectly, more than 10% of the issued and outstanding Shares, no director or officer of such shareholder and or no associate or affiliate of any of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the last completed financial year of the Company or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On a partially diluted basis, assuming the exercise only of options and warrants issued by Confederation to directors of the Company, Mr. de Jonge holds 5.08% of the issued and outstanding common shares of Confederation and, in the aggregate, the Company’s directors hold 6.27% of the issued and outstanding common shares of Confederation. Mr. de Jonge has declared his interest in the Acquisition to the Magna Board and has abstained from voting on the resolution of the Board of Directors authorizing the Acquisition.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, there are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company or its subsidiaries.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees*, (“NI 52-110”) requires the Company to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

Audit Committee Charter

The text of the audit committee’s charter is attached as Schedule A to this Circular.

Composition of Audit Committee and Independence

As of the date of this Circular, the audit committee is composed of Mr. C. Michael O’Brian, Mr. John Greig and Mr. Darryl Yea. As required by the policies of the CNSX and *Business Corporations Act* (British Columbia), a majority of the members of the Company’s audit committee are not officers or executive employees of the Company and each of the members of the audit committee is “financially literate” within the meaning of NI 52-110. However, none of the members are “independent”, as that term is defined in NI 52-110, by virtue of the shareholdings disclosed above in “*Voting Securities and Principal Holders of Voting Securities*”. In this regard, the Company is entitled to rely, and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (*Composition of Audit Committee*).

Relevant Education and Experience

Since 1970, Mr. Greig has been a founder/co-founder, senior officer and director of several successful exploration/mining companies listed on Canadian and US exchanges. These companies include Cumberland Resources Ltd., Eurozinc Mining Corporation and Sutton Resources Ltd.

From 1992 through 2000, Mr. O’Brian was a director of C.M. Oliver Inc. (now Datawest Solutions Inc.) where he held various positions including President, Chief Executive Officer and Chairman. Mr. O’Brian is a director of several publicly traded companies and is an advisor to a number of investment funds.

Mr. Yea has extensive experience in operations, business development and strategy, mergers and acquisitions, and finance. Mr. Yea has a B. Comm. degree from the Sauder School of Business at the University of British Columbia and formerly sat on its faculty advisory board. Mr. Yea was also on the board of governors to the predecessor to the TSX Venture Exchange and chaired several of its committees.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the audit committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of Directors of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company to MNP LLP (formerly, Chang Lee, Chartered Accountants), for services rendered in each of the last two fiscal years:

	<u>2011</u>	<u>2010</u>
MNP LLP (formerly, Chang Lee, Chartered Accountants)		
Audit fees.....	\$14,000	\$9,600
Audit-related fees.....	Nil	Nil
Tax fees.....	Nil	Nil
All other fees.....	\$1,000	\$1,300
Total	<u>\$15,000</u>	<u>\$10,900</u>

Notes:

- (1) “Audit Fees” are the aggregate fees billed by MNP LLP for the audit of the Company’s consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) “All other fees” relate to preparation of income tax returns.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (“**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

Board of Directors

The Board of Directors of the Company consists of four individuals. None of the members are independent, as that term is defined in NI 52-110, by virtue of the shareholdings disclosed above in “*Voting Securities and Principal Holders of Voting Securities*”. Additionally, Mr. de Jonge is currently the Company’s President and Chief Executive Officer.

Directorships

The following directors of the Company are directors of other reporting issuers:

Name	Name of Reporting Issuer
John A. Greig	New Zealand Energy Corp.
C. Michael O'Brian	Allon Therapeutics Inc. Comwest Capital Corp.
Darryl Yea	Redhawk Resources, Inc. New Hana Copper Mining Ltd. Searchlight Capital Corp.
Rudy de Jonge	Hilltown Resources Inc.

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company’s development the Board does not feel it necessary to have such policies or programs in place.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination and Assessment

The Board does not have a formal process in place with respect to the appointment of new directors. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the senior officers of the Company.

The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company’s size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

Compensation

The quantity and quality of the compensation for the directors and CEO is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule A to this Circular. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

Appointment of Auditor

The Management of the Company intends to nominate MNP LLP (formerly named Chang Lee LLP) for re-appointment as auditor of the Company. In the absence of instructions to the contrary, Shares represented by Proxies executed in favour of management will be voted for the re-appointment of MNP LLP, Chartered Accountants, as auditor of the Company to hold office until the close of the next annual general meeting of the Company, at a remuneration to be fixed by the directors. MNP LLP (formerly named Chang Lee LLP) was first appointed as auditor of the Company in August of 2007.

Share Split

At the Meeting, Shareholders will be asked to consider a special resolution (“**Subdivision Resolution**”) approving the subdivision of the Shares on a two-for-one basis (“**Share Split**”). Based on 11,210,000 Shares issued and outstanding on the date hereof, if the Share Split is approved by the Shareholders at the Meeting and implemented by the Company, the Company will have 22,420,000 Shares issued and outstanding.

Completion of the proposed Share Split is a condition precedent to the completion of the proposed acquisition (“**Acquisition**”) by the Company from Confederation Minerals Ltd. (“**Confederation**”) of a 50% interest in American Potash LLC (“**AP**”), a private company incorporated in the state of Nevada, which holds certain potash leases and lease applications in the state of Utah. The Company currently holds the remaining 50% interest in AP and accordingly, following completion of the Acquisition, AP would be a wholly-owned subsidiary of the Company.

The terms and conditions of the Acquisition are set forth in a purchase agreement dated November 21, 2011 (“**Acquisition Agreement**”) between the Company and Confederation. A copy of the Acquisition Agreement is available on the SEDAR website at www.sedar.com.

Pursuant to the Acquisition Agreement, Confederation has agreed to transfer its 50% interest in AP to the Company in consideration for the issuance by the Company of 22,420,000 Shares (“**Consideration Shares**”) and 2,400,000 common share purchase warrants (the “**Consideration Warrants**”), in each case, on a post-Share Split basis. Each Consideration Share will be issued at a deemed price of \$0.20 per Share, for aggregate consideration of \$4,480,000. Each whole Consideration Warrant will be exercisable

into one additional Share at a price of \$0.19 per Share (or, if approved by the CNSX, \$0.10) until February 25, 2016.

Concurrent with the Acquisition, the Company also intends to complete a private placement of 6,666,666 Shares to Confederation at a price of \$0.30 per Share for gross proceeds of \$2,000,000 (“**Private Placement**”). The proceeds of the Private Placement are to be used for immediate exploration of the AP assets.

Upon completion of the Share Split, the Acquisition and the Private Placement, the Company will have an aggregate of 51,506,666 Shares issued and outstanding (on a non-diluted basis), of which 56.47% will be held by Confederation.

Shareholder approval of the Acquisition is not required under the applicable corporate or securities legislation or the rules of the CNSX. The Board concluded that the Acquisition is fair and reasonable to the Company since it consolidates the ownership of the AP assets on substantially a par basis and provides funds to permit immediate exploration of those assets. On this basis, the Board has approved the Acquisition, subject to compliance with the terms and conditions set out in the Acquisition Agreement and the receipt of all necessary regulatory approvals.

The Share Split will not change the rights of holders of Shares. Each Share outstanding after the Share Split will be entitled to one vote and will be fully paid and non-assessable. There will be certain consequential amendments to any outstanding options to acquire Shares in accordance with the adjustment provisions of the Stock Option Plan to preserve proportionately the rights of holders of outstanding options and to adjust the number of Shares reserved for issuance under the Stock Option Plan. The number of options will increase by a multiple of two and the option prices will be divided by two. There will also be certain consequential amendments to the 1,200,000 outstanding warrants to acquire Shares (“**Warrants**”) in accordance with the adjustment provisions set out forth in the certificates representing the Warrants to preserve proportionately the rights of holders thereof. The number of Shares purchasable on exercise of outstanding Warrants will increase by a multiple of two and the exercise price will be divided by two. These adjustments will not take effect until the Share Split has been approved by Shareholders and implemented by the Company.

Under existing Canadian income tax law and based on the current publicly available published administrative policies and assessing practices of the Canada Revenue Agency, the proposed Share Split will not result in a disposition of the Shares by a holder of Shares for the purposes of the *Income Tax Act (Canada)*. For the purposes of the *Income Tax Act (Canada)*, the cost base of each Share held by a holder upon completion of the Share Split will be reduced to an amount equal to one-half of the cost base of each Share held immediately prior to the Share Split but the aggregate cost base of all Shares held by a holder will not change.

If the Subdivision Resolution is passed at the Meeting and the Share Split is implemented, Shareholders of record as of the date fixed by the Board of Directors of the Company (“**Share Split Record Date**”) will keep their current share certificates and will be provided with additional share certificates representing the Shares to which they are entitled as a result of the Share Split. The Share Split Record Date will be announced by the Company by way of press release following the Meeting.

Currently outstanding share certificates representing Shares should be retained by Shareholders and should not be forwarded to the Company or its transfer agent. Pursuant to the rules of the CNSX, the Shares will commence trading on a subdivided basis on the second trading day preceding the Share Split Record Date.

If the Subdivision Resolution is not passed at the Meeting, closing of the Acquisition would only proceed under the terms of the Acquisition Agreement if Confederation waives the closing condition pertaining to completion of the Share Split.

The text of the Subdivision Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, is set out below.

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. pursuant to section 54(1)(f) of the *Business Corporations Act* (British Columbia), the Company’s authorized share structure and its Notice of Articles be altered by subdividing all of the issued and outstanding common shares of the Company on a two-for-one basis (“**Share Split**”);
2. subject to paragraph 3 below, the solicitors for the Company are authorized and directed to prepare and electronically file, if required, a Notice of Alteration with the British Columbia Registrar of Companies;
3. the Notice of Alteration, if required, shall not be filed with the Registrar of Companies unless and until this resolution has been deposited at the Company’s records office;
4. the directors of the Company will have the sole and complete discretion to determine the effective time of the Share Split or abandon the Share Split and in such circumstance, notwithstanding shareholder approval of the Share Split, there will be no obligation to proceed with the Share Split; and
5. any one director or officer authorized and directed for and on behalf of, and in the name of, the Company, to take such action and to execute and deliver, whether under the seal of the Company or otherwise, any and all agreements and other documents and instruments as the director or officer considers, in his or her discretion, to be necessary or desirable for the purpose of giving effect to the Share Split (including making any required applications and filings in connection therewith) and to do all such acts and things as may be deemed necessary or advisable in order to give effect to this resolution.”

To become effective, the Subdivision Resolution must be approved by two-thirds of all votes cast by the Shareholders present in person or by proxy at the Meeting.

The Board has determined that the Share Split is in the best interests of the Company and its Shareholders and, accordingly, unanimously recommends that Shareholders vote FOR the Subdivision Resolution.

The persons designated in the enclosed Proxy, unless instructed otherwise, intend to vote FOR the Subdivision Resolution.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided by the Company’s comparative audited consolidated annual financial statements for the year ended July 31, 2011, a copy of which, together with Management’s Discussion and Analysis for that period, can be found on SEDAR at www.sedar.com or by contacting the Company at 604-782-4191.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 21st day of November, 2011.

ON BEHALF OF THE BOARD

(signed) "Rudy de Jonge"

Rudy de Jonge,
Chief Executive Officer and President

SCHEDULE A

MAGNA RESOURCES LTD.

(the "Company")

AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors of the Company

Mandate

The primary function of the Audit Committee ("Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company's systems of internal controls regarding finance and accounting; and (c) the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

Review and update this Charter annually.

Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.

Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- (b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- (c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management,

Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

Review certification process.

Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related party transactions.

- (d) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Company such that:

- (i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
- (ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
- (iii) the Committee retains all records relating to any Concern reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.

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