MAGNA RESOURCES LTD.
An Exploration Stage Enterprise

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 31, 2010
(Unaudited - Prepared by Management)

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

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.

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CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited – Prepared by Management)

	As at January 31 2010	As at July 31 2009
ASSETS		
Current		
Cash and cash equivalents	$ **99,806**	$ 259,077
GST receivable	**7,394**	5,625
	107,200	264,702
Prepaid Expenses	**361**	41,889
Mineral Properties (Note 3)	**155,273**	-
	$ **262,834**	$ 306,591
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ **58,103**	$ 60,789
Shareholders' Equity		
Share capital (Note 4b))	**1,220,053**	1,219,845
Contributed surplus (Note 4d))	**225,103**	225,103
Deficit	**(1,240,425)**	(1,199,146)
	204,731	270,802
	$ **262,834**	$ 306,591

Nature of Operations (Note 1)
Subsequent Events (Note 8)

On behalf of the Board:

"*Darryl Yea*" Director
Darryl Yea

"*C. Michael O'Brian*" Director
C. Michael O'Brian

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

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

	Three Months Ended January 31 2010	**Six Months Ended January 31 2010**	Three Months Ended January 31 2009	Six Months Ended January 31 2009
EXPENSES:				
Accounting and legal fees	**$ 9,301**	**$ 33,376**	$ 15,074	$ 27,541
Office and general	**499**	**545**	595	672
Transfer agent and filing fees	**6,345**	**7,998**	9,537	10,693
Consulting fees	**-**	**-**	8,800	8,800
Foreign exchange (gains)	**(2,955)**	**(669)**	-	-
Interest expense (recovered)	**(741)**	**29**	-	-
LOSS BEFORE OTHER INCOME & OTHER EXPENSES	**(12,449)**	**(41,279)**	(34,006)	(47,706)
Other income				
Interest income	**-**	**-**	183	542
Other Expenses				
Write off of mineral property	**-**	**-**	(113,676)	(113,676)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(12,449)**	**(41,279)**	(147,499)	(160,840)
DEFICIT, BEGINNING OF THE PERIOD	**(1,227,976)**	**(1,199,146)**	(779,633)	(766,292)
DEFICIT, END OF PERIOD	**$ (1,240,425)**	**$ (1,240,425)**	$ (927,132)	$ (927,132)
Basic and diluted loss per share	**$ (0.00)**	**$ (0.00)**	$ (0.015)	$ (0.018)
Weighted average number of common shares – basic and diluted	**10,010,000**	**10,010,000**	10,010,000	9,177,568

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 January 31 2010	**Six Months Ended January 31 2010**	Three Months Ended January 31 2009	Six Months Ended January 31 2009
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Net loss for the period	**$ (12,449)**	**$ (41,279)**	$ (147,499)	$ (160,840)
Adjustment for items not involving cash:				
Contributed surplus	**-**	**-**	-	17,159
Write off of mineral property and deferred exploration expenses	**-**	**-**	113,676	113,676
Foreign exchange	**-**	**-**	-	-
Changes in non-cash operating working capital:				
(Increase) decrease in accounts receivables	**67,138**	**(1,769)**	(1,882)	(4,995)
(Increase) decrease in prepaid expenses	**539**	**41,528**	10,000	-
(Increase) decrease in deposits	**68,568**	**-**	-	-
Increase (decrease) in accounts payable and accrued liabilities	**(41,908)**	**(2,686)**	(40,981)	2,527
(Increase) decrease in deferred exploration expenses	**-**	**-**	(20,655)	(46,204)
Net cash flows used in operating activities	**81,888**	**(4,206)**	(87,341)	(78,677)
CASH FLOWS USED IN INVESTING ACTIVITIES:				
Mineral properties acquisition	**(94,438)**	**(155,273)**	-	-
Net cash flows used in investing activities	**(94,438)**	**(155,273)**	**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:				
Deferred charges	**-**	**-**	-	(48,500)
Proceeds of share issuances	**-**	**-**	-	320,000
Share Issuance costs	**-**	**208**	5,300	(102,656)
Net cash flows from financing activities	**-**	**208**	5,300	265,844
Net change in cash and cash equivalents for the period	**(12,550)**	**(159,271)**	(82,041)	187,167
Cash and cash equivalents, beginning of period	**112,356**	**259,077**	384,044	114,836
Cash and cash equivalents, end of period	**$ 99,806**	**$ 99,806**	$ 302,003	$ 302,003

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

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

	Three Months Ended January 31 2010	**Six Months Ended January 31 2010**	Three Months Ended January 31 2009	Six Months Ended January 31 2009
a) Shanty Bay Properties				
Acquisition Expenditures				
Balance, beginning of period	**$ -**	**$ -**	$ 48,500	$ 48,500
Write off of mineral property (Note 3)	**-**	**-**	(48,500)	(48,500)
Balance, end of period	**$ -**	**$ -**	$ -	$ -
Deferred Exploration Expenditures				
Balance, beginning of period	**$ -**	**$ -**	$ 44,521	$ 18,972
Geological studies	**-**	**-**	-	24,175
Assaying	**-**	**-**	4,732	4,732
Professional fees	**-**	**-**	15,923	17,297
	-	**-**	65,176	65,176
Write off of deferred exploration expenditures	**-**	**-**	(65,176)	(65,176)
Balance, end of period	**$ -**	**$ -**	$ -	$ -
b) American Potash Joint Venture				
Acquisition Expenditures				
Balance, beginning of period	**$ 60,835**	**$ -**	$ -	$ -
Acquisitions during the period (Note 3)	**94,438**	**155,273**	-	-
Balance, end of period	**$ 155,273**	**$ 155,273**	$ -	$ -
Deferred Exploration Expenditures				
Balance, beginning of period	**$ -**	**$ -**	$ -	$ -
Geological studies	**-**	**-**	-	-
Assaying	**-**	**-**	-	-
Professional fees	**-**	**-**	-	-
	-	**-**	-	-
Balance, end of period	**$ -**	**$ -**	$ -	$ -
TOTAL MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES	**$ 155,273**	**$ 155,273**	$ -	$ -

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

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 accompanying consolidated financial statements have been prepared on the basis of Canadian generally accepted accounting principles ("GAAP") applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in future resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop properties and establish future profitable production from properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These unaudited consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. The net carrying value of its assets may be materially less than the carrying amount stated in the balance sheets and its liabilities extinguished at values different than those stated in the balance sheets. The Company had the following deficits and working capital (deficiency) as at the following dates:

Date	Deficit	Working Capital
January 31, 2010	$ 1,240,025	$ 49,097
July 31, 2009	$ 1,199,146	$ 203,913

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

a) 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, 2009. 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.

b) On August 1, 2009, the Company adopted CICA Section 3064 Goodwill and Intangible Assets. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and other intangible assets. The adoption of this standard has no material impact on the Company's financial statements.

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

American Potash Joint Venture

American Potash LLC ("American Potash"), a Nevada limited liability corporation 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 "Optionors") to acquire pending applications to the United States Bureau of Land Management and the State of Arizona for exploration permits together with all permits and other rights issued pursuant to the applications (the "Permits)

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Cont'd)

to allow for the exploration of potash prospects in Utah and Arizona.

The option agreement entitles American Potash to acquire a 100% interest in the Permits, subject to a 2% royalty to Sweetwater which may be bought back for $2,000,000 USD. The option may be exercised by having the Company and Confederation each pay a total of $135,000 USD and each issue in aggregate, 1,000,000 shares to the Optionors, as follow:

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

As of January 31, 2010, 17 Permits have been approved in Arizona and the Company acquired nine non-contiguous Utah State trust land potash lease units.

During the period, the Company incurred $94,438 (USD$87,705) in property acquisition costs, consisting of Permit acquisition costs, property lease payments and professional fees related to Permit acquisitions.

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	320,000
Share issuance costs	-	(101,405)
Balance July 31, 2009	10,010,000	$ 1,219,845
Adjustment to share issuance costs	-	208
Balance January 31, 2010	10,010,000	1,220,053

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 $101,197, which included 200,000 agent's options. The agent options were granted to the agent with an exercise price of $0.16 and expire on October 16, 2010. In accordance with CICA Handbook Section 3860, the agent's

4. SHARE CAPITAL (Cont'd)

b) Issued and Outstanding (Cont'd)

options were valued at fair value of $17,159 which was included in contributed surplus during fiscal 2009. The fair value of these warrants was $0.09 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 option pricing model assuming a risk-free interest rate of 2.30%, a dividend yield of nil, an expected volatility of 104% and an average expected life of 2 years. Each option entitles the holder to acquire one common share of the Company. As at January 31, 2010 none of the agent's options have been exercised.

c) Escrow Shares

As at January 31, 2010 the Company has 4,356,000 (July 31, 2009 – 5,445,000) 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% were released April 16, 2009 and 15% were released on October 16, 2009. 15% will be 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. 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 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. The average remaining contractual life in years is 4.85. In fiscal 2009 a stock based compensation expense of $207,944 was charged to operations and added to contributed surplus. As at January 31, 2010, none of the stock options have been exercised.

e) Agent Options

As at January 31, 2010 there were 200,000 agent options outstanding and exercisable at a price of $0.16, expiring October 16, 2010.

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 DISCLOSURE

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide adequate return to shareholders by maintaining a sufficient level of funds, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out property acquisitions and exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential, and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

7. GEOGRAPHIC INFORMATION

The Company is organized and managed as a single reportable business segment. The Company's operations are substantially all related to the acquisition and exploration of mineral properties. The operations of the Company are primarily in two geographic areas: Canada and the United States. A summary of geographical information for the Company's assets is as follows:

	January 31 2010	July 31 2009
Total assets:		
Canada	$ 107,561	$ 306,591
United States	155,273	-
	$ 262,834	$ 235,708

8. SUBSEQUENT EVENTS

There are no material events subsequent to January 31, 2010.