MAGNA MINING INC.

CODE OF BUSINESS CONDUCT AND ETHICS

1. Magna Mining Inc. (the "**Corporation**") is committed to a culture of honesty, integrity and accountability. This Code of Business Conduct and Ethics (the "**Code**") outlines the ethical principles that should guide all directors, officers and employees of the Corporation in the performance of their duties. For the purposes of this Code, any reference to "employees" includes any director, officer or employee of the Corporation.

2. Employees of the Corporation must not only comply with applicable laws, but also must engage in and promote honest and ethical conduct and abide by the policies and procedures that govern the conduct of the Corporation's business. The responsibilities of each employee include helping to create and maintain a culture of ethics and commitment to compliance, and, in the case of directors and officers, maintaining a work environment that encourages employees to raise concerns to the attention of management and promptly addressing employee concerns.

3. The Code is not meant to be a complete list of all legal and ethical obligations of the employees of the Corporation. The Corporation provides this Code to its employees to offer guidance in properly recognizing and resolving the legal and ethical issues that they may encounter while conducting the Corporation's business. Should an employee be confronted with a situation where further guidance is required, the matter should be discussed with a member of management or the audit committee (the "**Audit Committee**") of the board of directors (the "**Board**") of the Corporation.

4. Employees are expected to report situations of non-compliance with respect to this Code to a member of management or the Audit Committee. No employee will be subject to retaliation by the Corporation for reporting, in good faith, a violation of this Code.

5. It is the responsibility of each employee to become familiar with the principles set out in this Code and to integrate them into every aspect of the business of the Corporation.

Conflicts of Interest

6. Employees have a duty of loyalty to the Corporation and are therefore expected to always act in the best interests of the Corporation. A conflict arises when the personal interests or activities of an employee influence, or have the potential to influence, the exercise of his or her judgment in the performance of his or her duties. Conflicts of interest, and even the appearance of a conflict of interest, may compromise the Corporation's reputation and must be avoided.

7. The Corporation respects its employees' right to privacy in their personal activities and financial affairs. It is the responsibility of each employee to ensure that his or her personal conduct complies with the following principles, which are not intended to address every potential conflict situation:

    (a) Employment or Affiliation with a Competitor, Supplier or Customer: Employees may not act as directors, officers, employees, consultants or agents of entities that directly compete with the Corporation in connection with its exploration, development and production of mineral resource properties, or entities that do business with the Corporation (such as customers, suppliers or business partners of the Corporation). In addition, employees may not own, directly or indirectly, a beneficial interest in any of these entities unless:

(i) an employee is making an investment in securities that are listed on a national or international securities exchange; and

(ii) the amount of the investment is not so significant that it would affect the employee's business judgement on behalf of the Corporation.

(b) Independent Business Ventures: Employees may not engage in independent business ventures or agree to perform services for other businesses if the activity interferes with an employee's devotion of time and effort to the conduct of the Corporation's business, or otherwise affects his or her ability to work effectively.

(c) Personal Benefits, Gifts, Bribes and Kickbacks: Employees may not use their position as an employee of the Corporation to derive or secure any personal, financial or other benefit for themselves or their relatives. An employee may not solicit and/or accept any gift or favour from any competitor, supplier or customer, except to the extent customary and reasonable in amount, and not in consideration for any improper action by the recipient. The offering or accepting of bribes, payoffs or kickbacks made directly or indirectly to obtain an advantage in a commercial transaction are strictly prohibited and may result in criminal prosecution and termination of employment.

(d) Reporting Conflict: Each employee is required to promptly disclose any actual or potential conflict of interest to the Corporation. Any transaction, relationship or interest that reasonably could be expected to give rise to a conflict of interest should be reported. Actual or potential conflicts of interest involving a director or executive officer should be disclosed directly to the chair of the Board.

8. Although the principles above refer only to employees of the Corporation, employees must also exercise care to avoid actual or potential conflicts of interest that may arise because of the activities of their immediate family members and other members of their household.

Protection and Proper Use of Corporate Assets

9. All employees of the Corporation are expected to protect the Corporation's assets and ensure they are used for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Corporation's business and profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

10. The assets of the Corporation include information, equipment, office supplies, hardware, software, intellectual property and time. Such assets may not be used for personal benefit, nor may they be sold, borrowed or given away without proper authorization. Occasional personal use of certain corporate resources (e.g. computer, e-mail) is acceptable where the interests of the Corporation are not adversely affected. However, employees are expected to consult a member of management for approval if in doubt.

Use of E-mail and Internet Services

11. E-mail systems and Internet services are provided to help employees carry out their responsibilities. Incidental and occasional personal use is permitted, but use for personal gain or any improper purpose is not. Employees may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment.

"Flooding" the Corporation's systems with junk mail and trivia hampers the ability of the systems to handle legitimate corporate business and is prohibited.

12. Employees' messages (including voice mail) and computer information are considered corporate property. The Corporation reserves the right to access and disclose this information as necessary for business purposes. Employees should use good judgment, and should not access, send messages or store any information that he or she would not want to be seen or heard by other individuals.

Disclosure

13. It is the Corporation's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws in all reports and documents that the Corporation files with, or submits to, securities regulators, and in all other public communications made by the Corporation. The Corporation's management have the general responsibility for preparing such filings and such other communications, and shall ensure that such filings and communications comply with all applicable laws. Employees must provide all necessary information to management when requested, and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time such filing or communication was made, or if they have information that would affect any filings or communications to be made in the future.

Corporate Opportunities

14. Employees owe a duty to the Corporation to advance its legitimate interests when an opportunity to do so arises. In this regard, employees may not appropriate for their own use, or that of another person or organization, the benefit of any business venture or opportunity which they learned about during the course of their employment, unless it is first offered to the Corporation and the Corporation decides not to pursue it.

Confidentiality of Corporate Information

15. During the normal course of business, employees may have access to, among other things, non-public information regarding the Corporation's customers, suppliers, operations, strategic plans, financial affairs, employees and trade secrets. The unauthorized use or disclosure of the Corporation's confidential information could destroy its value and give unfair advantage to others. Confidential information includes any information relating to the Corporation's business and affairs that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Corporation's securities, or any information a reasonable investor would consider important in making an investment decision. Employees must not use confidential information for their own advantage or profit.

16. An employee's obligation to protect the Corporation's confidential information exists whether or not the information is explicitly labelled as being confidential, and the obligation continues even after leaving the employ of the Corporation.

Fair Dealing

17. The Corporation competes vigorously in its business dealings but is committed to practices that are fair and honest. In this regard, employees are expected to respect the rights of, and deal fairly with, the Corporation's employees, customers, suppliers, shareholders, business partners, regulators and competitors. Moreover, the Corporation is committed to forging mutually beneficial relationships with all concerned stakeholders in relation to its projects and operations, and employees are expected to

engage in forthright and sincere communication with concerned stakeholders with respect to the Corporation's projects and operations which have an impact upon such stakeholders' rights and interests. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

Compliance with Laws, Rules and Regulations

18. The Corporation is subject to a number of laws, rules and regulations with respect to the conduct of its business. Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. This Code does not purport to address all areas of law that employees might encounter in the day-to-day business of the Corporation. The following areas, however, should be specifically noted:

    (a) Human Rights Laws: The Corporation values the diversity of its employees, customers, suppliers and other stakeholders and is committed to providing equal treatment in all aspects of the business, regardless of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status or disability. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical, visual or otherwise. The Corporation will not tolerate any conduct that is discriminatory or harassing or otherwise compromises an individual's human rights.

    (b) Privacy Laws: The Corporation is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and employees. Employees who have access to personal information are expected to support the Corporation's efforts to develop, implement and maintain procedures and policies designed to manage personal information.

    (c) Health and Safety Laws: The Corporation complies with all applicable health and safety laws and regulations as part of its commitment to providing its employees with a safe and healthy work environment. Employees have a responsibility to maintain this work environment. In this regard, employees are expected to work in a safe manner with due regard for their personal safety, as well as that of their co-workers, and to report accidents, injuries, hazardous equipment and unsafe practices. Employees are prohibited from engaging in the business of the Corporation while under the influence of alcohol or illegal drugs.

    (d) Environmental Laws: Cognizant of its responsibility to the environment, the Corporation strives to conform with all applicable environmental laws and regulations, and to promote the respect of the environment in its activities. Employees are expected to support the Corporation's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.

    (e) Securities Laws: The Corporation is committed to protecting securityholder investments and expects all employees to comply with applicable reporting obligations and trading restrictions imposed by the Corporation, as outlined in its Insider Trading Policy, or by any securities commission or stock exchange. Employees who are in possession of material information about the Corporation must not trade in securities of the Corporation until such information is generally and publicly available. Providing material information to others who then trade on it is also strictly prohibited.

(f) Competition Laws: Competition laws are enacted to limit practices that are seen to impair the function of a free and open marketplace. A complete description of competition laws is beyond the scope of this Code; however, they include: price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Employees having regular dealings with customers and suppliers should become familiar with the laws applying to these practices, as non-compliance can result in severe penalties being imposed on both the Corporation and the individuals involved.

Bribery

19. The Corporation is subject to a variety of local and international anti-bribery and anti-corruption laws. This includes the *Canadian Corruption of Foreign Public Officials Act* ("**CFPOA**") and the *Criminal Code* (Canada). Violations of these statutes can result in criminal and/or civil penalties for the Corporation and involved individuals, in addition to damaging the Corporation's reputation. The Corporation specifically prohibits bribery of public officials and third parties, and requires compliance with all anti-corruption and other applicable laws in the countries where the Corporation does business. The Corporation is committed to interacting with government officials, business partners, third parties and community stakeholders with integrity and in compliance with applicable anti-bribery and anti-corruption laws. Such laws make it illegal for any person, in order to obtain or retain an advantage in the course of business, directly or indirectly, to offer or agree to give or offer a loan, reward, advantage or benefit of any kind to a domestic or foreign public official, or to any person for the benefit of a public official. Foreign public officials include persons holding a legislative, administrative or judicial position of a foreign state, persons who perform public duties or functions for a foreign state (such as persons employed by boards, commissions or government corporations), officials and agents of international organizations, foreign political parties and candidates for office.

20. Although "facilitation payments" or certain other transactions may be exempted or not illegal under applicable laws, the Corporation's policy is to strictly forbid them. Even the appearance of impropriety in dealing with public officials is improper and unacceptable. A violation of anti-corruption laws, including the CFPOA, is a criminal offence and could subject:

    (a) the Corporation to substantial fines and penalties; and

    (b) any representative acting on behalf of the Corporation to imprisonment and fines.

    Violation of this policy may result in disciplinary action including termination from employment.

Fraud

21. Fraud is an intentional act or omission designed to deceive another person or to obtain a benefit that one is not entitled to receive. Fraud can include a wide range of activities, such as falsifying records or timesheets, creating false benefits claims and/or misappropriating the Corporation's assets (including both physical assets and non-physical assets, such as proprietary information and corporate opportunities) for personal gain. Representatives shall not engage in fraudulent activities in the course of their work, and must always ensure that the Corporation's assets are used only for legitimate business purposes and that contracts for goods and services are made at a rate that reflects reasonable market conditions.

Duty to Report

22. Employees who know of or suspect a violation of this Code, or of any applicable laws, rules or regulations, have an obligation to immediately report this information to a member of management or the Audit Committee. No one will be subject to retaliation because of a good faith report of suspected misconduct. All reported violations will be promptly investigated and treated confidentially to the extent possible. Employees are expected to cooperate fully in internal investigations of misconduct.

Administration of the Code

23. Only if absolutely necessary, in order to seek a waiver of this Code, full disclosure of the particular circumstance must be made to the Chief Executive Officer, in the case of employees who are not directors or officers of the Corporation, or the Audit Committee, in the case of directors and officers of the Corporation. Waivers of this Code will be publicly disclosed as required by applicable laws.

24. The Code is a statement of certain fundamental principles, policies and procedures that govern the directors, officers and employees of the Corporation in the conduct of the Corporation's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

25. Confidential and anonymous reports of violations of this Code may be made pursuant to the Whistleblower Policy of the Corporation.