

FORM 5

QUARTERLY LISTING STATEMENT

Name of CNSX Issuer: Magna Resources Ltd. (the "Issuer").

Trading Symbol: MNA

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNSX Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

\$25,000 in accounts payable and accrued liabilities is due to an officer/director of the Company as a management bonus.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period. **None**
- (b) summary of options granted during the period, **None**

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Type of Share	Number Outstanding
Common without par value	10,010,000

(b) number and recorded value for shares issued and outstanding,

Number of Shares	Recorded Value
10,010,000	\$1,220,052

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Number of Options	Exercise Price	Expiry Date	Fair Value
857,500	\$0.25	June 8, 2014	\$207,944

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

2,178,000 common shares

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Rudy de jonge	Director and Chief Executive Officer
John Greig	Director
Joel McLean	Director
C. Michael O'Brian	Director
Darryl Yea	Director
Alexander ("Alec") S. Peck	Chief Financial Officer

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.
5. Dated December 24, 2010 Rudy de jonge

Name of Director or Senior Officer

"Rudy de jonge"

Director and CEO
Official Capacity

Issuer Details		For Quarter Ended	Date of Report
Name of Issuer		October 31, 2010	YY/MM/D
Magna Resources Ltd.			December 24, 2010
Issuer Address			
1901 – 1111 Alberni Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC V6E 4A2			604.782.4191
Contact Name		Contact Position	Contact Telephone No.
Rudy de Jonge		Chief Executive Officer	604.782.4191
Contact Email Address		Web Site Address	
rudydejonge@hotmail.com			

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

These financial statements have not been reviewed by the Company's auditors.

CONSOLIDATED INTERIM BALANCE SHEETS

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

**CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION
EXPENDITURES**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim consolidated financial statements of Magna Resources Ltd. (the "Company") have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards of the Canadian Institute of Chartered Accountants for a review of interim financial statements.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited – Prepared by Management)

	As at October 31 2010	As at July 31 2010
ASSETS		
Current		
Cash and cash equivalents	\$ 39,865	\$ 58,311
GST receivable	1,743	1,176
Other assets (Note 3)	49,433	49,433
	<u>91,041</u>	<u>108,920</u>
Mineral Properties (Note 3)	<u>146,478</u>	<u>137,100</u>
	<u>\$ 237,519</u>	<u>\$ 246,020</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 59,434	\$ 56,501
Shareholders' Equity		
Share capital (Note 4b))	1,220,052	1,220,052
Contributed surplus (Note 4b and d)	225,103	225,103
Deficit	(1,267,070)	(1,255,636)
	<u>178,085</u>	<u>189,519</u>
	<u>\$ 237,519</u>	<u>\$ 246,020</u>

Nature of Operations (Note 1)
Commitments (Note 3 and 9)
Subsequent Events (Note 7)

On behalf of the Board:

"Rudy de jonge"

President

Rudy de jonge

"Darryl Yea"

Director

Darryl Yea

The accompanying notes are an integral part of these financial statements.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Months Ended October 31 2010	Three Months Ended October 31 2009
EXPENSES:		
Accounting and audit	\$ 12,883	\$ 13,091
Legal fees	1,546	10,985
Office and general	133	46
Transfer agent and filing fees	1,427	1,652
Education	200	-
Interest expense	-	770
Foreign exchange	(4,755)	2,286
LOSS BEFORE OTHER INCOME & OTHER EXPENSES	(11,434)	(28,830)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(11,434)	(28,830)
DEFICIT, BEGINNING OF THE PERIOD	(1,255,636)	(1,199,146)
DEFICIT, END OF PERIOD	\$ (1,267,070)	\$ (1,227,976)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares – basic and diluted	10,010,000	10,010,000

The accompanying notes are an integral part of these financial statements.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Months Ended October 31 2010	Three Months Ended October 31 2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net loss for the period	\$ (11,434)	\$ (28,830)
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivables	(567)	(69,225)
(Increase) decrease in deposits	-	(68,250)
(Increase) decrease in prepaid expenses	-	40,989
Increase (decrease) in accounts payable and accrued liabilities	2,933	39,221
Net cash flows used in operating activities	(9,068)	(86,095)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Mineral properties acquisition	(9,378)	(60,834)
Net cash flows used in investing activities	(9,378)	(60,834)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Deferred charges	-	-
Proceeds of share issuances	-	-
Share Issuance costs	-	208
Net cash flows from financing activities	-	208
Net change in cash and cash equivalents for the period	(18,446)	(146,721)
Cash and cash equivalents, beginning of period	58,311	259,077
Cash and cash equivalents, end of period	\$ 39,865	112,356

The accompanying notes are an integral part of these financial statements.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

CONSOLIDATED SCHEDULE OF MINERAL PROPERTIES AND DEFERRED EXPLORATION
EXPENDITURES
(Unaudited – Prepared by Management)

	Three Months Ended October 31 2010	Three Months Ended October 31 2009
American Potash Joint Venture		
Acquisition Expenditures		
Balance, beginning of period	\$ 137,100	\$ -
Acquisitions during the period (Note 3)	<u>9,378</u>	<u>60,834</u>
Balance, end of period	\$ 146,478	\$ 60,834
Deferred Exploration Expenditures		
Balance, beginning of period	\$ -	\$ -
Geological studies	-	-
Professional fees	-	-
Balance, end of period	\$ -	\$ -
TOTAL MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES	\$ 146,478	\$ 60,834

The accompanying notes are an integral part of these financial statements.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

1. NATURE OF OPERATIONS

Magna Resources Ltd. (the “Company”) was incorporated on June 5, 2006 under the laws of British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral properties. The amounts shown as mineral properties and deferred exploration expenditures represent net costs to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place these properties into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company’s ability to obtain the required additional financing necessary to develop its mineral properties.

The Company has a working capital as at October 31, 2010 of \$31,607 (July 31, 2010 – \$52,419) and an accumulated deficit of \$1,267,070 (2009 - \$1,255,636). The Company has incurred a net loss of \$11,434 for the three months ended October 31, 2010 (October 31, 2009 - \$28,830). These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s ability to continue as a going concern is in substantial doubt and is dependent upon the obtaining additional financing to meet its operating obligations and repaying its liabilities through settlement with its creditors in the future.

Failure to arrange adequate financing on acceptable terms would have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going-concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These interim consolidated financial statements have been prepared using the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended July 31, 2010. In management’s opinion, all adjustments necessary for fair presentation have been included in these interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the fiscal year. Certain comparative figures have been reclassified to conform to the current period’s presentation.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and 50% interest in American Potash LLC (“American Potash”) joint venture, a Nevada limited liability corporation. The joint venture has been accounted for in the Company’s consolidated financial statements using the proportionate consolidation method, whereby the Company records on a line-by-line basis its proportionate share of the assets, liabilities, revenues and expenses of the investees. All intercompany balances and transactions are eliminated on consolidation.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

US Potash Prospects

American Potash, owned 50% by each of the Company and Confederation Minerals Ltd. (“Confederation”), has entered into an option agreement with Sweetwater River Resources LLC (“Sweetwater”), John Glasscock and Kent Ausburn (the “Sweetwater Option Agreement”) (collectively called the “Optionors”), to acquire pending applications to the United States Bureau of Land Management (“BLM”) for Utah property and the State of Arizona for exploration permits, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah and Arizona. Subsequent to the year end, the option agreement was amended to exclude the Arizona permits and properties. Under the Sweetwater Option Agreement, American Potash possesses exclusive priority application rights for 31 potash exploration permits covering approximately 63,000 acres (255 sq. km.) of land in the Paradox Basin. 24,040 acres (97 sq. km.) of the total 63,000 acres are within a proposed Known Potash Lease Area (“KPLA”), which may become available only under a separate competitive bidding process. KPLA boundaries are currently under review and until such time that they are defined, the size of the final area of interest remains uncertain. During the course of application, the Company incurred geological works of \$137,100 that were required by the United States Bureau of Land Management (“BLM”) for preparation of exploration plans for the Utah properties. The claims in Utah are pending for approval from the BLM.

The option agreement entitles American Potash to acquire a 100% interest in permits, subject to a 2% royalty to the Optionors which may be bought back for \$2,000,000 USD. The option may be exercised by having Confederation and the Company each to pay a total of \$135,000 USD and each to issue in aggregate, 1,000,000 shares to the Optionors upon receiving grant of permits for Utah property of not less than 25,000 acres, as follow:

- \$35,000 USD upon signing the option agreement (paid);
- 100,000 shares upon grant of the Permits representing not less than 25,000 acres;
- \$25,000 USD cash and 300,000 shares on or before the first anniversary date;
- \$25,000 USD cash and 300,000 shares on or before the second anniversary date;
- \$25,000 USD cash and 300,000 shares on or before the third anniversary date; and
- \$25,000 USD cash on or before the fourth anniversary date.

American Potash will pay a finder’s fee in connection with this acquisition. The fee will be US \$3,500 and 10,000 common shares of American Potash payable when permits are issued in respect of the Utah prospect for at least 25,000 acres, and thereafter 10% of the cash and stock payments made under the option agreement, payable as and when such payments are paid and issued.

See also Note 9a and b.

In addition, American Potash has nine non-contiguous Utah State trust land potash lease units in the potash-bearing Paradox Basin in Grand County, Utah. Each lease unit consists of one State section and covers a contiguous area of approximately one square mile. The nine lease units total approximately 9.5 square miles or 6,090 acres. The nine State potash lease units are all within the border of a large block of contiguous BLM potash prospecting permit applications held exclusively by American Potash, separated into contiguous north and south blocks by a proposed BLM Known Potash Lease Area. American Potash has submitted documentation requesting drill permits and is awaiting the granting thereof.

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An Exploration Stage Enterprise

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

4. SHARE CAPITAL

a) **Authorized:** Unlimited common shares with no par value

b) **Issued and Outstanding**

	Number of Shares	Amount
Balance, July 31, 2008	8,010,000	\$ 1,001,250
Shares issued for cash @ \$0.16 per share	2,000,000	320,
Share issuance costs	-	(101,4)
Balance July 31, 2009	10,010,000	\$ 1,219,845
Adjustment to share issuance costs	-	
Balance July 31 and October 31, 2010	10,010,000	\$ 1,220,052

During the year ended July 31, 2009, the Company completed its initial public offering (the "IPO") raising gross proceeds of \$320,000. A total of 2,000,000 common shares of the Company were issued at a price of \$0.16 per share. As part of the IPO, the Company incurred share issuances costs of \$101,198.

c) **Escrow Shares**

As at October 31, 2010 the Company has 2,178,000 (July 31, 2010 – 3,267,000) common shares held in escrow by the Company's transfer agent. 10% of the common shares in escrow were released on October 16, 2008, the date the Company's securities were listed on a Canadian exchange, 15% are released every six months thereafter.

d) **Stock Options**

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

On June 8, 2009, the Company granted 1,000,000 stock options to officers and directors of the Company whereby the option holders can purchase common shares at \$0.25 per share. The options vested immediately and will expire on June 8, 2014. On February 7, 2010, 142,500 options were cancelled due to the resignation of a director of the Company.

The fair value of these stock options was \$0.21 per share where the exercise price is the same as the market price at the date of grant and the fair value of each option granted is calculated using the Black-Scholes

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

4. SHARE CAPITAL (Cont'd)
d) Stock Options (Cont'd)

option pricing model assuming a risk-free interest rate of 2.71%, a dividend yield of nil, an expected volatility of 120% and an average expected life of 5 years. Each option entitles the holder to acquire one common share of the Company.

In fiscal 2009 a stock based compensation expense of \$207,944 was charged to operations and added to contributed surplus.

	Number of Options	Weighted Average Exercise Price
Outstanding as at July 31, 2008	-	\$ -
Grant – Stock options	1,000,000	0.25
Grant – Agent options	200,000	0.16
Outstanding and exercisable as at July 31, 2009	1,200,000	0.24
Expired stock options – February 7, 2010	(142,500)	(0.25)
Expired agent options – October 16, 2010	(200,000)	(0.16)
Outstanding and exercisable as at July 31 and October 31, 2010	857,500	\$ 0.25

Exercise price	Number of options	Expiry Date
\$ 0.25	857,500	June 8, 2014

5. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities is \$25,000 due to an officer and director of the Company.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalent, accounts payable and accrued liabilities.

MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

6. CAPITAL MANAGEMENT (Cont'd)

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements.

7. GEOGRAPHIC INFORMATION

The Company's activities are all in one industry segment of mineral property acquisition and exploration. The Company's mining operations are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis. All of the Company's resource properties are located in the United States. The Company's assets are located in the following geographic locations:

	October 31 2010	July 31 2010
Total assets:		
Canada	\$ 41,528	\$ 58,170
United States	187,850	187,850
	\$ 195,991	\$ 246,020

8. COMMITMENTS

See Note 3.

On April 1, 2010, American Potash entered into a consulting agreement with an independent party to provide advice and to consult to American Potash regarding exploration, leasing and mining on public Lands. Compensation is \$3,000 USD for 20 hours of service per month for a period of one year. Additional hours to complete services will be billed at \$200 USD per hour.

9. SUBSEQUENT EVENTS

- a) On November 2, 2010, the Sweetwater Option Agreement was amended to remove the Arizona permits and Arizona properties.
- b) On November 12, 2010, Sweetwater granted an option to Passport Potash Inc. ("Passport") to acquire 100% of Sweetwater's rights and interest in the Arizona properties, subject to a 2% royalty. The option agreement is subject to TSX Venture Exchange approval (the "Acceptance Date"). Consideration is payable to Sweetwater and American Potash as follows:

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An Exploration Stage Enterprise

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
OCTOBER 31, 2010
(UNAUDITED – PREPARED BY MANAGEMENT)

9. CAPITAL MANAGEMENT (Cont'd)

- i) 500,000 free trading shares of Passport (the “Passport Shares”) on the earlier of December 15, 2010 or within five business days of the Acceptance Date; and
- ii) Three cash payments of \$30,000 each within 12, 18 and 24 months of the Acceptance Date.

Passport has the right at any time to buy one-half of the royalty for \$150,000 USD and has the right to purchase the remaining one-half of the royalty for \$150,000 USD. The allocation of the payments and the royalty to Sweetwater and American Potash will be 29.1% to Sweetwater and 70.9 % to American Potash, based on their respective percentage of total expenses incurred on the Arizona permits.

The Company has recorded acquisition expenses associated with the Arizona properties of \$49,433 as a current other asset. On December 21, 2010, American Potash received 353,450 Passport Shares. Passport’s closing share price on December 21, 2010 was \$0.305 per share. Passport Share value fluctuates and the Passport Shares have a four month hold period and are not tradeable until April 17, 2011.

MAGNA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OCTOBER 31, 2010

INTRODUCTION

Magna Resources Ltd. (the “Company”) was incorporated on June 5, 2006 pursuant to the *Business Corporations Act*, British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral properties.

The following management discussion and analysis (MD&A) of the financial information of Magna Resources Ltd. and results of operations should be read in conjunction with the interim consolidated financial statements for the three months ended October 31, 2010 as well as the MD&A and audited consolidated financial statements and accompanying notes for the year ended July 31, 2010. The unaudited consolidated interim financial statements together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

The Company’s critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

This MD&A includes discussion and financial analysis for the period ended October 31, 2010 and contains disclosure of material changes occurring up to and including December 24, 2010.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as “believes”, “anticipates”, “expects”, “plans”, “may”, “estimates”, or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

RESOURCE PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

American Potash LLC (“American Potash”), owned 50% by each of the Company and Confederation Minerals Ltd. (“Confederation”), has entered into an option agreement with Sweetwater River Resources LLC, John Glasscock and Kent Ausburn (the “Sweetwater Option Agreement”) (collectively called the “Optionors”), to acquire pending applications to the United States Bureau of Land Management and the State of Arizona for exploration, together with all permits and other rights issued pursuant to the applications, to allow for the exploration of potash prospects in Utah and Arizona. During the course of application, the Company incurred geological works that were required by the United States Bureau of Land Management for preparation of exploration plans.

The Sweetwater Option Agreement entitles American Potash to acquire a 100% interest in permits, subject to a 2% royalty to the Optionors which may be bought back for \$2,000,000 USD. The option may be exercised by having Confederation and the Company each to pay a total of \$135,000 USD and each to issue in aggregate, 1,000,000 shares to the Optionors upon receiving grant of permits for Utah property not less than 25,000 acres, as follow:

MAGNA RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OCTOBER 31, 2010

- \$35,000 USD upon signing of the option agreement (paid);
- 100,000 shares upon grant of the Permits representing not less than 25,000 acres;
- \$25,000 USD cash and 300,000 shares on or before the first anniversary date;
- \$25,000 USD cash and 300,000 shares on or before the second anniversary date;
- \$25,000 USD cash and 300,000 shares on or before the third anniversary date; and
- \$25,000 USD cash on or before the fourth anniversary date.

American Potash will pay a finder's fee in connection with this acquisition. The fee will be US \$3,500 and 10,000 common shares of American Potash payable when permits are issued in respect of the Utah prospect for at least 25,000 acres, and thereafter 10% of the cash and stock payments made under the option agreement, payable as and when such payments are paid and issued.

On November 2, 2010, the Sweetwater Option Agreement was amended to remove the Arizona permits and Arizona properties.

Arizona

On November 12, 2010, Sweetwater granted an option to Passport Potash Inc. ("Passport") to acquire 100% of Sweetwater's rights and interest in the Arizona properties, subject to a 2% royalty. The agreement is subject to TSX Venture Exchange approval (the "Acceptance Date"). Consideration is payable to Sweetwater and American Potash as follows:

- a) 500,000 free trading shares of Passport on the earlier of December 15, 2010 or within five business days of the Acceptance Date; and
- b) Three cash payments of \$30,000 each within 12, 18 and 24 months of the Acceptance Date.

Passport has the right at any time to buy one-half of the royalty for \$150,000 USD and has the right to purchase the remaining one-half of the royalty for \$150,000 USD.

The allocation of the payments and the royalty to Sweetwater and American Potash will be 29.1% to Sweetwater and 70.9% to American Potash, based on their respective percentage of total expenses incurred on the Arizona permits.

The Company has recorded acquisition expenses associated with the Arizona properties of \$49,433 as a current other asset. On December 21, 2010, American Potash received 353,450 Passport Shares. Passport's closing share price on December 21, 2010 was \$0.305 per share. Passport Share value fluctuates and the Passport Shares have a four month hold period and are not tradeable until April 17, 2011.

Utah

American Potash has acquired nine non-contiguous Utah State trust land potash lease units in the potash-bearing Paradox Basin in Grand County, Utah. Each lease unit consists of one State section and covers a contiguous area of approximately one square mile. The nine lease units total approximately 9.5 square miles or 6,090 acres. The nine State potash lease units are all within the border of a large block of contiguous United States Bureau of Land Management ("BLM") potash prospecting permit applications held exclusively by American Potash, separated into contiguous north and south blocks by a proposed BLM Known Potash Lease Area ("KPLA").

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In addition, under the Sweetwater Option Agreement, American Potash possesses exclusive priority application rights for 31 potash exploration permits covering approximately 63,000 acres (255 sq. km.) of land in the Paradox Basin. 24,040 acres (97 sq. km.) of the total 63,000 acres are within a proposed KPLA, which may become available only under a separate competitive bidding process. KPLA boundaries are currently under review and until such time that they are defined, the size of the final area of interest remains uncertain.

American Potash has submitted exploration plans requesting exploration permits for the BLM lands and is currently waiting for a response and has incurred a total of \$146,478 in acquisition costs for the Utah properties as at October 31, 2010.

PERFORMANCE SUMMARY DURING THE PERIOD

The balance sheet as of October 31, 2010 indicates a cash position of \$39,865 (July 31, 2010 - \$58,311). The Company has other current assets of GST receivables of \$1,743 (July 31, 2010 - \$1,176) and other assets of \$49,433 (July 31, 2010 - \$49,433), comprising recoverable acquisition expenditures associated with the Arizona potash permits.

Other assets consist of mineral property of \$146,478 (July 31, 2010 - \$137,100).

Current liabilities at October 31, 2010 total \$59,434 (July 31, 2010 - \$56,501), consisting mainly of a fee payable to a director of the Company of \$25,000 and legal fees of \$13,148. Shareholders' equity is comprised of share capital of \$1,220,052 (July 31, 2010 - \$1,220,052), contributed surplus of \$225,103 (July 31, 2010 - \$225,103) and a deficit of \$1,267,070 (July 31, 2010 - \$1,255,636) for a net equity of \$178,085 (July 31, 2010 - \$189,519).

Working capital, which is current assets less current liabilities, is \$31,607 (July 31, 2010 - \$52,419).

The weighted average number of common shares outstanding for the three months ended October 31, 2010 was 10,010,000 (July 31, 2010 - 10,010,000).

The deficit as at October 31, 2010 is \$1,267,070 compared to a deficit of \$1,227,976 at October 31, 2009.

RESULTS OF OPERATIONS

During the three months ended October 31, 2010 the Company reported a net loss of \$11,434 (\$0.00 basic and diluted loss per share) compared to a net loss of \$28,830 (\$0.00 basic and diluted loss per share) reported for same period in fiscal 2010. The material difference is a reduction in legal fees and foreign exchange.

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SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected quarterly financial information of the Company for the eight most recently completed quarters of operation. This information is derived from unaudited consolidated quarterly financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian GAAP and expressed in Canadian dollars.

	2011	2010				2009		
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net Loss	(11,434)	(7,483)	(7,728)	(12,449)	(28,830)	(269,802)	(3,212)	(146,499)
Basic and diluted Loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.04)	(0.00)	(0.01)

The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's significant accounting policies are set out in Note 2 of the audited annual consolidated financial statements for the year ended July 31, 2010. All financial amounts are in Canadian dollars.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares.

	October 31 2010	October 31 2009
Working capital	\$ 31,607	\$ 155,446
Deficit	\$ 1,267,070	\$ 1,227,976

During the three months ended October 31, 2010 net cash used in operating expenses was \$9,068 (2010 - \$86,095). During the 2009 period, the Company renewed potash permits in the State of Utah, totaling approximately \$137,000 on behalf of American Potash. Net cash used in investment activities was \$9,378 (2010 - \$60,834), consisting of American Potash property acquisition costs.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company will continue to require funds for future property acquisitions and exploration work as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

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OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

RELATED PARTY TRANSACTIONS

\$25,000 in accounts payable and accrued liabilities is due to an officer and director of the Company.

PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions approved by the Board of Directors. All current transactions are fully disclosed in the interim consolidated financial statements for the three months ended October 31, 2010.

INVESTOR RELATIONS

The Company has not entered into any investor relations contracts and all investor relation activity is carried out by directors and officers of the Company.

SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies are fully disclosed in Note 2 of the audited consolidated financial statements for the year ended July 31, 2010.

Recent Accounting Pronouncements

The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the Abstract is adopted early, in a reporting period that is not the first reporting period in the entity's fiscal year, it must be applied retroactively from the beginning of the Company's fiscal period of adoption.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations".

The Company continues to assess the future impacts of these amendments on its financial statements and has not yet determined the timing and method of its adoption.

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The Canadian Accounting Standards Board (“AcSB”) has set January 1, 2011 as the date for publicly listed companies to adopt International Financial Reporting Standards (“IFRS”). Accordingly, IFRS compliant financial statements for the Company will be required for the first quarter of 2011. Comparative figures presented in these financial statements are also required to comply with IFRS.

The Company’s conversion plan to transition from Canadian GAAP to IFRS consists of three phases:

- Phase 1 (scoping and diagnostic) – A preliminary diagnostic review which included the determination, at a high level, of the financial reporting differences and options under IFRS and the key areas that may be impacted was completed in 2009.
- Phase 2 (Impact, analysis, quantification and evaluation) – In this phase, completed in the second quarter of the calendar year 2010, the Company performed a detailed assessment and technical analysis of each area identified from Phase 1 that will result in the conclusion of IFRS transitional adjustments, decisions on accounting policy choices and the drafting of accounting policies.
- Phase 3 (Implementation phase) – This phase includes the collection of financial information necessary to compile IFRS compliant financial statements and the preparation of the opening balance sheet as at March 1, 2010 and is currently being carried out.

Based on the review in Phase 1 and the work to date under Phase 2, a number of key accounting areas were identified where IFRS differs from current GAAP, which are expected to have an impact on the Company’s financial statements. These key areas are explained below. It would appear that IFRS will require more extensive disclosure and analysis of balances and transactions in the notes to the financial statements. The Company’s review has not identified any significant impact on its accounting processes, financial reporting systems and controls.

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS from the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. We have analyzed the various exemptions available and are working towards implementing those most appropriate in our circumstances.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company expects to continue to capitalize its exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of ‘value in use’ and ‘fair value less costs to sell’) is below the asset’s carrying value.

The Company will be required to adopt the discounted future cash flow approach with respect to impairment analysis of its mineral properties. Impairment under this approach may generate a greater likelihood of write-down in the future.

Write-down to net realizable value can be reversed under IFRS if the conditions of impairment cease to exist. This

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difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in earnings.

Asset Retirement Obligations

IFRS defines asset retirement obligations (“ARO”) as legal or constructive obligations. Under IFRS, ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates. Under Canadian GAAP, ARO is calculated using a current credit-adjusted, risk-free rate for upward revisions and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rate. The change in calculation of ARO and the discounting process will likely generate some changes in the other value of ARO on transition.

Stock Based Compensation

Under IFRS, each instalment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at the time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and others providing similar services under IFRS is a broader concept under IFRS. The Company is currently recording its stock based compensation expenses on a straight line basis over the vesting period and forfeitures as they occur. The transition to IFRS would likely result in more variability in the compensation expenses.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company’s adoption of IFRS.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities. The Company has classified its cash and cash equivalents as held for trading, which is measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at October 31, 2010, the carrying and fair value amounts of the Company’s financial instruments related to cash and cash equivalents, accounts payable and accrued liabilities are the same due to their short terms to maturity. Unless otherwise noted, it is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

RISKS RELATED TO THE COMPANY’S BUSINESS

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to support commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company.

Joint Venture. The Company and Confederation each own 50% of American Potash which is exploring for potash prospects in Utah. They are negotiating a joint venture agreement but as of the date of this document no joint venture agreement has been executed between the Company and Confederation.

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Exploration risk. The Company is seeking mineral deposits, on exploration projects where there are not yet established ore reserves. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek potash prospects in Utah . While there have been price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price on the CNSX Exchange of the Company's common stock fluctuated from a high of \$0.22 to a low of \$0.12 in the period beginning June 22, 2009 and ending on the date of this Management Discussion and Analysis. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the board of directors. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

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Foreign Countries and Regulatory Requirements. Currently, the Company's properties are located in the United States. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties.

To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

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Grant of Permits. There is a risk that, for various potential political, environmental, or other reasons, the BLM will not grant the exploration permits to American Potash. In that event, the BLM applications will hold no value.

OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by venture issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the acquisition/disposition and deferred exploration costs of the Company's mineral properties is disclosed in the consolidated schedule of mineral properties and deferred exploration charges attached to the interim consolidated financial statements for the three months ending October 31, 2010.

Outstanding share data

Common shares issued and outstanding as at October 31, 2010 are described in detail in Note 4 of the interim consolidated financial statements for the three months ending October 31, 2010.

As at the date of this document, December 24, 2010, the Company had the following number of securities outstanding:

	Number	of	\$	Number	of	Exercise price	Expiry date
	shares			options			
Issued and outstanding	10,010,000		1,220,052	857,500		\$0.25	June 8, 2014