

MAGNA GOLD CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
THREE AND NINE MONTHS ENDED DECEMBER 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Magna Gold Corp. ("Magna" or the "Company") for the three and nine months ended December 31, 2019 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended March 31, 2019.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the year ended March 31, 2019 and from January 9, 2018 (date of incorporation) to March 31, 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended December 31, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of February 26, 2020, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained on www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending December 31, 2020, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel; government regulations will change in a negative manner towards exploration activities for junior mining companies.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Magna was incorporated on January 9, 2018, under the *Business Corporations Act* (Ontario) under the name Magna Gold Corp. The authorized share capital of the Company consists of an unlimited number of common shares, without nominal or par value. Its shares have been listed on the TSX Venture Exchange (the "Exchange") under the symbol MGR since June 10, 2019. In addition, Magna's shares trade on the OTCQB Venture Market, a U.S. trading platform that is operated by OTC Markets Group in New York, under the symbol "MGLQF". The Company's registered head office address is The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

On June 6, 2019, the Company completed its Qualifying Transaction, as defined in Exchange Policy 2.4 - Capital Pool Companies, consisting of the property option agreement dated September 25, 2018 pursuant to which the Company acquired a 100% interest in the Mercedes Property in Yécora, Mexico.

As of the date of this Interim MD&A, the Company had 39,204,791 common shares outstanding, with the following held in escrow.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

	As of December 31, 2019
CPC Escrow	4,687,500 common shares 150,000 options
Value Escrow	234,374 common shares
TOTAL	4,921,874 common shares 150,000 options

Qualified Person

Dale Brittliffe, P. Geo., independent geological consultant and author (the "Technical Report Author") of the report "NI 43-101 Technical Report Mercedes Property, Yécora Area, Municipality of Yécora, Sonora, Mexico" (the "Technical Report") prepared for Magna with an effective date of April 30, 2019, is a "Qualified Person" under National Instrument 43-101, and has approved the scientific and technical information contained in this Interim MD&A.

Trends

During property acquisition, exploration, and financial planning, management monitors gold demand and supply balances as well as price trends. In addition to monitoring gold prices, management also monitors financing activities in the Junior Mining Sector as this represents the sector in which Magna operates.

Apart from these factors and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Operational Highlights

Corporate

As of December 31, 2019, the Company had assets of \$1,067,037 and a net equity position of \$990,857. This compares with assets of \$4,278,840 and a net equity position of \$4,180,159 at March 31, 2019. The Company has \$76,180 of current liabilities (March 31, 2019 – \$98,681 of current liabilities) at December 31, 2019. The Company recorded exploration and evaluation expenditures of \$2,241,791 during the nine months ended December 31, 2019 compared to \$nil in the comparative period.

The Company raises financing for its exploration and acquisition activities. At December 31, 2019, the Company had a working capital of \$990,857 compared to a working capital of \$4,180,159 at March 31, 2019, a decrease of \$3,189,302. The Company had cash of \$992,946 at December 31, 2019, compared to \$4,273,729 (includes funds in escrow of \$2,652,799 with legal counsel) at March 31, 2019, a decrease of \$3,280,783. The decrease in cash and working capital resulted from exploration and evaluation expenditures and ongoing operating costs. The Company has sufficient current assets to pay its existing current liabilities of \$76,180 at December 31, 2019.

On June 11, 2019, the Company announced that it has entered into a shares-for-services agreement (the "Agreement") with VRIFY Technology Inc. ("VRIFY") pursuant to the provisions of Exchange Policy 4.3. Pursuant to the Agreement, VRIFY, which provides technology services (the "Services") to the Company, will receive its fees by way of the issuance of common shares (the "Shares") of the Company. The Shares will be issued at a deemed price per Share equal to the Discounted Market Price (as defined in Exchange policies) of the Shares as traded on the Exchange on the first trading date following the date the Services are provided to the Company. On October 22, 2019, 99,502 common shares were issued in accordance with the Agreement with VRIFY.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

On January 9, 2020, the Company announced it has entered into an exploration and option to purchase agreement (the "Agreement") dated January 6, 2020, with Ricardo Estanislao Carranza Leon, Maria del Rosario Mendivil Bejarano and Ernesto Villaescusa Cordova (the "Concessionaires"), individuals resident in the Sonora State of Mexico, pursuant to which the Company has acquired the option (the "Option") to acquire a 100% undivided interest of two mining claims (the "San Judas Project") located in the municipality of Trincheras, Sonora, Mexico, for a five-year period (the "Transaction"). The transaction is an Exempt Transaction under the policies of the Exchange and consequently, approval of the Exchange is not required.

In consideration of the grant of the Option, the Company will (i) pay to the Concessionaires an aggregate of USD\$1,680,000 plus VAT of 16%, paid in installments commencing on the effective date of the Agreement (the "Effective Date") and ending on the 60th month from the Effective Date; and (ii) issue to the Concessionaires a 1.5% net smelter returns ("NSR"), capped at USD\$1,500,000 and subject to the right of the Corporation to acquire all 1.5 percentage points of the NSR at a price of USD\$500,000 per half (1/2) percentage point, at any time.

Exploration update

The Company has not yet determined whether the Company's properties contain an economic mineral reserve. There are no known reserves of minerals on any of the Company's mineral exploration properties and any activities of the Company thereon will constitute exploratory searches for minerals. See "Risk Factors" below.

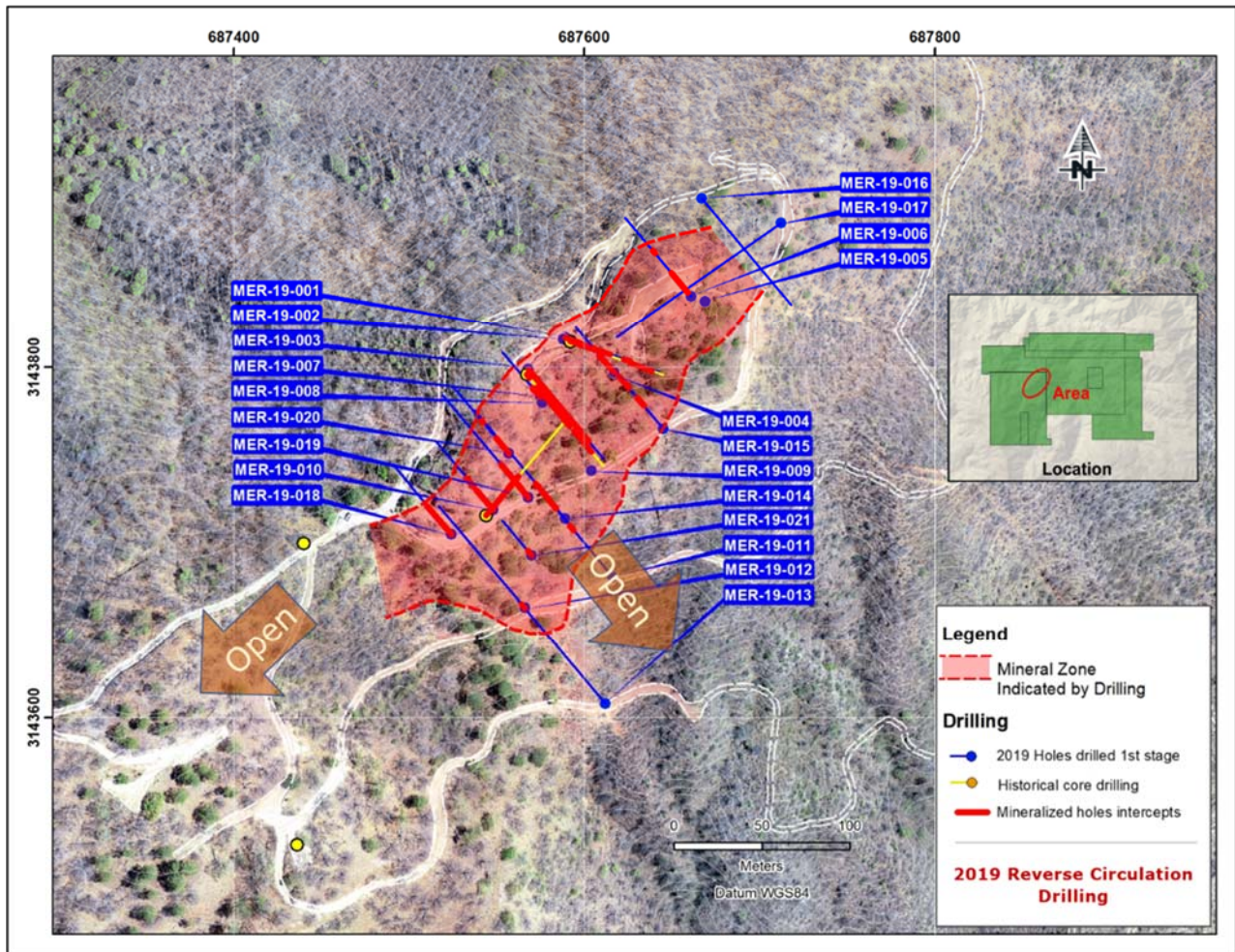
Mercedes Project

Drilling Results

The recommended exploration program concluded in November 2019 totalizing 21 Reverse Circulation drilling (2,723 m). Magna is now modelling the drill data and planning additional work program on Mercedes that will include IP geophysics, surface mapping, and soil sampling. The goal of the work is to prepare additional drill sites on the Mercedes property for drilling in 2020.

Drilling showed good continuity over 300 meters of strike length with the drilling open at depth and to the southwest (Please see Figure 1).

Figure 1: Mercedes Property La Lamosa Drilling Map



The results obtained confirm, as suggested by historical drilling, the existence of an oxidized zone of disseminated gold and silver mineralization extending for almost 300 meters and identifying the presence of vuggy silica, coarse grained-sericite indicative of a high sulfidation epithermal system. Results showed that mineralization is closely associated to an intrusive felsic rock and at its contact with the andesitic sequence (see Figures 2, 3 and 4).

Figure 2: Section NE 025

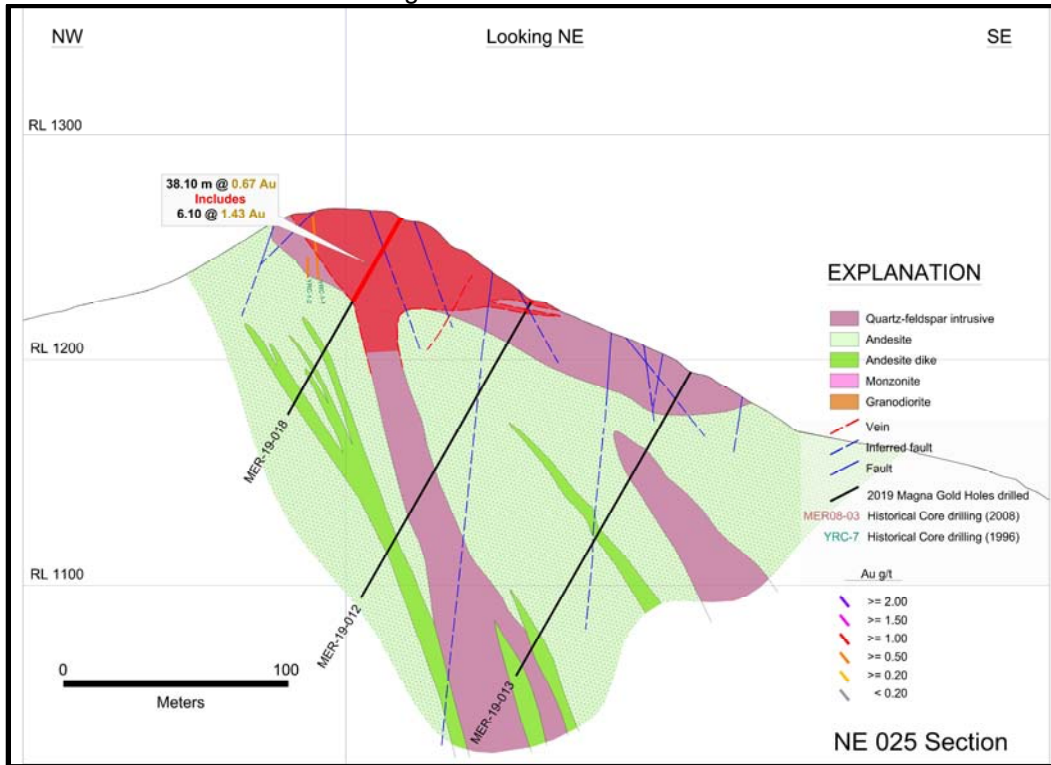


Figure 3: Section NE 050

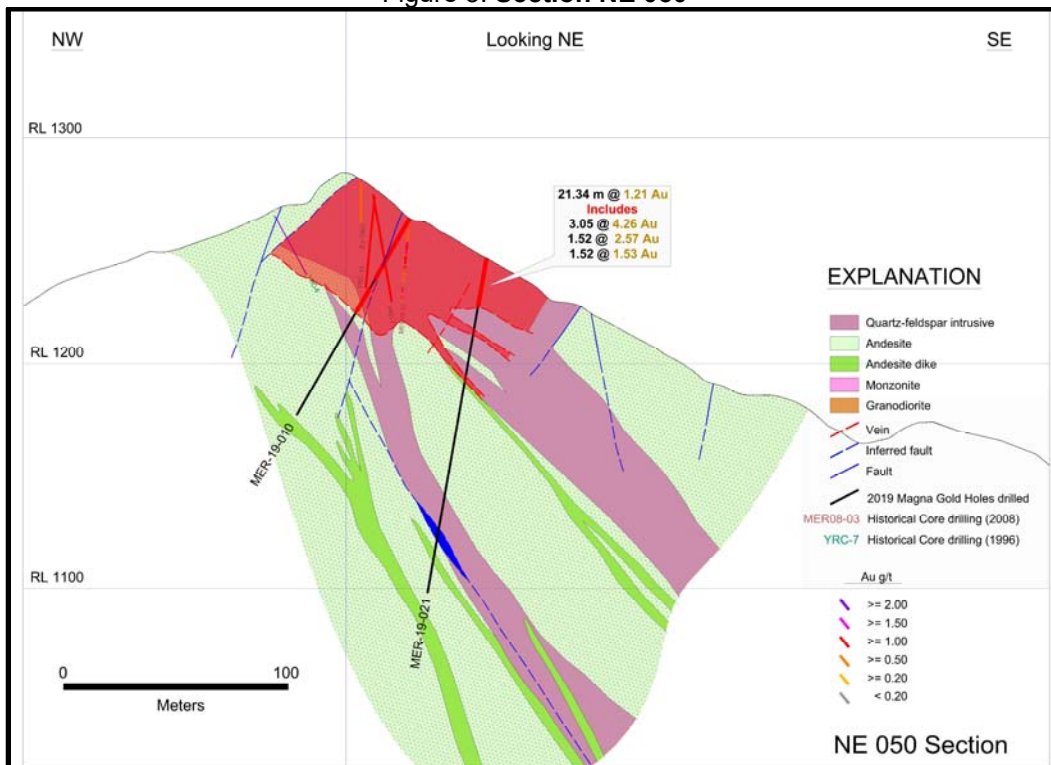


Figure 4: Section NE 075

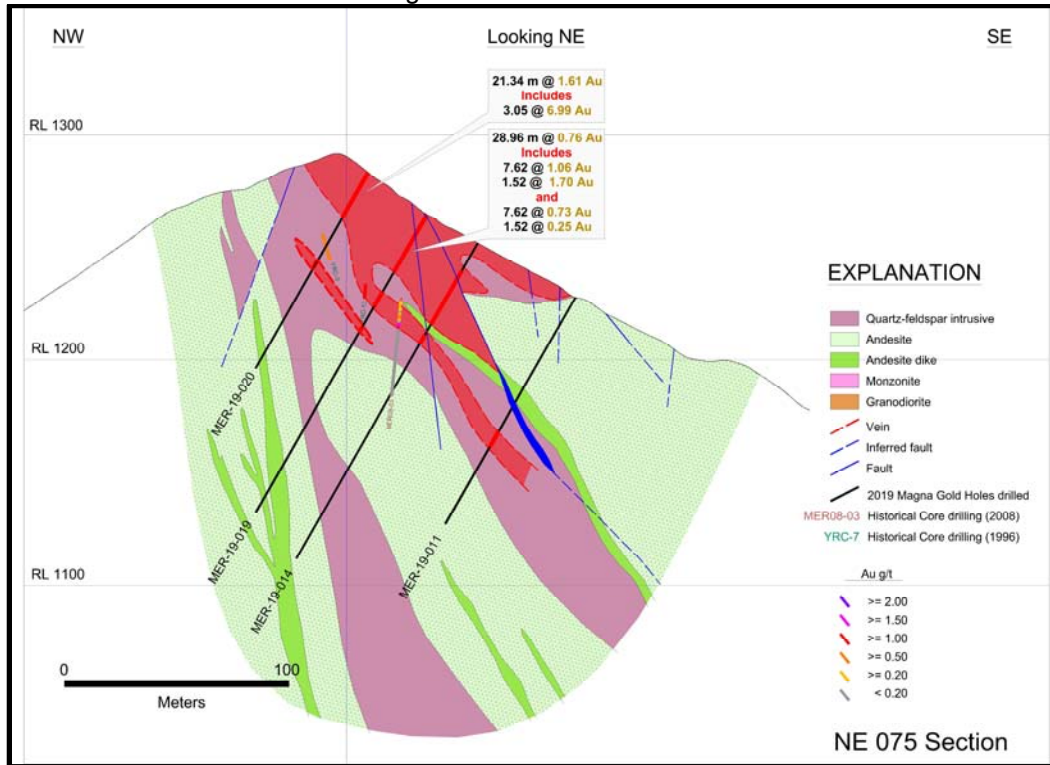


Table 1 below presents a drill intercept summary of the completed holes. Table 2 below presents a summary of location, azimuth, and dip of the drill holes and depth of this first phase of drilling exploration works.

Table 1: Drill Intercepts Summary:

RC Hole No.	Total Length	From (m)	To (m)	Width (m)	True Width ¹ (m)	Au g/t	Ag g/t	AuEq ² g/t	Hole purpose
MER19-001	167.64	0.00	140.21	140.21	Not Available Drilled Down Dip	0.53	8.49	0.64	Twin MER08-001
	Include	0.00	33.53	33.53		0.66	6.13	0.74	
		0.00	13.72	13.72		1.04	3.06	1.08	
And		44.20	48.77	4.57		0.52	1.86	0.54	
And		60.96	97.54	36.58		0.97	9.86	1.09	
	Include	60.96	68.58	7.62		1.54	2.06	1.57	
	Include	71.63	92.96	21.33		1.00	13.12	1.16	
And		128.02	140.21	12.19		0.66	9.81	0.78	
	Include	129.54	135.64	6.10		0.85	14.35	1.03	
MER19-002	152.40	0.00	18.29	18.29	At the footwall	0.55	2.53	0.58	Exploration

¹ True widths are an approximation only. There is not yet enough information to calculate them accurately.

² AuEq assays were calculated on USD\$1400/ounce gold and USD\$17/ounce silver price.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

RC Hole No.	Total Length	From (m)	To (m)	Width (m)	True Width ¹ (m)	Au g/t	Ag g/t	AuEq ² g/t	Hole purpose
	Include	3.05	4.57	1.52		1.33	2.20	1.36	
	Include	7.62	15.24	7.62		0.76	2.96	0.80	
and		111.25	114.30	3.05		0.58	23.50	0.87	
MER19-003	134.11	0.00	120.40	120.40	Not Available Drilled Down Dip	0.54	22.40	0.81	Twin MER08-002
And		24.38	28.96	4.57		0.41	4.86	0.47	
And		32.00	68.58	36.58		0.74	63.88	1.51	
	Include	45.72	64.01	18.29		1.10	106.67	2.40	
And		79.25	120.40	41.15		0.79	5.63	0.85	
	Include	83.82	92.96	9.14		1.24	11.56	1.38	
include	Include	96.01	97.54	1.52		1.73	1.30	1.75	
and		108.20	118.87	10.67		1.09	4.46	1.15	
MER19-004	131.06	0.00	118.87	118.87	59.44	0.46	42.59	0.98	Exploration
and		18.29	44.20	25.91	12.95	0.59	64.23	1.37	
	include	28.96	30.48	1.52	0.76	1.16	48.20	1.75	
	include	33.53	39.62	6.10	3.05	1.14	143.00	2.87	
		44.20	50.29	6.10	3.05	0.12	45.19	0.66	
		50.29	62.45	12.16	6.08	0.32	172.79	2.42	
		62.45	87.77	25.32	12.66	0.27	25.88	0.59	
and		80.77	112.76	31.99	15.99	0.75	13.84	0.92	
	include	80.77	92.96	12.19	6.10	0.78	15.03	0.96	
	Include	100.58	109.73	9.14	4.57	1.26	11.57	1.40	
and		115.82	120.40	4.57	2.29	0.70	5.27	0.77	
MER19-005	91.44	6.10	9.14	3.05	Not available	0.33	0.33	0.34	Exploration
and		30.48	32.00	1.52		0.31	0.31	0.31	
MER19-006	91.44	4.57	27.43	22.86	11.43	0.57	25.23	0.88	Exploration
	Include	18.29	25.91	7.62	3.81	1.09	44.50	1.63	
and		50.29	53.34	3.05	1.52	0.86	8.35	0.96	
MER19-007	131.06	0.00	27.43	27.43	17.83	0.45	10.15	0.57	Exploration
	Include	3.05	9.14	6.10	3.96	0.80	15.44	0.99	
	Include	22.86	24.38	1.52	0.99	1.11	7.60	1.20	
MER19-008	140.20	0.00	62.48	62.48	40.16	0.36	12.44	0.52	Exploration
and		28.96	47.24	18.29	11.76	0.55	17.94	0.76	
MER19-009	91.44	0.00	10.67	10.67	6.86	0.35	0.35	0.36	Exploration
and		51.82	56.39	4.57	2.94	1.23	1.23	1.25	
	include	53.34	54.86	1.52	0.00	2.65	2.65	2.68	
and		76.20	77.72	1.52	0.00	0.40	0.40	0.41	
MER19-010	100.58	0.00	30.48	30.48	21.55	0.60	15.85	0.80	Exploration
	include	7.62	12.19	4.57	3.23	1.74	69.00	2.58	
	include	19.81	25.91	6.10	4.31	0.69	6.68	0.78	
and		35.05	47.24	12.19	8.62	0.31	0.31	0.31	
MER19-011	115.82	68.58	76.20	7.62	4.90	0.52	20.04	0.77	Exploration
include		68.58	70.10	1.52	0.98	1.36	24.60	1.66	

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

RC Hole No.	Total Length	From (m)	To (m)	Width (m)	True Width ¹ (m)	Au g/t	Ag g/t	AuEq ² g/t	Hole purpose
MER19-012	152.40	0.00	1.52	1.52	1.52	0.39	0.39	0.39	Exploration
and		4.57	6.10	1.52	1.52	0.49	0.49	0.50	
MER19-013	No significant results								
MER19-014	161.54	15.24	42.67	27.43	27.43	0.69	9.32	0.80	Exploration
	Include	15.24	22.86	7.62	7.62	0.83	11.06	0.96	
	Include	25.91	28.96	3.05	3.05	1.27	32.75	1.67	
	Include	32.00	38.10	6.10	6.10	0.74	1.20	0.76	
and		47.24	51.82	4.57	4.57	0.37	8.70	0.48	
MER19-015	128.02	50.29	67.06	16.76	8.38	0.77	7.10	0.86	Exploration
And		88.39	114.30	25.91	12.95	0.38	24.86	0.69	
	Include	106.68	114.30	9.14	4.57	0.92	15.14	1.10	
MER19-018	100.58	0.00	38.10	38.10	Not available	0.67	13.2	0.83	Exploration
	Include	21.34	27.43	6.10		1.43	42.9	1.95	
MER19-017	No significant results								
MER19-018	No significant results								
MER19-019	152.40	0.00	28.96	28.96	Not available	0.76	8.9	0.87	Exploration
	Include	0.00	7.62	7.62		1.06	9.3	1.17	
	Include	12.19	13.72	1.52		1.70	64.8	2.49	
And		39.62	47.24	7.62		0.73	14.9	0.91	
And		57.91	59.44	1.52		0.25	75.4	1.17	
MER19-020	100.58	0.00	21.34	21.34	Not available	1.61	2.2	1.64	Exploration
	Include	4.57	7.62	3.05		6.99	3.9	7.03	
MER19-021	150.88	0.00	21.34	21.34	Not available	1.21	11.8	1.36	Exploration
	Include	0.00	3.05	3.05		4.26	15.4	4.44	
	Include	6.10	7.62	1.52		2.57	19.0	2.80	
	Include	13.72	15.24	1.52		1.53	41.5	2.04	

Table 2: Summary of 2019 Reverse Circulation Collars

HOLE_ID	East WGS84 Z12	North WGS84 Z12	Elevation (m)	AZ	DIP	Total Depth (m)
MER19-001	687590	3143815	1330	110	-70	168
MER19-002	687589	3143815	1330	0	-90	152
MER19-003	687564	3143797	1331	140	-60	134
MER19-004	687618	3143791	1323	320	-80	131
MER19-005	687658	3143836	1340	0	-90	91
MER19-006	687659	3143837	1340	320	-50	91
MER19-007	687575	3143780	1324	320	-75	131
MER19-008	687576	3143780	1324	0	-90	140
MER19-009	687601	3143739	1294	0	-90	91

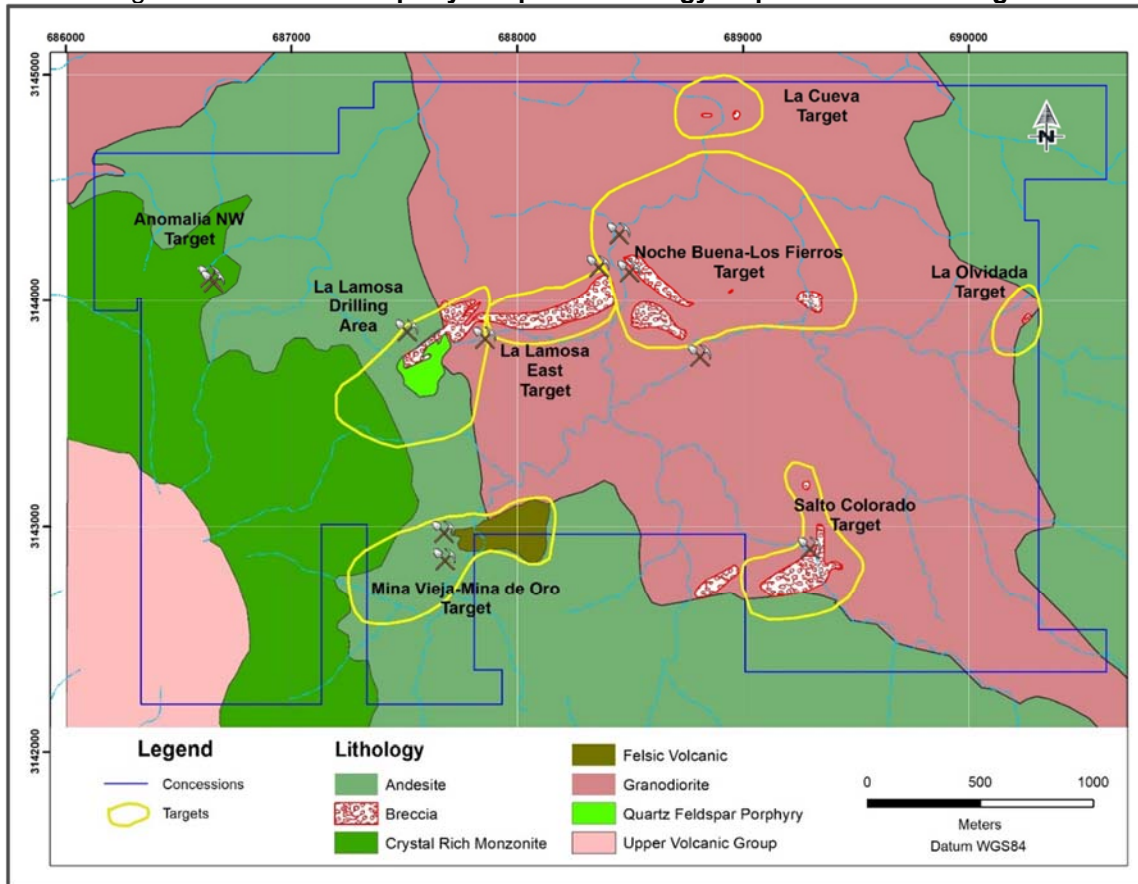
Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

MER19-010	687546	3143718	1291	320	-60	101
MER19-011	687617	3143681	1255	320	-60	116
MER19-012	687567	3143663	1254	320	-60	152
MER19-013	687610	3143607	1221	320	-60	155
MER19-014	687586	3143712	1278	320	-60	162
MER19-015	687645	3143764	1299	320	-70	128
MER19-016	687665	3143897	1314	140	-45	113
MER19-017	687713	3143884	1306	235	-45	162
MER19-018	687524	3143705	1290	320	-60	101
MER19-019	687568	3143726	1291	320	-60	152
MER19-020	687557	3143751	1300	320	-60	101
MER19-021	687570	3143693	1275	320	-80	151
Total (m)						2,723

Mapping and Sampling Results on Mercedes's Targets

Reconnaissance work extending to over 700 hectares has revealed at least seven significant exploration targets within the property (See Figure 5). Some of these targets are related to a well identified contact zone between an intrusive batholith and volcanic sequence which extends for more than 3 kilometers within the claims (La Lamosa, Mina Vieja- Mina de Oro, El Salto). Other targets are related to a structurally controlled system of quartz tourmaline breccias within the mentioned intrusive (La Lamosa NE extension, Noche Buena, La Cueva, and Olvidada). All of the targets were accessed and sampled.

Figure 5: Mercedes Property Simplified Geology Map and Selected Targets



Reconnaissance Works Highlights:

La Lamosa - Drilling at La Lamosa by Magna confirmed oxide gold mineralization hosted in an altered andesite. Magna is contemplating a follow up drill program to test the southeast dip to the mineralization and to drill the extent of the zone to the north of La Lamosa hill. This second round of drilling at La Lamosa hill will be a follow-up program that is expected to increase the oxide tonnage for the La Lamosa resource.

Mina de Oro - Gold occurs at Mina de Oro on fractures in a silicified dacite intrusive rock. To date, Magna geologists have collected numerous rock samples defining a belt 330 m long and 150 m wide gold zone that is open to further mapping. Locally the silicification is very strong and is accompanied by sericite, disseminated pyrite and local tourmaline. Historic workings are present within this area, exploiting partially oxidized structurally complex sulfide bearing veins. 318 rock samples have been collected with 88 over 0.1 ppm Au and 11 over 1 ppm Au. The three highest chip samples assayed **1.2 m @ 8.6 g/t Au, 0.3 m @ 11.1 g/t Au and 1.2 m @ 63.2 g/t Au.**

The Mina de Oro area is a high-quality bulk mining target and Magna is designing a drill program for the area in 2020.

Below is a plan map of the geology of the Mina de Oro area with two cross sections showing geology and alterations. A drill target is being considered for the south end of Section B-B' targeting gold in the Rhyodacite unit.

Figure 6: Geology Map on the Mina de Oro Target.

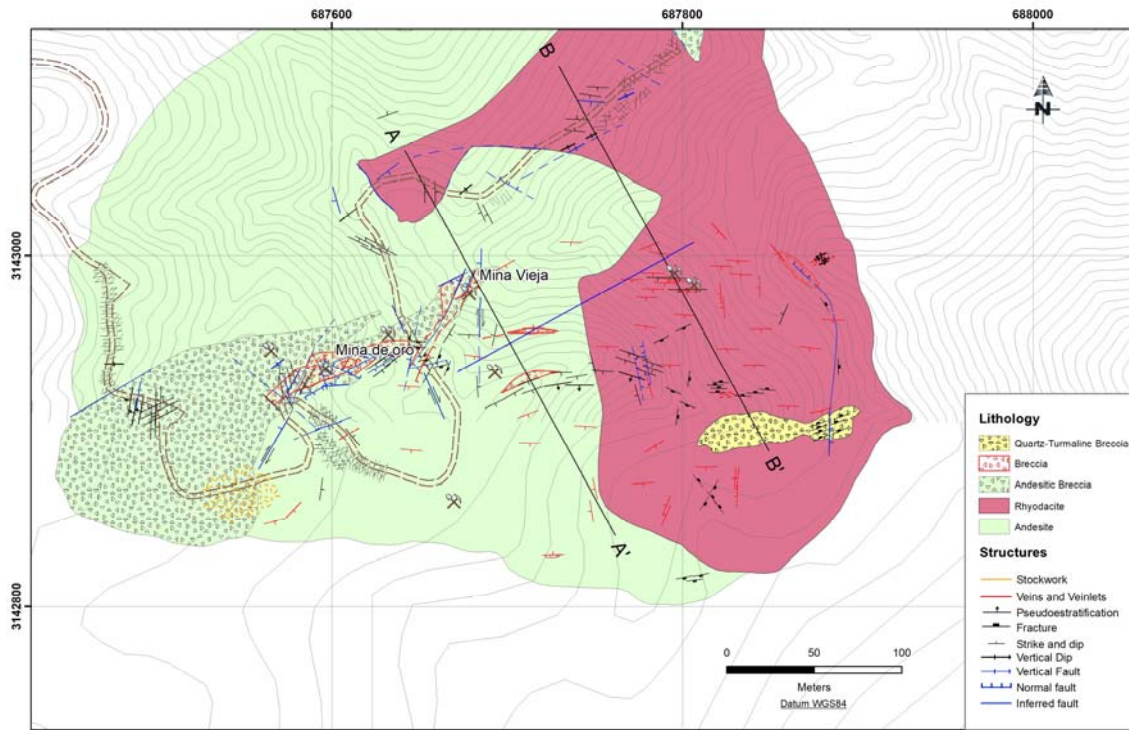


Figure 7: Cross Section A-A'

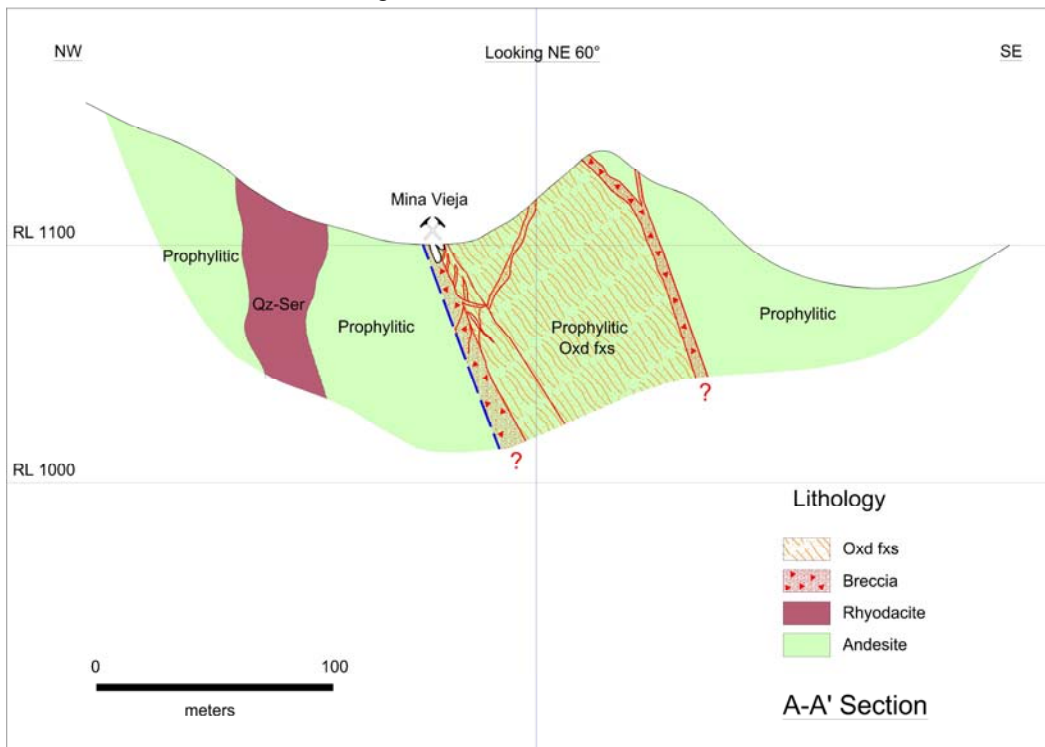
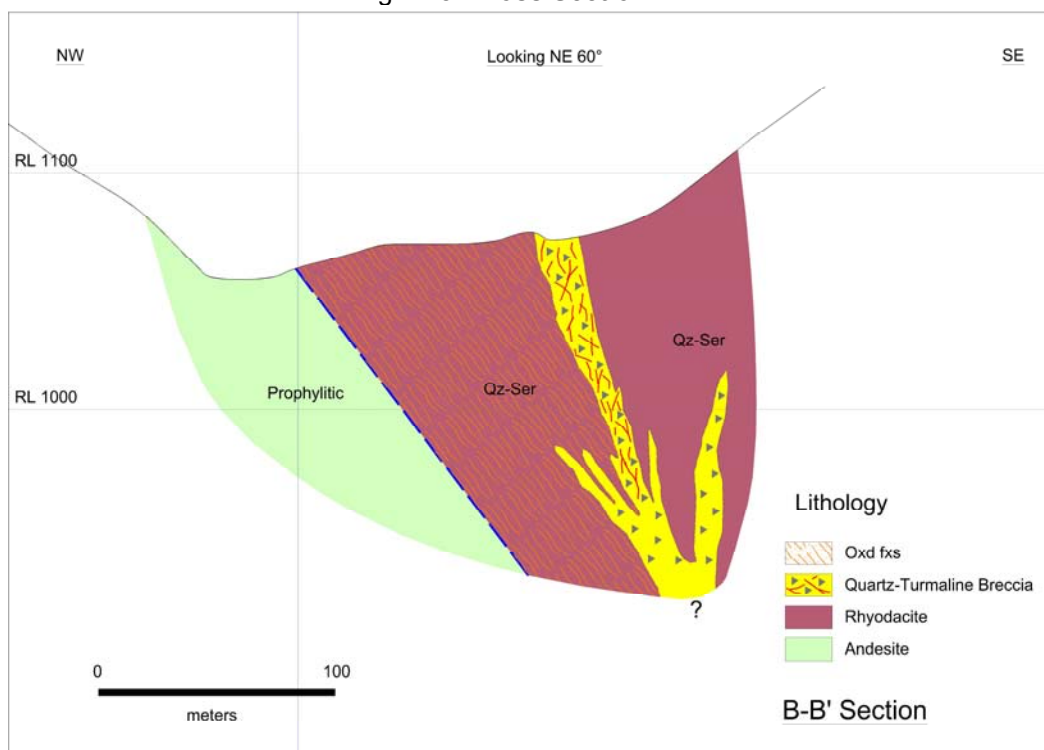


Figure 8: **Cross Section B-B'**



Salto Colorado - Salto Colorado is a 300-meter-long and 60 x 150 m wide rounded to sub-rounded intrusion matrix-supported breccia in contact with andesitic volcanic rocks; and composed of two lobes that extend out of the main body with the largest one measuring 150 meters in length. 159 samples were collected at this target, with the highest results in a small historic working returning up to **8.52 g/t gold, 460 g/t silver, 4.0% lead and 4.2% copper**. 25 of the samples were over 0.1 ppm Au and 8 samples were over 1 ppm Au.

La Cueva/Noche Buena –Noche Buena is a rounded to sub-rounded intrusion matrix supported breccia, 120 m long and 80 m wide, that has returned assays of 0.76 g/t gold, 80 g/t silver and more than 1% copper. Four contiguous chip samples on minor quartz veining returned 9 m @ 0.13 g/t gold, 10 g/t silver and 0.15% copper, including 3.8 m @ 0.195 g/t gold and 3 m @ 0.4% copper. Los Fierros is located to the west of west of Noche Buena and is a breccia elongated east-west 700 m by 100 m, with several breccias developed in granodiorite. In the Noche Buena & Los Fierros breccias 152 samples were collected with 11 samples assaying over 0.1 ppm Au.

The La Cueva breccia is an angular clast supported breccia 300 m by 10 to 50 m. An eastern limb is a cliff tens of meters high, with a vertical wall towards the stream, is composed mostly by quartz, and only locally bears rock fragments and tourmaline and is stained green from copper minerals. 13 samples have been collected from La Cueva with 2 samples over 0.1 ppm Au and one samples over 1 ppm Au. Additional sampling is planned at La Cueva.

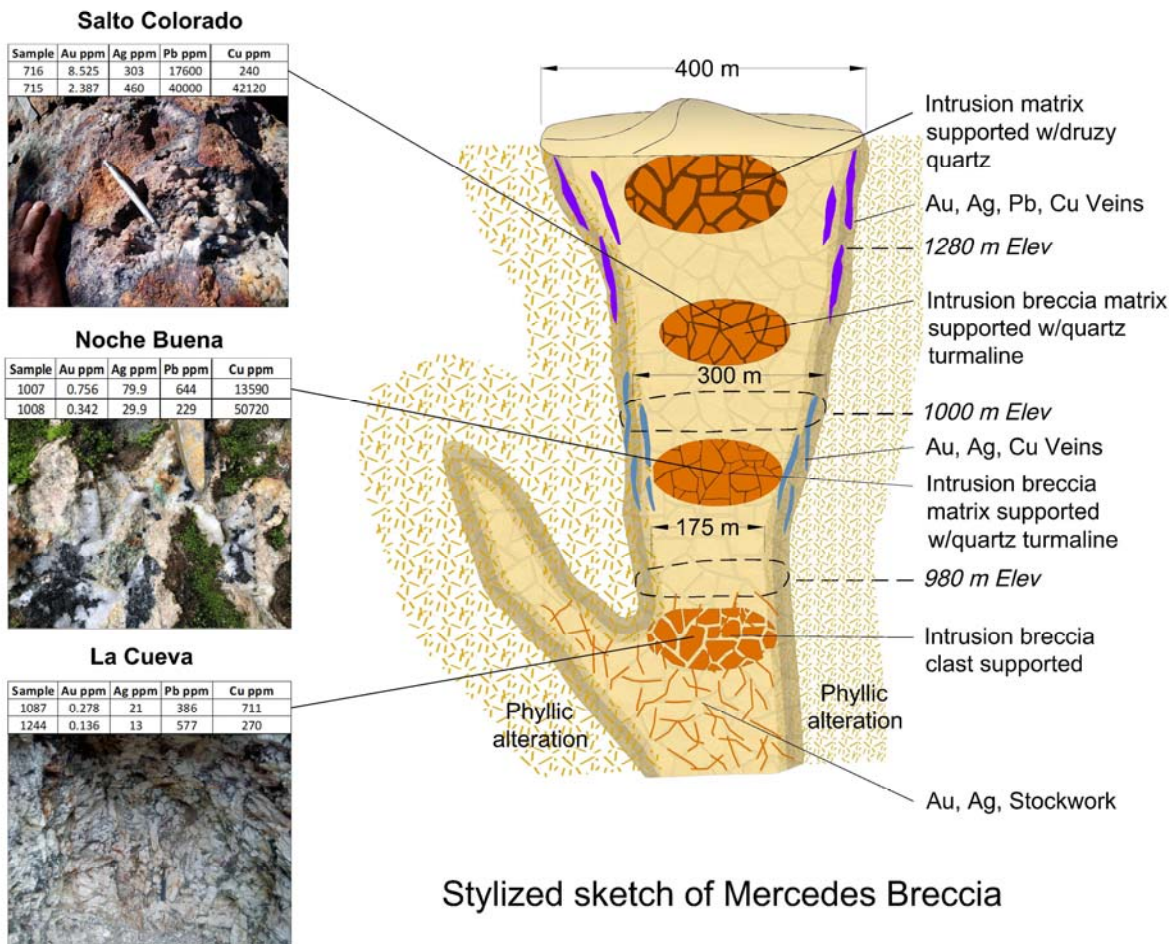
The quartz tourmaline breccias at Mercedes are zoned. Breccias at 1,300 meters in elevation at Salto Colorado are angular intrusion breccia matrix supported with drusy quartz. At 1,280 meters, the drusy

quartz grades into quartz tourmaline matrix with rounded intrusion breccia and prominent lead silver veins. Noche Buena is at 1,000 meters in elevation and is a rounded intrusion breccia with a matrix of quartz tourmaline. Veins at Noche Buena are gold, silver, & copper. La Cueva is at 980 meters in elevation and is an angular intrusion breccia that is quartz clast supported. Gold mineralization occurs in a stockwork in the angular quartz breccia.

The Company believes there is a possible bulk target at La Cueva in the stockwork of the quartz breccias bounded by moderate to strong phyllic alteration.

The Figure below shows the zoning pattern that has been observed on the Mercedes property. Figure 9 shows the location Salto Colorado, Noche Buena, and La Cueva at Mercedes.

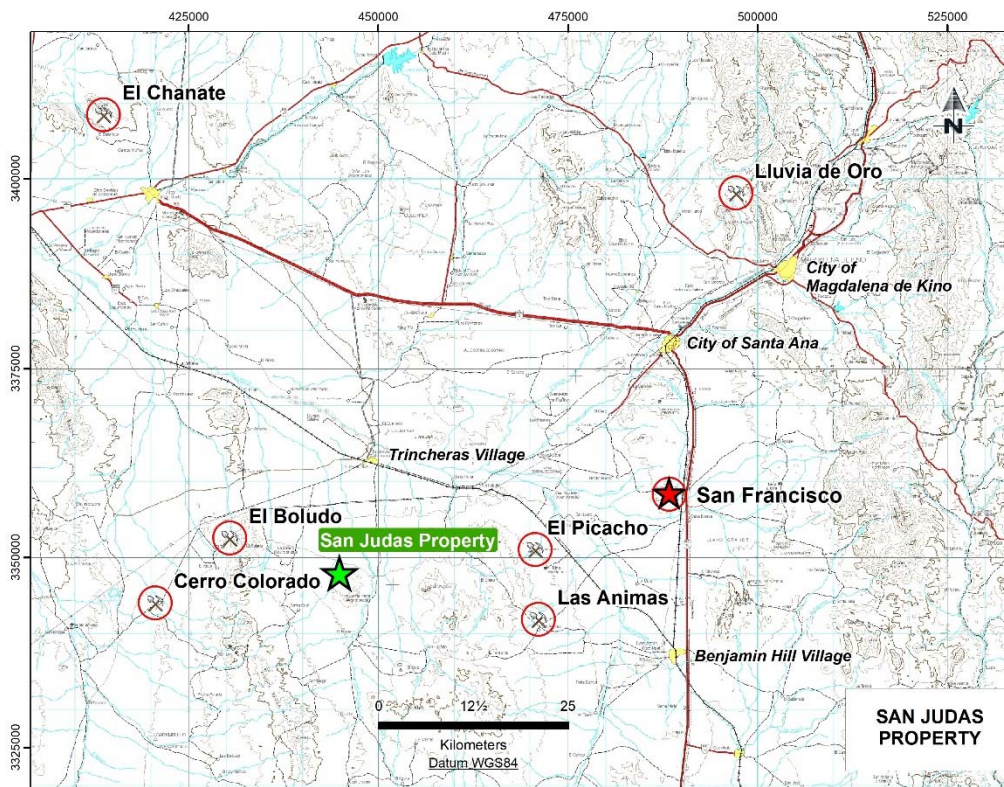
Figure 9: Stylized Sketch of Mercedes Breccia



San Judas Project

The project is located at the southern end of the Caborca Orogenic Gold Belt or Sonora Mojave Mega Shear, a trend known to host multiple orogenic gold-bearing deposits within an area extending from north-western Mexico into the southwestern United States measuring more than 600 km long and 60 to 80 km wide. Of the deposits within the Caborca Orogenic Gold Belt there are a number of large open pit heap leach gold operations such as La Herradura, Soledad-Dipolos and Nochebuena (Fresnillo PLC), San Francisco mine (Alio Gold Inc.), Cerro Colorado (GoldGroup Mining Inc.) and El Chanate (Alamos Gold Inc). Historic estimates of the combined gold reserves and resources identified within the trend to date total in excess of 10 million ounces (Izaguirre et al., 2017), which is based on prior data and reports obtained and prepared by previous operators (Figure 10).

Figure 10. **San Judas project location**



San Judas is an early stage exploration project hosting structurally controlled mineralization within lithologies similar in age to the La Herradura and San Francisco gold mines. The project is underlain by a basement composed of a Precambrian aged igneous-metamorphic sequence including granite, gneiss, pegmatites and schists. Augen gneiss is locally present and is likely derived from pegmatitic granitic protolith. The entire sequence is affected by multiple deformations and the emplacement of intrusions such as leucocratic granites and andesitic dikes.

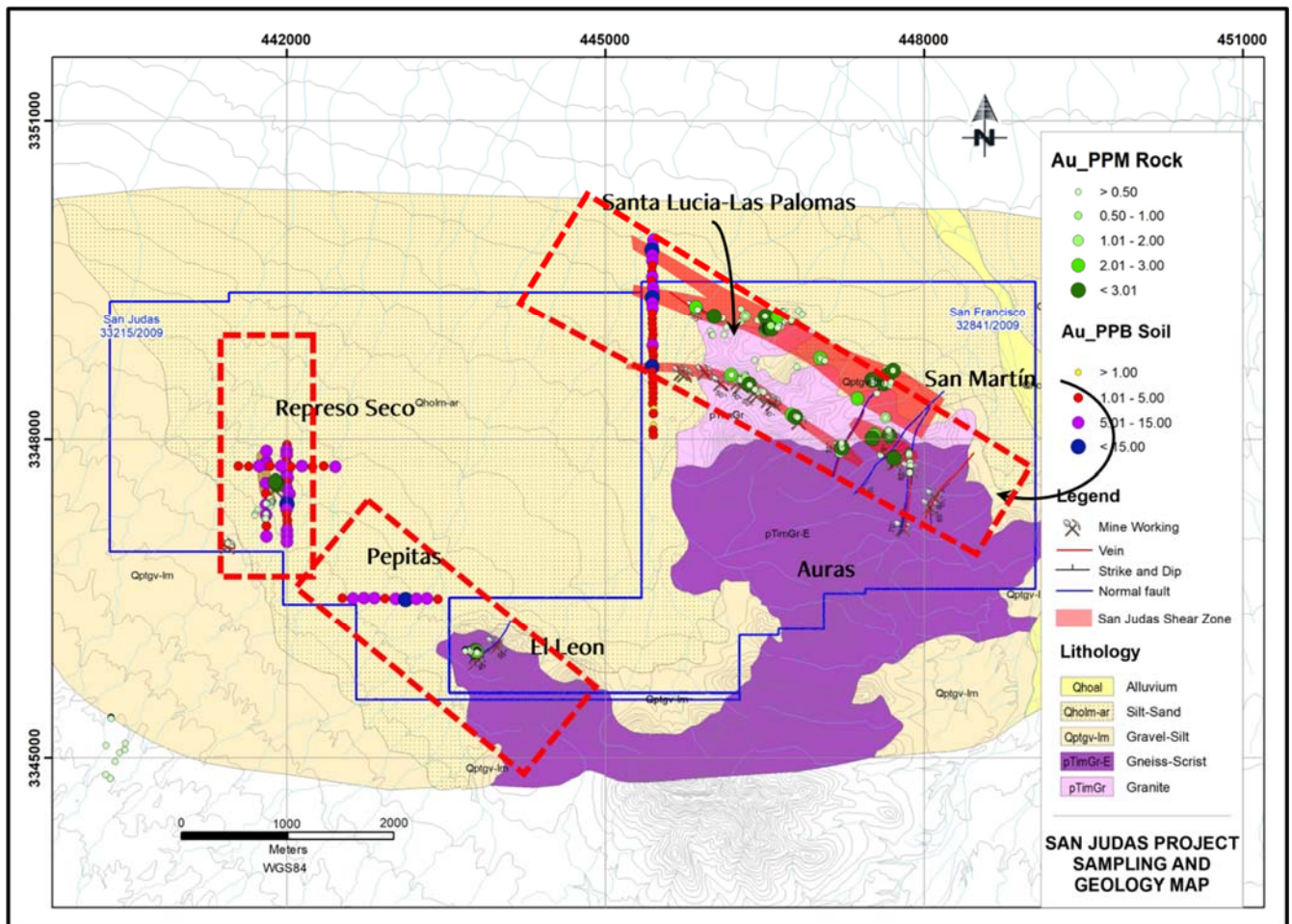
Structural and lithological interpretation of available data suggest the mineralized structures, characterized by gold-bearing quartz veins and mineralized quartz-sericite altered hanging-wall rocks extend under the surface.

Magna is currently carrying out a comprehensive surface exploration program including geological and structural mapping, trenching and reconnaissance sampling in conjunction with a surface geophysical program to define targets in anticipation of a maiden drilling campaign.

Sampling Works Highlights:

At least 4 different targets have been identified by historical sampling and confirmed 3 more, all with proven gold mineralization by recent chips rock and soil sampling. 343 samples have been taken, 77 (22%) greater than 0.50 g/t Au. Please see Figure 11.

Figure 11. **San Judas Sampling and Geology Map**



Santa Lucia and La Paloma are parallel gold bearing structures approximately 500 meters apart with strong hematitic alteration between the structures. Santa Lucia is a bulk mining target and consists of a series of shallow historical mines (trenches and shafts) distributed along a line of over 900 m in length, with a 135-degree azimuth. Most of the historical mines are developed in quartz veins and veinlets hosted in a granoblastic granite showing argillic alteration within a sheared fringe; mapping has identified parallel structures on historical mines in sheared granite with quartz veinlets, oxides, and boxworks of the original sulphides (pyrite, galena, etc.). Immediately north of Santa Lucia is the Las Palomas area, where historical mines were developed on six parallel structures in granoblastic granite, dipping 45 – 50 degrees, 150-degree azimuth, sub-parallel to the Santa Lucia trend. Historical mines tend to be of low angle at depth with

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

high angle fracturing of gray quartz cutting the main structures and foliation in the granite. The best gold values at Las Palomas site are 26.40 g/t Au producing adjacent samples of 14.60 g/t Au, 5.54 g/t Au, 7.30 g/t Au. These samples are strongly oxidized with stockwork veining containing boxworks from sulfides and strong hematite alteration.

Table 2: Assay Results of Chip Rock Samples on Santa Lucia-Las Palomas Targets Above 0.50 g/t Au

AREA	TYPE OF SAMPLE	LENGHT	Au g/t	Ag g/t	Pb PPM	Zn PPM	Cu PPM
Las Palomas	Chip Channel	0.5	26.40	7.7	4,803	95	31
Las Palomas	Chip Channel	1.5	14.60	4.8	2,164	81	59
Las Palomas	Chip Channel	0.7	12.90	2.1	982	950	700
Las Palomas	Chip Channel	0.8	7.30	9.6	1,865	80	23
Las Palomas	Chip Channel	1.0	6.14	6.9	1,694	582	76
Las Palomas	Chip Channel	0.8	5.54	2.9	3,490	358	55
Las Palomas	Chip Channel	1.0	4.43	2.2	1,389	111	116
Las Palomas	Chip Channel	1.2	4.16	4.2	2,256	84	16
Las Palomas	Chip Channel	0.4	4.08	1.1	447	40	52
Santa Lucia	Chip Channel	1.2	3.63	0.9	3,328	996	172
Las Palomas	Chip Channel	1.2	2.83	0.5	829	48	27
Santa Lucia	Dump	--	2.62	8.4	9,755	797	50
Las Palomas	Chip Channel	0.5	2.49	0.7	13	34	8
Las Palomas	Chip Channel	0.5	2.41	2.1	729	17	33
Las Palomas	Dump	--	2.20	0.9	323	390	51
Las Palomas	Chip Channel	1.3	2.01	43.3	9,215	3518	164
Santa Lucia	Chip Channel	1.0	1.80	2.7	968	429	36
Las Palomas	Chip Channel	1.0	1.48	0.8	254	73	52
Las Palomas	Chip Channel	0.5	1.34	4.3	1,389	964	45
Las Palomas	Chip Channel	1.1	1.22	6.1	3,899	48	184
Las Palomas	Chip Channel	1.5	0.75	7.7	3,673	112	101
Las Palomas	Chip Channel	0.5	0.73	1.3	888	16	536
Santa Lucia	Chip Channel	1.0	0.69	11.7	1,149	644	37
Santa Lucia	Chip Channel	1.0	0.61	7.1	3,008	868	39
Santa Lucia	Chip Channel	0.5	0.59	4.4	2,115	2183	453
Las Palomas	Chip Channel	0.8	0.57	2.3	1,824	47	177

San Martin hosts gold in oxidized granite and gneiss pervasive hematite and limonite alteration. Mineralization is quartz stockwork along foliation and cross cutting quartz veinlets. San Martin has a series of historical mines oriented 155- and 180-degrees azimuth, dipping strongly to the West and East in lengths that vary from 150 to 200 meters, over an area of 1,250 m in length and 750 meters in width. Several historical workings and areas of strong hematite alteration were sampled, and assay results are shown in Table 2. The key take-away of the sampling and geological work to date in the San Martin area is the fact that the historical high-grade small mines are aligned with North-South trending structures with lower grade hematite stockwork in low-angle veining structures in the host rock, opening the possibility of finding high volume bulk deposits.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

Table 3: Assay Results of Chip Rock Samples on San Martín Area Above 0.50 g/t Au

AREA	TYPE OF SAMPLE	LENGHT	Au g/t	Ag g/t	Pb PPM	Zn PPM	Cu PPM
San Martín	Chip Channel	1.5	13.70	0.4	22	77	49
San Martín	Chip Channel	2.0	9.20	1.4	5	37	45
San Martín	Chip Channel	1.0	7.12	3.3	39	24	35
San Martín	Chip Channel	1.0	6.70	1.5	469	30	22
San Martín	Chip Channel	1.0	6.23	1.4	786	303	46
San Martín	Chip Channel	2.0	5.16	0.7	10	47	130
San Martín	Chip Channel	0.8	4.51	4.7	3,285	133	407
San Martín	Chip Channel	1.9	4.09	0.5	20	59	241
San Martín	Chip Channel	0.7	3.37	0.4	201	223	202
San Martín	Chip Channel	1.2	3.13	0.7	44	31	81
San Martín	Chip Channel	2.0	2.84	2.3	290	262	46
San Martín	Chip Channel	1.0	2.70	0.4	152	20	168
San Martín	Chip Channel	1.2	2.59	2.7	1,452	200	81
San Martín	Chip Channel	0.9	2.44	0.5	16	16	26
San Martín	Chip Channel	0.8	1.71	0.2	25	65	15
San Martín	Chip Channel	2.0	1.65	0.2	17	77	49
San Martín	Chip Channel	2.0	1.61	3.3	247	734	36
San Martín	Chip Channel	2.0	1.59	0.3	78	205	28
San Martín	Chip Channel	1.0	1.56	1.4	2,464	1,509	191
San Martín	Chip Channel	2.0	1.27	0.2	10	21	31
San Martín	Chip Channel	2.0	1.21	0.8	153	307	23
San Martín	Chip Channel	2.0	1.12	2.0	151	323	45
San Martín	Chip Channel	1.5	0.93	4.4	3,714	2,053	95
San Martín	Chip Channel	2.0	0.81	1.2	169	27	68
San Martín	Chip Channel	1.5	0.64	0.2	11	55	38
San Martín	Chip Channel	2.0	0.62	0.2	10	18	96
San Martín	Chip Channel	2.0	0.60	0.8	72	67	101
San Martín	Chip Channel	2.0	0.59	0.8	5	43	133
San Martín	Chip Channel	0.4	0.58	0.2	22	42	123
San Martín	Chip Channel	1.3	0.57	0.2	73	124	87
San Martín	Chip Channel	2.0	0.50	0.2	13	42	51

- **Represo Seco** is a high grade sheeted and brecciated vein system with three generations of quartz; white, crystalline quartz and chalcedony-druzy, filling open spaces in granite two meters thick with a strike length of 65 meters at the Represo Seco site and is open ended. Rock chip samples indicate a strong possibility of stacked gold structures along faults in the granite host. Magna collected a trench sample that ran 7 g/t Au at Represo Seco. Mapping and sampling are ongoing to the southwest to the property boundary with outcrops containing stockwork with hematite,

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

jarosite, limonite, sericite alteration, clays, chlorite, bands of crackled jasperoid silica, and fine-grained magnetite disseminated in fractures. The host rock is granite. Rock samples have been collected over a strike length of several kilometers and additional assay results will be reported when received.

Table 4: **Assay Results of Chip Rock Samples on Represo Seco Area Above 0.50 g/t Au.**

AREA	TYPE OF SAMPLE	LENGHT	Au g/t	Ag g/t	Pb PPM	Zn PPM	Cu PPM
Represo Seco	Chip Channel	0.5	7.41	2.8	226	142	153
Represo Seco	Chip Channel	1.9	6.03	2.4	970	76	235
Represo Seco	Chip Channel	1.8	5.08	1.7	576	65	209
Represo Seco	Grab sample	--	3.25	5.1	2,417	398	190
Represo Seco	Chip Channel	2.3	2.10	0.7	1,312	26	179
Represo Seco	Chip Channel	1.0	1.85	5.5	2,799	128	540
Represo Seco	Chip Channel	1.0	1.52	4.2	1,538	107	177
Represo Seco	Chip Channel	1.0	0.98	54.9	8,102	60	1203
Represo Seco	Chip Channel	1.5	0.71	10.6	5,299	79	1255

- **Cueva del León** hosts argillic altered intrusive felsic rocks that strike north south and dip 45° generally to the west. Initial assays have been in the 1.3 to 3 g/t range. Located in the south-central portion of the property, it is an area with gold mineralization that extends in the direction of E-W, being the most notable evidence a series of historical mines occurring in a line of about 100-120 meters, the most important of which is La Cueva del Leon adit, developed along a vein of quartz and stockwork of quartz-hematite in a gneiss sequence. The mineralized area in its projection to the west is lost in the valley under the alluvial cover, towards Represo Seco as described above. It is necessary to extend the exploration in both directions of Cueva del Leon, perpendicular to the general dip of the known structure, to know its relationship with others exposed to the north and south.

Table 5: **Assay Results of Chip Rock Samples on Cueva del León Area Above 0.50 g/t Au.**

AREA	TYPE OF SAMPLE	LENGHT	Au g/t	Ag g/t	Pb PPM	Zn PPM	Cu PPM
Cueva de León	Chip Channel	1.1	4.99	23.1	14,500	67	641
Cueva de León	Chip Channel	1.0	4.28	4.5	2,409	84	149
Cueva de León	Chip Channel	1.2	2.03	6.5	4,233	40	294
Cueva de León	Chip Channel	1.5	1.90	23.9	6,982	54	318
Cueva de León	Chip Channel	1.0	1.80	3.8	1,094	53	96
Cueva de León	Chip Channel	1.2	1.01	6.4	2,393	27	195
Cueva de León	Chip Channel	2.4	0.99	9.1	4,238	79	50
Cueva de León	Chip Channel	1.8	0.83	2.4	329	66	29
Cueva de León	Chip Channel	2.0	0.73	5.5	3,804	37	88
Cueva de León	Chip Channel	2.0	0.62	4.3	704	53	88
Cueva de León	Chip Channel	1.1	0.59	5.0	1,734	34	113

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

Current activities

Mercedes Project

The following table summarizes the Company's current plans at Mercedes Project, the total estimated costs, and total expenditures incurred to date.

Plans for the projects in 2019/2020	Spent in Fiscal 2019 (approx.)	Planned Expenditures for Fiscal 2019/2020 (approx.)
<ul style="list-style-type: none"> • Complete geology mapping and sampling on SW extension of La Lamosa and La Cueva targets. • Reverse circulation drill program on Mina del Oro. • IP-R along the Quartz/Tourmaline breccias (4km) and along La Lamosa-Mina del Oro (2km). • Compile and review data to generate a reverse circulation drill program on La Lamosa south extension, still open. 1,000m • Compile and review data to generate a core drill program on the Quartz/tourmaline breccias. • Review interpretation of the drilling results and decide future exploration works, follow step and infill drilling. 	\$1,947,000	US\$250,000

San Judas Project

Current activities

The following table summarizes the Company's current plans at San Judas Project, the total estimated costs, and total expenditures incurred to date.

Plans for the project in 2019/2020	Spent in Fiscal 2019 (approx.)	Planned Expenditures for Fiscal 2019/2020 (approx.)
<ul style="list-style-type: none"> • Develop a structural model based on the ongoing geological mapping and sampling work. • Identify which geophysical method adapts best to this part of the Megashear to support drill targets. 	\$127,000 ⁽¹⁾	US\$450,000

Magna Gold Corp.
Interim Management’s Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

<ul style="list-style-type: none"> • Execute a reverse circulation drill program along the Santa Lucia-Palomas-San Martin trend as well as on the Represo Seco target. • Interpretation of Drilling Phase 1. • Identify phase 2 infill drill targets. 		
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

(1) Included in investigation costs.

Las Marias Property

On August 16, 2019, the Company announced that it has closed the acquisition of the Las Marias property (the “Las Marias Property”), which consists of 7 mining concessions covering 646 hectares adjacent to the Mercedes Property, and the Las Cabanas mineral claims (the “Las Cabanas Property”, and together with the Las Marias Property, the “Claims”), which consists of 2 claims covering 248 hectares located approximately 10 km south-west of the Mercedes Property. The total purchase price for the Claims consisted of: (i) \$250,000; and (ii) 1,000,000 common shares (valued at \$279,700) of the Company.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements; and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed consolidated interim financial statements for external purposes in accordance with the issuer’s generally accepted accounting principles (IFRS).

The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Financial Highlights

Financial Performance

Nine months ended December 31, 2019, compared with nine months ended December 31, 2018

The Company's net loss totaled \$4,298,729 for the nine months ended December 31, 2019, with basic and diluted loss per share of \$0.11. This compares with a net loss of \$608,956 with basic and diluted loss per share of \$0.03 for the nine months ended December 31, 2018. The increase in net loss of \$3,689,773 was principally because:

- Exploration and evaluation expenditures increased to \$2,241,791 for the nine months ended December 31, 2019 (nine months ended December 31, 2018 - \$nil). See "Exploration update" above under the heading "Operational Highlights".
- During the nine months ended December 31, 2019, administrative expenses increased to \$436,130 compared to \$132,332 in the comparative period. In general, administrative expenses increased due to ongoing support costs in Mexico.
- Professional fees increased to \$583,129 for the nine months ended December 31, 2019 (nine months ended December 31, 2018 - \$134,613). The increase was due to the Company's Qualifying Transaction that was completed during the nine months ended December 31, 2019 and ongoing legal and accounting support costs.
- Investigation costs increased to \$378,047 for the nine months ended December 31, 2019 (nine months ended December 31, 2018 - \$270,760). The increase was due to the Company's search for property acquisitions.
- VAT expense increased to \$304,158 for the nine months ended December 31, 2019 (nine months ended December 31, 2018 - \$nil). The Company expenses this tax as it is unsure of collection.
- Business development costs increased to \$160,324 for the nine months ended December 31, 2019 (nine months ended December 31, 2018 - \$nil). The increase can be attributed to increased expenditures on investor relations services.
- There was an increase of \$37,225 in share-based compensation expense for the nine months ended December 31, 2019 over the 2018 period. Share-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- There was an increase of \$81,687 in consulting expense for the nine months ended December 31, 2019 over the 2018 period. Consulting expense included fees paid to S2K Capital Corp for providing market consultation services to Magna which includes evaluating business or investment opportunities; identifying potential institutional and retail investors; providing access to Magna of the consultants' database of investors; assisting the Company with digital marketing and social media; arranging for the Company to meet with various newsletter writers when appropriate; coordinating with management, including the Chief Executive Officer ("CEO"), when reaching out to potential common investors; and to provide a monthly report to the CEO.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

Three months ended December 31, 2019, compared with three months ended December 31, 2018

The Company's net loss totaled \$1,219,474 for the three months ended December 31, 2019, with basic and diluted loss per share of \$0.03. This compares with a net loss of \$279,141 with basic and diluted loss per share of \$0.01 for the three months ended December 31, 2018. The increase in net loss of \$940,333 was principally because:

- Exploration and evaluation expenditures increased to \$502,151 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$nil). See "Exploration update" above under the heading "Operational Highlights".
- During the three months ended December 31, 2019, administrative expenses increased to \$210,228 compared to \$72,484 in the comparative period. In general, administrative expenses increased due to ongoing support costs in Mexico.
- Professional fees decreased to \$26,346 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$41,436). The decrease was due to reduced ongoing legal and accounting support costs.
- Investigation costs increased to \$238,545 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$143,506). The Company's continues its search for new property acquisitions.
- VAT expense increased to \$136,755 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$nil). The Company expenses this tax as it is unsure of collection.
- Business development costs increased to \$72,962 for the three months ended December 31, 2019 (three months ended December 31, 2018 - \$nil). The increase can be attributed to increased expenditures on investor relations services.
- There was an increase of \$61,687 in consulting expense for the three months ended December 31, 2019 over the 2018 period. Consulting expense included fees paid to S2K Capital Corp for providing market consultation services to Magna which includes evaluating business or investment opportunities; identifying potential institutional and retail investors; providing access to Magna of the consultants' database of investors; assisting the Company with digital marketing and social media; arranging for the Company to meet with various newsletter writers when appropriate; coordinating with management, including CEO, when reaching out to potential common investors; and to provide a monthly report to the CEO.

Cash Flow

At December 31, 2019, the Company had cash of \$992,946, compared to \$1,620,930 at March 31, 2019. The decrease in cash of \$627,984 from the March 31, 2019 cash balance of \$1,620,930 was as a result of cash outflows in operating activities of \$656,682, cash inflows from financing activities of \$41,945 and cash outflows from investing activities of \$6,172. Operating activities were affected by share-based compensation of \$37,225, exploration costs of \$1,012,332, which included shares of 2,442,105 shares issued at \$0.30 per share and 1,000,000 shares issued at \$0.28 per share, shares for services of \$25,000, which included shares of 99,502 shares issued at \$0.25 per share and a net change in non-cash working capital balances of \$85,309 because of a decrease in funds in escrow of \$2,652,799, an increase in receivables and other assets of \$68,980 and a decrease in accounts payable and other liabilities of \$16,329. Financing activities included the exercise of stock options in the amount of \$49,985 and share issue costs in the amount of \$8,040. Investing activities included the repayment of loan payable in the amount of \$6,172. The effect of exchange rate changes on cash held in foreign currency amounted to \$7,075.

Liquidity and Financial Position

The Company derives no income from operations, as all of its projects since inception have been exploration projects. Accordingly, the activities of the Company have been financed by cash raised through private placements of securities and its initial public offering. As the Company does not expect to generate cash flows from operations in the near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below.

During fiscal 2019, the Company's corporate head office costs are estimated to average less than \$200,000 per month. Head office costs include professional fees, reporting issuer costs, business development costs and administrative costs. Head office costs exclude project generation and evaluation costs. The cost of acquisition and work commitments on new acquisitions cannot be accurately estimated.

The Company believes it has adequate working capital for the twelve months ending December 31, 2020 to fund its corporate head office costs, if exploration activities are reduced, and the payments of accounts payables are deferred, where allowed by the specific creditor.

In addition, the Company's estimated exploration budget is US\$700,000, which will be spent or deferred as required.

It is anticipated that further financings will be required from related party loans or an equity issue to continue corporate and exploration activities. There can be no assurance that additional financing from related parties or others will be available at all, or on terms acceptable to the Company. For these reasons, management considers it to be in the best interests of the Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed, or for other purposes, as needs arise.

See "Risk Factors" below and "Caution Note Regarding Forward-Looking Statements" above.

Additional measures have been undertaken or are under consideration to further reduce corporate overhead.

Transactions with Related Parties

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Carmelo Marrelli, Chief Financial Officer ("CFO") of the Company was appointed June 6, 2019.

The remuneration of directors and other members of key management personnel, were as follows:

(a) During the three and nine months ended December 31, 2019, travel expenses of \$nil and \$4,816, respectively (three and nine months ended December 31, 2018 - \$27,900 and \$44,504, respectively) were incurred by Arturo Bonillas, a corporate officer of the Company, in order to identify and evaluate assets or businesses with a view to completing a Qualifying Transaction in accordance with Policy 2.4 section 8.2(b). These expenses were included in investigation costs in the unaudited condensed interim consolidated statements of net loss and comprehensive loss.

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

(b) Advances of \$nil (March 31, 2019 - \$3,473) were provided to Arturo Bonillas which were included in prepaid expenses as at December 31, 2019.

(c) From June 6, 2019 to December 31, 2019, the Company incurred professional fees of \$14,628 and \$30,784, respectively to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which Carmelo Marrelli is president. Mr. Marrelli is the Chief Financial Officer ("CFO") of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, Marrelli Support is owed \$6,819 and this amount is included in amounts payable and other liabilities.

(d) From June 6, 2019 to December 31, 2019, the Company incurred professional fees of \$3,586 and \$8,366, respectively to DSA Corporate Services Inc. ("DSA"), an organization of which Mr. Marrelli controls. Mr. Marrelli is also the corporate secretary and sole director of DSA. These services were incurred in the normal course of operations for corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, DSA is owed \$2,701 and this amount is included in amounts payable and other liabilities.

(e) From June 6, 2019 to December 31, 2019, the Company incurred professional fees of \$750 and \$1,500, respectively to DSA Filing Services Limited ("Filing"), an organization of which Mr. Marrelli controls. These services were incurred in the normal course of operations for reporting issuer filing services. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, Filing is owed \$509 and this amount is included in amounts payable and other liabilities.

(f) From June 6, 2019 to December 31, 2019, the Company incurred professional fees of \$3,712 and \$7,643, respectively to Marrelli Press Release Services Limited ("Press Release"), an organization of which Mr. Marrelli controls. These services were incurred in the normal course of operations for press release services. All services were made on terms equivalent to those that prevail with arm's length transactions. As at December 31, 2019, Press Release is owed \$1,953 and this amount is included in amounts payable and other liabilities.

(g) During the three and nine months ended December 31, 2019, share-based compensation of \$nil (three and nine months ended December 31, 2018 - \$nil and \$15,008) was attributed to Arturo Bonillas, a corporate officer of the Company.

(h) The Company defines its key management personnel as its Board of Directors, CEO, and CFO. Remuneration of Directors and key management personnel of the Company was as follows:

	Nine Months Ended December 31, 2019 \$	Nine Months Ended December 31, 2018 \$
Stock-based compensation (*)		
Arturo Bonillas, CEO	126,580	nil
Miguel Soto	70,867	nil
Total	197,447	nil

Magna Gold Corp.
Interim Management's Discussion and Analysis – Quarterly Highlights
Three and Nine Months Ended December 31, 2019
Discussion dated: February 26, 2020

Stock-based compensation (*)	Three Months Ended December 31, 2019 \$	Three Months Ended December 31, 2018 \$
Arturo Bonillas, CEO	54,147	nil
Miguel Soto	34,971	nil
Total	89,118	nil

(*) The Board of Directors do not have employment or service contracts with the Company. There were no director fees accrued or paid during the nine months ended December 31, 2019. Salaries and benefits excludes fees paid to the CFO and companies he controls above for each period presented.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended March 31, 2019, available on SEDAR at www.sedar.com.