



**kSV advisory inc.**  
220 Bay Street, Suite 1300, Box 20  
Toronto, Ontario, M5J 2W4  
T +1 416 932 6262  
F +1 416 932 6266  
  
ksvadvisory.com

March 31, 2023

**TO: ALL KNOWN CREDITORS**

**Re: Magna Gold Corp. (the "Company")**

On March 3, 2023, the Company commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act* ("BIA").

Take notice that on March 27, 2023, the Company brought an application before the Court to have the NOI proceedings under the BIA taken up and continued under the provisions of the *Companies' Creditors Arrangement Act* ("CCAA"). On that date, the Court issued an order (the "Initial Order") granting the Company the relief they were seeking. Pursuant to the Initial Order, KSV Restructuring Inc. was appointed as monitor ("Monitor").

Pursuant to the Initial Order, there is a stay of proceedings until April 6, 2023, which may be extended by the Court from time-to-time. A motion is scheduled to be heard on April 4, 2023 to extend the stay of proceedings to June 2, 2023 (the "Comeback Motion").

Please note that during the CCAA proceedings, among other relief provided for in the Initial Order:

- *the Company is continuing to operate;*
- *all persons having oral or written agreements with the Company, or statutory or regulatory obligations for the supply of goods and/or services, are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Company, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider, the Company and the Monitor, or as may be ordered by the Court; and*
- *all parties are prohibited from commencing or continuing legal action against the Company and all rights and remedies of any party against or in respect of the Company or its assets are stayed and suspended except with the written consent of the Monitor, or with leave of the Court.*

To date, no claims procedure has been approved by the Court and creditors are not required to file a proof of claim at this time.

A copy of the materials filed in the restructuring proceedings is available on the Monitor's website: <https://www.ksvadvisory.com/experience/case/magnagold>.

Yours very truly,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
CCAA MONITOR OF MAGNA GOLD CORP.  
AND NOT IN ITS PERSONAL CAPACITY**