MAGNA RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OCTOBER 31, 2008

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 exploration of mineral properties and the Company currently has an interest in three mining claims located in Dent Township, Red Lake Mining Division, Ontario.

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 financial statements for the first quarter ended October 31, 2008 as well as the MD&A and audited financial statements and accompanying notes for the year ended July 31, 2008. The unaudited 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 analysis for three months ended October 31, 2008 and contains disclosure of material changes occurring up to and including December 17, 2008.

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

Shanty Bay Mining claims – Dent Township, Ontario

During the fiscal 2007, the Company signed an assignment agreement with Triple Dragon Resources Inc. (Assignor) and Rubicon Minerals Inc. (Optionor) on October 27, 2006. The Optionor is the owner of three mining claims: #4200361 to #4200363 inclusive located in Dent Township, claim map M-2155, Red Lake Mining Division, Ontario. On March 14, 2006, the Optionor granted an option to the Assignor to acquire an undivided 100% interest in and to the property. The Optionor retained a 2% Net Smelter Return. One half (1/2) of the NSR (1%) can be purchased from the Optionor at any time for $1,000,000. The exercise terms of the Shanty Bay Option Agreement are $96,000 and 100,000 common shares to the Optionor as follows:

Date	Cash	Shares
Upon signing	$8,000 (paid)	30,000 (issued at $0.125 per share)
First anniversary of signing	$12,000 (paid)	30,000 (issued at $0.125 per share)
Second anniversary of signing	$16,000 (paid)	40,000 (issued at $0.125 per share)

Third anniversary of signing	$20,000	-
Fourth anniversary of signing	$40,000	-
	$96,000	100,000

During the three months ended October 31, 2008 the Company undertook a trenching program on the Shanty Bay showing. A 125 m and 35 m area (3,800 sq m) was stripped of overburden via an excavator and high-pressure water pump. Assays were taken.

During the fiscal 2008, the Company paid $16,000 and issued 40,000 common shares pursuant to the option agreement in deferred exploration expenses and incurred exploration expenditures of $18,972 on the property.

PERFORMANCE SUMMARY DURING THE PERIOD

The balance sheet as of October 31, 2008 indicates a cash position of $384,044 (2007 - $227,278). During the period ended October 31, 2008 the Company completed an initial public offering of 2,000,000 common shares at a price of $0.16 per share that included cash costs of $90,797 and 200,000 agent options. The Company had other current assets of $18,013 at October 31, 2008 (2007 - $1,404) for total current assets of $402,057 (2007 - $225,874). The increase in current assets is mainly due to completion of the initial public offering net of general and administrative expenses.

Deferred charges at October 31, 2008 total $Nil (2007 - $46,500). The decrease in deferred charges is due to reallocating the deferred costs of the initial public offering to share issuance costs.

Other assets consist of $48,500 (2007 - $27,500) in mineral properties, with the year over year increase due to payment of $16,000 and the issuance of 40,000 common shares at a deemed price of $0.125 per share to Rubicon Minerals Inc. for a total price of $5,000 pursuant to the option agreement, and deferred exploration expenditures of $44,521 (2007 - $Nil), the expenses being made up of professional fees, assaying fees and geological studies.

Current liabilities at October 31, 2008 total $44,258 (2007 - $18,052). Shareholders' equity is comprised of share capital of $1,213,294 (2007 - $996,250), contributed surplus of $17,159 (2007 - $Nil) and a deficit of $779,663 (2007- $711,620) for a net of $450,820 (2007 - $284,630). The increase in capital stock is due to the issuance of 40,000 common shares to Rubicon Minerals Inc. pursuant to the option agreement and the issuance of 2,000,000 common shares under the initial public offering, net of share issuance costs of $107,956. The contributed surplus resulted from the granting of agents 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 options were valued at fair market value of $17,159 determined using the Black-Scholes option pricing model assuming a risk-free return of 3.66%, volatility of 99.623% and a life of 2 years. These costs have been recorded as share issuance costs.

Working capital, which is current assets less current liabilities, is $357,799 (2007 - $209,226).

During the period ended October 31, 2008 the Company reported a net loss of $13,341 ($0.002 basic and diluted loss per share) compared to a net loss of $18,891 ($0.002 basic and diluted loss per share) reported for same period in fiscal 2008. The loss in fiscal 2009 represents operating expenses of $13,700 net of interest income of $359. The loss in 2007 represents operating expenses of $20,763 net of interest income of $1,872.

The weighted average number of common shares outstanding for the period ended October 31, 2008 was 8,354,086 (2007 – 7,970,000. The weighted average number of common shares outstanding changed in the current period as a result of the closing of the initial public offering of 2,000,000 common shares on October 16, 2008.

The deficit as at October 31, 2008 was $779,633 compared to a deficit of $711,620 at October 31, 2007.

RESULTS OF OPERATIONS

During the three months ended October 31, 2008 the Company reported a net loss of $13,341 ($0.002 basic and diluted loss per share) compared to a net loss of $18,891 ($0.002 basic and diluted loss per share) reported for the same period in fiscal 2008. Expenses for the current period include accounting and legal of $12,467 (2007 - $20,140), transfer agent and filing fees of $1,156 (2007 - $385) and office and general expenses of $77 (2007 - $238), offset by interest income of $359 (2007 - $1,872).

During the current period the Company completed an initial public offering for 2,000,000 common shares at a price of $0.16 per share that included cash costs of $90,797 and 200,000 agent 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 options were valued at fair value of $17,159 determined by using the Black-Scholes option pricing model assuming a risk-free return of 3.66%, volatility of 99.623% and a life of 2 years. These costs have been recorded as share issuance costs.

SUMMARY OF QUARTERLY RESULTS

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

	2009	2008				2007		
	Qtr 1	Qtr 4	Qtr 3	Qtr 2	Qtr 1	Qtr 4	Qtr 3	Qtr 2
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net Loss	(13,341)	(15,757)	(29,079)	(9,836)	(18,892)	(685,790)	(6,911)	(19)
Basic and diluted Loss per share	(0.002)	(0.002)	(0.004)	(0.001)	(0.002)	(0.57)	(0.00)	(0.00)

Losses for Quarter 4 of fiscal 2007 was mainly due to stock based compensation expense totally $682,500 due to the re-valuation of common share issuances. (Refer to Note 4b - Share Capital of the audited financial statements dated July 31, 2008)

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 financial statements for the year ended July 31, 2008 and Note 2 to the interim financial statements for the period ending October 31, 2008. All financial amounts are in Canadian dollars.

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 continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company will continue to seek capital through the issuance of common shares and/or debt.

	October 31, 2008	October 31, 2007
Working capital	$ 357,799	$ 209,226
Deficit	779,633	711,620

In October, 2008 the Company completed an initial public offering for 2,000,000 common shares at a price of $0.16 per share that included cash costs of $90,797 and 200,000 agent 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 options were valued at fair value of $17,159 determined by using the Black-Scholes option pricing model assuming a risk-free return of 3.66%, volatility of 99.623% and a life of 2 years. These costs have been recorded as share issuance costs.

The Company will continue to require funds for ongoing exploration work on its properties as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. 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. The Company does not have any other commitments for material capital expenditures over both the near or long term and none are presently contemplated other than as disclosed herein and /or over normal operating requirements.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

During the current period the Company had no related party transactions.

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 financial statements for the quarter ended October 31, 2008.

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 financial statements for the year ended July 31, 2008.

Recent Accounting Pronouncements

The Company adopted the following new accounting policies on a prospective basis as of August 1, 2008:

CICA Handbook Section 1400 General Standards of Financial Statement Presentation: The CICA amended section 1400 to include requirements for management to assess and disclose an entity's ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after April 1, 2008. The adoption of this amendment hasn't had a significant impact on the Company's financial result or position.

CICA Handbook Section 3064, Goodwill and Intangible Assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The changes are effective for interim and annual financial statements beginning January 1, 2008. The Company has not yet determined the impact of the adoption of this change on the disclosure in its financial statements.

CICA Handbook Section 3862 Financial Instruments – Disclosures and 3863 Financial Instruments – Presentation: This new standard replaces accounting standard 3861 Financial Instruments – Disclosure and Presentation and is effective for annual and interim periods beginning on or after October 1, 2007. Presentation requirements have not changed. Enhanced disclosure is required to assist users of financial statements in evaluating the significance of financial instruments on the Company's financial position and performance, including qualitative and quantitative information about the Company's exposure to risks arising from financial instruments. The new accounting standards cover disclosure only and will have no effect on the financial results or position of the Company.

CICA Handbook Section 1535 Capital Disclosures, is effective for annual and interim periods beginning on or after October 1, 2007 and requires disclosure of the Company's objectives, policies, and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and, if the Company has not complied, the consequences of such non-compliance. The new accounting standard covers disclosure only and has not had an effect on the financial results or position of the Company.

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards ("IFRS") over a transition period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of Canadian GAAP and IFRS.

RISKS AND UNCERTAINTIES

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of the property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time.

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalent and 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, 2008, the carrying and fair value amounts of the Company's financial instruments related to cash and cash equivalents and 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.

EVENTS SUBSEQUENT TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED OCTOBER 31, 2008

Subsequent to October 31, 2008 the Company completed a trenching and sampling program on the Shanty Bay property (the "Property"). The results of the program were disclosed in the Company's news release dated December 3, 2008 available for review at www.sedar.com. Management plans to undertake a formal evaluation of the trenching and assay results by a Oualified Person within the meaning of NI 43-101 before deciding on any further exploration expenditures. Thereafter, a decision to undertake further work or not will be subject to the recommendations of the Qualified person, the state of the financial markets and the ability of the Company to raise further funds.

Management also reviews other properties from time to time and to date has not identified a suitable property.

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 and deferred exploration costs of the Company's mineral properties is disclosed in Schedule A to the interim financial statements dated October 31, 2008.

Outstanding share data

Common shares issued and outstanding as at October 31, 2008 are described in detail in Note 4 of the to the interim financial statements dated October 31, 2008.

As at the date of this document, December 17, 2008, the Company had the following number of securities outstanding:

	Number of shares	$	Number of options	Exercise price	Expiry date
Issued and outstanding	10,010,000	1,213,924	200,000	$0.16	October 16, 2010

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NEWS RELEASE

Symbol: CNQ: MNA

December 3, 2008 – Vancouver, British Columbia.
Magna Resources Ltd. (the "Corporation") is pleased to announce that the results of surface exploration work completed at the Shanty Showing on the Shanty Bay gold property, including gold assays as high as 6.29 g/t over 1.1 metres.

Geological mapping, stripping, and channel sampling were carried over a 125 m and 35 m area roughly centered on the historical Shanty Showing during the period of October 1st to 10th of this year. The intent of the trenching program was to better expose the relationship of the auriferous cherty horizon with a cross cutting syenite dyke.

Geological mapping indicates the syenite dyke trends obliquely to the chert horizon intersecting the chert horizon twice, once at the historical Shanty showing and again 25 m to the south. In both locations the cherty horizon exhibits sulphide replacement textures on the millimeter to metre-scale. A composite gold assay of 2.67 g/t gold over 5.5 m was obtained 25 m south of the historical Shanty Showing along strike of the syenite dyke within the sulphide replacement zone of the chert horizon.

Channels were cut every 0.6 to 1.6 metres perpendicular to stratigraphy. This work program was supervised by Andrew Tims P. Geo., who is the Qualified Person for the information contained in this news release and within the meaning of NI 43-101. The samples are recorded, bagged and sent out to Accurassay Laboratories in Thunder Bay Ontario, for preparation and analysis. No further work is planned on the property at this time.

Forward-Looking Statements

This news release includes certain "forward-looking statements". Such forward-looking statements involve risks and uncertainties. The results or events predicted in these forward-looking statements may differ materially from actual results or events. Any forward-looking statement speaks only as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

About Magna Resources Ltd. – Magna is a British Columbia based small-cap mineral exploration company in the business of exploring and potentially developing precious metal deposits in Canada. For more information please contact Rudy de Jonge at 604-782.4191 or rudydejonge@hotmail.com.

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OCTOBER 31, 2008

On Behalf of the Board

"Rudy de Jonge"

CEO

THE CNQ HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.