

Majority Shareholder Confederation Minerals Ltd. Announces Distribution of Common Shares of Magna Resources to Confederation Shareholders

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MNA: CNSX

VANCOUVER, Dec. 4, 2012 /CNW/ - Magna Resources Ltd. (the "Company" or "Magna") announces that Confederation Minerals Ltd. ("Confederation") has informed the Company that it intends to distribute to Confederation shareholders a majority of its approximate 56-per-cent interest in the share capital of the Company ("Magna Shares").

The proposed distribution of the Magna Shares will occur by way of a reduction of capital pursuant to Section 74(1) of the British Columbia *Business Corporations Act* ("Proposed Distribution") and is required to be approved by the Supreme Court of British Columbia (the "Court").

The petition for an order approving the Proposed Distribution (the "Court Order") is set for 9:45 a.m. (Vancouver time) on December 19, 2012, or as soon thereafter as Confederation's counsel may be heard at the Court. If the Proposed Distribution is completed, the Magna Shares will be distributed to Confederation shareholders of record as of November 27, 2012, on a pro rata basis.

Completion of the Proposed Distribution is subject to certain conditions, including the receipt of the Court Order and the approval of the TSX Venture Exchange. Further information regarding the Proposed Distribution is disclosed in Confederation's news release dated November 27, 2012.

Confederation received the Magna Shares from Magna pursuant to a transaction involving the transfer of Confederation's 50% interest in American Potash LLC to Magna ("Transaction") and a concurrent private placement. American Potash is a Nevada limited liability corporation which holds certain potash leases and an option in respect of certain potash lease applications in the State of Utah that constitute the Green River Potash Project. As a result of the Transaction, American Potash became a wholly owned subsidiary of Magna Resources Ltd.

Further information regarding the Transaction is disclosed in the Company's news release dated January 20, 2012.

About the Company

Magna Resources Ltd. is dedicated to the acquisition and development of potash mineral deposits in the USA and elsewhere, and trades on the Canadian National Stock Exchange under the symbol MNA. The Company holds certain potash leases and an option in respect of certain potash lease applications in the State of Utah that constitute the Green River Potash Project host to a significant potash exploration target, through a wholly owned subsidiary, American Potash LLC, a Nevada limited liability corporation.

This news release contains forward-looking statements regarding completion of the Proposed Distribution. Forward-looking statements may be identified by words such as "intends", "proposed", "if", "may" and words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include failure of Confederation to obtain the Court Order or approval of the TSX Venture Exchange. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

SOURCE: Magna Resources Ltd.

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