



ksv advisory inc.

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March 3, 2023

To: Creditors of Magna Gold Corp. (the “Company”)

We are writing to advise you that 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”). A copy of the NOI and a preliminary listing of creditors is attached to this notice. KSV Restructuring Inc. has been appointed as the proposal trustee under the NOI (the “Proposal Trustee”).

Although the NOI proceeding is pursuant to the BIA, it is important to note that the Company is not bankrupt.

At present, creditors are not required to file a proof of claim. The Proposal Trustee will provide you with further information and a proof of claim form at a later date.

During the restructuring proceedings:

- no person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the Company is insolvent or by reason of the filing of the NOI, pursuant to Section 65.1(1) of the BIA;
- no creditor has any remedy against the Company or its property or shall commence or continue any action, execution, or other proceedings against the Company, pursuant to Section 69.1(1) of the BIA; and
- to the extent applicable, suppliers should discuss directly with their usual Company representative the terms of payment for goods and/or services that they provide to the Company.

If you have any questions after speaking with your contact at the Company, please contact Christian Vit from the Proposal Trustee’s office at cvit@ksvadvisory.com. Information concerning the NOI proceedings can be found on KSV’s website at:

<https://www.ksvadvisory.com/experience/case/magnagold>.

Yours very truly,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
TRUSTEE UNDER THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF MAGNA GOLD CORP.**

Encl.



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2917856
Estate No. 31-2917856

In the Matter of the Notice of Intention to make a proposal of:

Magna Gold Corp.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

March 03, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: March 03, 2023, 12:32

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Notice of Intention to Make a Proposal
[Subsection 50.4(1)]

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
MAGNA GOLD CORP. OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

TAKE NOTICE THAT:

1. **MAGNA GOLD CORP.**, an insolvent person, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, intends to make a proposal to its creditors.
2. **KSV RESTRUCTURING INC.** of 220 Bay Street, Suite 1300, Toronto, Ontario, a licensed insolvency trustee, has consented to act as trustee under the proposal and a copy of the consent is attached hereto.
3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.
4. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against **MAGNA GOLD CORP.** are stayed as of the date of filing this notice with the Official Receiver in its locality.

DATED at Toronto, Ontario this 2nd day of March, 2023

MAGNA GOLD CORP.



Per: _____
Name: Arturo Bonillas
Title: President & CEO

Filing Date: _____

OFFICIAL RECEIVER

**IN THE MATTER OF
THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
MAGNA GOLD CORP.**

CONSENT

KSV RESTRUCTURING INC. hereby consents to act as Trustee under the Notice of Intention to Make a Proposal and/or Proposal to be filed by Magna Gold Corp.

DATED at Toronto, Ontario this 2nd day of March, 2023.

KSV RESTRUCTURING INC.



Per: _____

Name: Noah Goldstein

Title: Authorized Signing Officer

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
MAGNA GOLD CORP.
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO
Preliminary list of creditors as at March 2, 2023 as submitted by Magna Gold Corp.
without admission as to any liability or privilege herein shown
(Unaudited)**

Creditor	Address	Amount due (CDN\$)*
Unsecured		
Delbrook Resource Opportunities Master Fund LP	Delbrook Capital Advisors Inc. Suite 1500 - 1199 W. Hastings Street Vancouver, BC V6E 3T5	8,250,000.00
Delbrook Resource Opportunities Fund	Delbrook Capital Advisors Inc. Suite 1500 - 1199 W. Hastings Street Vancouver, BC V6E 3T5	1,750,000.00
Bennett Jones LLP	3400 One First Canadian Place PO Box 130 Toronto, Ontario M5X 1A4	506,615.55
Baker Tilly WM LLP	Suite 900 - 400 Burrard Street Vancouver, BC V6C 3B7	95,966.94
Employees of Magna Gold Corp. S2K Capital Corporation	124 49 Street Tsawwassen, BC V4M 2P2	88,741.96 78,750.00
MNP LLP	Suite 2200 - 1021 West Hastings Street Vancouver, BC V6E 0C3	38,910.82
M Partners Inc.	HSBC Building Suite 1500 - 70 York Street Toronto, Ontario M5J 1S9	28,250.00
Resource Stock Digest	1020 Dyer Creek Place Round Rock, Texas USA 78665	27,228.00
Venture Liquidity Providers Inc.	1 McGuire Crescent Uxbridge, ON L9P 1G7	11,300.00
James Baughman	9107 E. Chenango Ave. Greenwood Village, CO USA 80111	8,168.40
CNW Group Ltd. (Cision)	RBC Waterpark Place Suite 3000 - 88 Queens Quay West Toronto, Ontario M5J 0B8	3,709.07
DSA Corporate Services Inc.	The Canadian Venture Building 82 Richmond Street East, 2nd Floor Toronto, Ontario M5C 1P1	2,746.35
TOTAL UNSECURED CREDITORS		10,890,387.09

*US dollar amounts have been converted to Canadian dollars at a rate of 1.3614.