

## FORM 9

### **NOTICE OF PROPOSED ISSUANCE OF LISTED SECURITIES** **(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Please complete the following:

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

Trading Symbol: MNA.

Date: December 22, 2011 .

Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: Not applicable.

Issued and Outstanding Securities of Issuer Prior to Issuance: 11,210,000.

Date of News Release Announcing Private Placement: December 2, 2011.

Closing Market Price on Day Preceding the Issuance of the News Release: \$0.42.

**1. Private Placement (if shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition), proceed to Part 2 of this form)**

Full Name & Residential Address of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed	Payment Date <sup>(1)</sup>	Describe relations -hip to Issuer <sup>(2)</sup>
Confederation Minerals Ltd. 1980 - 1075 West Georgia St. Vancouver, BC V6E 3C9	6,666,666 Shares	\$0.30 per Share	N/A	NI 45-106, s. 2.10 Minimum Amount	N/a	Payment at closing	N/A

(1) Indicate date each placee advanced or is expected to advance payment for securities. Provide details of expected payment date, conditions to release of funds etc. Indicate if the placement funds been placed in trust pending receipt of all necessary approvals.

(2) Indicate if Related Person.

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

1. Total amount of funds to be raised: \$2,400,000.
2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material.

The proceeds of the Private Placement are to be used for immediate exploration of potash assets (“Assets”) held by American Potash LLC (“AP”), a Nevada organized limited liability company, of which the Issuer currently holds a 50% interest.

3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: Not applicable.
4. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities. Not applicable.
5. Description of securities to be issued:
  - (a) Class Common Shares (“Shares”).
  - (b) Number 6,666,666.
  - (c) Price per security \$0.30.
  - (d) Voting rights One vote per Share.
6. Provide the following information if Warrants, (options) or other convertible securities are to be issued:
  - (a) Number Not applicable.
  - (b) Number of securities eligible to be purchased on exercise of Warrants (or options) Not applicable.
  - (c) Exercise price Not applicable.
  - (d) Expiry date Not applicable.
7. Provide the following information if debt securities are to be issued:
  - (a) Aggregate principal amount Not applicable.

- (b) Maturity date Not applicable.
  - (c) Interest rate Not applicable.
  - (d) Conversion terms Not applicable.
  - (e) Default provisions Not applicable.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): Not applicable.
  - (b) Cash Not applicable.
  - (c) Securities Not applicable.
  - (d) Other Not applicable.
  - (e) Expiry date of any options, warrants etc. Not applicable.
  - (f) Exercise price of any options, warrants etc. Not applicable.
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship Not applicable.
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).

The Private Placement is to be completed in conjunction with the Acquisition described below.

11. State whether the private placement will result in a change of control.

A change of control will occur as a combined result of the Private Placement described above, the Acquisition described below and the proposed 2-for-1 share split described in the Issuer's December 1, 2011 press release ("Share Split").

12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders.

As a result of the Private Placement described above, the Acquisition described below and the Share Split, the Issuer will have 51,506,666 Shares outstanding, of which 56.47% will be held by Confederation Minerals Ltd. ("**Confederation**") (TSX-V: CFM).

13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by Multilateral Instrument 45-102.

## 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

The Issuer proposes to acquire from Confederation a 50% interest in AP. The Issuer currently holds the remaining 50% interest in AP and accordingly, following completion of the Acquisition, AP will be a wholly-owned subsidiary of the Issuer.

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

Under the terms of a purchase agreement ("**Purchase Agreement**") dated November 21, 2011 between the Issuer and Confederation, the Issuer will complete the Share Split, resulting in 22,420,000 Shares being issued and outstanding. Thereafter, Confederation will subscribe for 6,666,666 Shares at \$0.30 per Share for gross proceeds to the Issuer of \$2,400,000, and transfer to the Issuer all shares of AP owned by Confederation in exchange for an the issuance of an additional 22,420,000 Shares and 2,400,000 common share purchase warrants ("**Warrants**"). Each Warrant will entitle the holder thereof to purchase a Share at a price of \$0.10 until February 25, 2016.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:

- (a) Total aggregate consideration in Canadian dollars: \$4,480,000.
  - (b) Cash: Not applicable.
  - (c) Securities (including options, warrants etc.) and dollar value: 22,420,000 Shares and 2,400,000 common share purchase warrants ("Warrants").
  - (d) Other: \_\_\_\_\_ .
  - (e) Expiry date of options, warrants, etc. if any: The Warrants will expire on February 25, 2016.
  - (f) Exercise price of options, warrants, etc. if any: \$0.10 .
  - (g) Work commitments: Not applicable.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). The purchase price for the Acquisition was determined through arms-length negotiations.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: Not applicable.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>
Confederation Minerals Ltd. 1980 - 1075 West Georgia St. Vancouver, BC V6E 3C9	22,420,000 Shares and 2,400,000 Warrants	Deemed \$0.20	Exercise price of warrants is \$0.10	NI 45-106, s. 2.12 Asset Acquisition	N/a	N/A

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The assets being acquired are a 50% membership interests in AP, a Nevada organized limited liability company. The Vendor is the Issuer's partners and owns the other remaining 50% membership interest in AP. As such, the Issuer has direct knowledge of the Vendor's interest and has obtained representations and warranties with respect to title in the purchase agreement.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
  - (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): Not applicable.
  - (b) Cash Not applicable.
  - (c) Securities Not applicable.
  - (d) Other Not applicable.
  - (e) Expiry date of any options, warrants etc. Not applicable.
  - (f) Exercise price of any options, warrants etc. Not applicable.

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. Not applicable.
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. Not applicable.

## 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 Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not 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 9 Notice of Private Placement is true.

Dated: December 22, 2011.

Darryl Yea  
Name of Director or Senior  
Officer

*signed "Darryl Yea"*  
Signature

CEO and President  
Official Capacity