



MAGNETIC NORTH
ACQUISITION CORP



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AGM PRESENTATION NOVEMBER 2022

Creating Value by Adding Capital and Active Management from Investment to Exit

Welcome



Agenda

- Review of 2020 and 2021 Audits
- Equity Structure
- Board of Directors update
- Update on Previcare, CXTL, White Quartz mine others
- Discussion of 3rd Quarter
- NAV
- Q&A





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Audit review

Tale of two Audits

- MNP

- Accounting treatment as a corporation with partially owned subsidiaries
- Consolidated CXTL financials into Magnetic Financials
- Provided results that didn't describe the business very well.

- PKF

- Accounting treatment as an investment entity
- Each investment is accounted for based upon its value. Gains or losses are included in the income statement.
- This accounting treatment describes the business and its activity more accurately



Changes in financials

	As previously reported	Adjustment	Restated
ASSETS			
Current assets			
Cash and cash equivalents	\$ 123,680	\$ (97,677)	\$ 26,003
Short-term investments	60,222	(10,000)	50,222
Trade and other receivables	291,583	(158,842)	132,741
Inventory	2,036,086	(2,036,086)	-
Prepays and other current assets	344,522	(309,903)	34,619
Total current assets	2,856,093	(2,612,508)	243,585
Non-current assets			
Investments - fair value through profit or loss	-	5,169,540	5,169,540
Property, plant and equipment	4,449,563	(4,444,956)	4,607
Right-of-use asset	1,325,066	(1,325,066)	-
Mineral claims	1	-	1
Exploration and evaluation assets	1	-	1
Other assets	497,042	(192,077)	304,965
Total assets	\$ 9,127,766	\$ (3,405,067)	\$ 5,722,699
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Accounts payable and accrued liabilities	\$ 688,101	\$ (271,543)	\$ 416,558
Promissory note payable	176,984	-	176,984
Current portion of lease liability	661,860	(661,860)	-
Total current liabilities	1,526,945	(933,403)	593,542
Non-current liabilities			
Long-term lease liability	793,394	(793,394)	-
Asset retirement obligation	190,872	-	190,872
Financial liability - Series A preferred shares	16,044,710	-	16,044,710
Total liabilities	18,555,921	(1,726,797)	16,829,124
Shareholders' deficiency			
Common shares	29,045,663	-	29,045,663
Warrants	164,400	-	164,400
Contributed surplus	2,923,109	-	2,923,109
Accumulated deficit	(41,561,327)	(1,678,270)	(43,239,597)
Total shareholders' deficiency	(9,428,155)	(1,678,270)	(11,106,425)
Total liabilities and shareholders' deficiency	\$ 9,127,766	\$ (3,405,067)	\$ 5,722,699

- The scope of change is dramatic in the balance sheet.
- Variety of items are very different and alter the conversation of Magnetic's financial results



Change in Financials

- Income statement now reflects Magnetic North's business
- Gains/(Losses) on investment flow through the income statement and impact the overall value of the Company.

	As previously reported	Adjustment	Restated
Expenses			
Exploration and evaluation (recovery) expenses	(50,959)	-	(50,959)
Selling, general and administrative	3,320,992	(1,698,199)	1,622,793
Share-based compensation	852,976	-	852,976
Depreciation	438,177	(437,645)	532
Total expenses	4,561,186	(2,135,844)	2,425,342
Loss before other items	(4,561,186)	2,135,844	(2,425,342)
Other items			
Accretion	(54,873)	47,742	(7,131)
Finance income, net	78,829	-	78,829
Dividend expense	(148,874)	-	(148,874)
Transaction costs	(455,373)	-	(455,373)
Share-based transaction costs	(7,659,973)	4,800,000 ⁽¹⁾	(2,859,973)
Expected credit loss	(761,509)	-	(761,509)
Fair value adjustment of investments	(417,000)	(8,661,856) ⁽¹⁾	(9,078,856)
Net and comprehensive loss for the period	\$ (13,979,959)	\$ (1,678,270)	\$ (15,658,229)
Net and comprehensive loss per share			
- Basic and Diluted	\$ (0.24)	\$ (0.03)	\$ (0.27)
Weighted average number of common shares			
- Basic and Diluted	59,051,105	59,051,105	59,051,105



Changes in Financials

- This allows Magnetic to display how each investment can impact the value of the shares and the Company overall.
- We view this as a huge positive change for the Company and its shareholders





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Equity Structure

Market Capitalization

- Magnetic North has:
 - 59.05 mm Common shares
 - 1,750,825 Preferred A shares
- Both the Common and Preferred shares trade on the TSXV.
 - Common shares under the symbol MNC
 - Series A Preferred Shares under the symbol MNC.PR.A



Equity Structure

Preferred A Shares

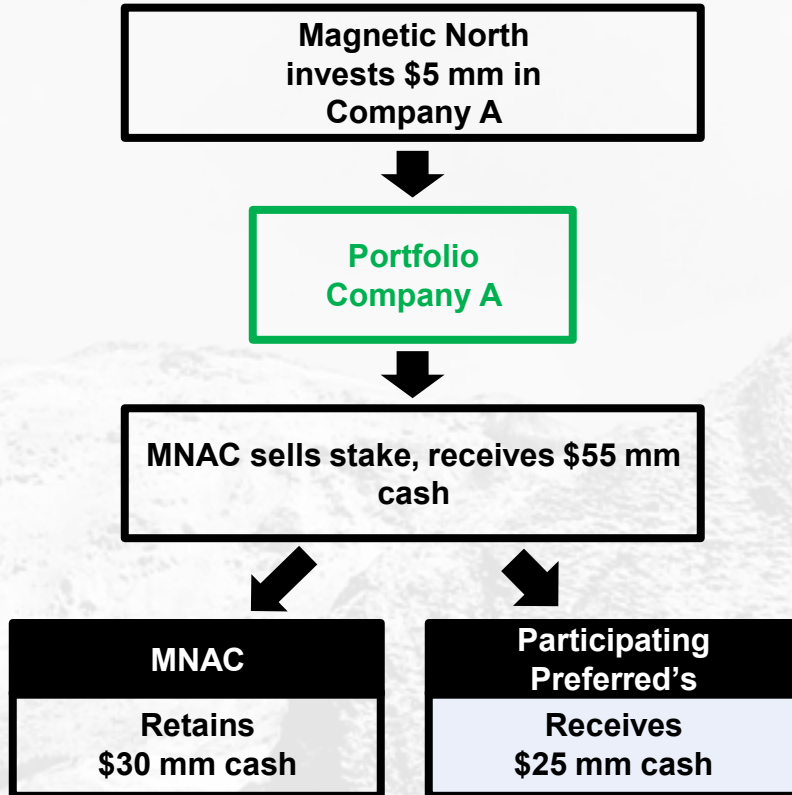
- Senior most security in the Company
 - Principal (face value) ranks first in any liquidation or wind up which provides some protection for investors
 - Non-Voting
- Preferred Shares are redeemable in 2026
- Three streams of income for investors
 - Special dividends provided from 50% of capital gain from the sale of equity investment portfolio
- RRSP and TFSA eligible

Common Shares

- Common shares rank behind Preferred shares in all cases
- Capital will be retained in the Company to fund future projects, and operations.
- Special dividends may be paid at some point in the future
- RRSP and TFSA eligible



Participating Preferred – Illustrative Example



1. Magnetic North Acquisition Corp. ("MNAC") invests \$5 mm into Portfolio Company A.
2. MNAC sells all of its shares of Portfolio Company A for \$55 mm cash
 - \$55 mm sale price less the \$5 mm initial investment means an investment profit of \$50 mm
 - 50% of the investment profit equates to \$25 mm
3. MNAC distributes \$25 mm of investment profit to Participating Preferred Shareholders and retains \$30 mm (for benefit of MNAC shareholders)
 - Assuming there are 500k Participating Preferred Shares outstanding, each Preferred would receive \$50.00 of special distributions





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Board Update

Magnetic North Board of Directors

Ian Wild
Executive Chairman

- Former Executive VP at ATB Corporate Financial Services.
- Experience in banking spans over 30 years; began working for National Westminster Bank Ltd. in the U.K., and after immigrating to Canada began working for Continental Bank of Canada (now HSBC), and RBC.

Jeff Davison
Director

- From 2000-2009 held various exploration and communication roles at Canadian Natural, and from 2009-2012 was VP of Marketing & Communications at Poynt Corp.
- Mr. Davison successfully unified the brand globally to grow the Poynt local search application from 80,000 users to over 24 million users.

Trent Larson
Director

- Mr. Larson has served as CEO and Managing Director with leading international organizations.
- He is a recognized digital pioneer, author of various thought leadership papers and has been an advisor to the European Commission on digital policy.



Magnetic North Board of Directors

Andrew Osis
Co-CEO & Director

- 20+ years of experience working in investment banking and commercial operations.
- Formerly VP, Global Banking with RBC Dominion Securities; also held positions with Peters & Co. and Newcrest Capital focusing on mergers and acquisitions, and equity/debt financings. Completed over \$25 Billion in transactions.
- Experienced CEO, CFO and Director

Kevin Spall
Co-CEO & Director

- Over 15 years of experience in corporate finance, M&A, and business development.
- Former Investment Banker at Yorkton Securities from 2000-2004; Head of Investment Banking & Managing Director at Versant Partners Inc. from 2004-2008; Head of Diversified Industries Investment Banking at Blackmont Capital Inc. 2008-2010. Completed over \$7.5 Billion in transactions.



Magnetic North Board of Directors

- With the passing of John Kowal we are currently searching for at least one more director.
- Had started looking in the spring for an additional director to join the board.
- Working to make an announcement in the near future.





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Investee updates

Portfolio Overview

MagneticNorth has a portfolio of companies that have a solid business plan and are on-track for phenomenal growth.

Investment	Industry	Post-Investment Ownership
Previcare	Sanitization & Clean Technology	32%
CXTL Recycling Canada Corp	Plastic and Ewaste Recycling	50%
Other Investments	Manufacturing, Oilfield Services, Technology, Media, Life Sciences	Various





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CXTL RECYCLING

CXTL Recycling Canada Corp - Introduction



CXTL was co-founded by Magnetic and the inventor to create a company that can enable a circular economy by completely recycling and reclaiming all plastics in a profitable and environmentally conscious way.



Over 90 per cent of plastics end up incinerated, or in landfills, lakes, parks and oceans. Once in the environment, they contaminate ecosystems, kill wildlife, and leach toxic chemicals.

In 2016, the world discarded 50 million tons of e-waste (equivalent to about 4,500 Eiffel Towers). Estimated that by 2021, that will grow to more than 60 million tons.

Voluntary, industry-led initiatives aren't going to cut it. Making new plastics from fossil resources is cheap, the costs of collecting and recycling plastics is high, and without a valuable end product



CXTL has developed a solution to completely recycle all types of plastic and e-waste into valuable products with NO WASTE and very low emissions.

Plastic is broken down into methane condensate and carbon black

E-waste is processed for the plastics, gold, silver, copper, aluminum, tin, zinc and other metals.



NEXT STEPS:

- Logistical issues during COVID lock downs created supply chain issues for capital items which prevented sourcing critical items
- We are seeing those logistical issues reduce and should be able to source required capital items in 2023
- Working on resetting the business plan for 2023





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PREVICARE

Previcare

Healthcare company focused on the research, development, sales, and marketing of industry leading hard surface disinfectant and hand sanitizing products. They serve retail consumers, wholesalers, and institutional clients, and government agencies worldwide.

MNAC currently owns 32% of Previcare.

The Previcare logo is displayed in a white rectangular box. It features the word "PREVICARE" in a dark blue, serif typeface. The letter "V" is stylized with a crossbar that extends to the left and curves downwards on the right. A small "TM" trademark symbol is located at the bottom right of the word.

Previcare

- Overview

PREVICARE™

- Since 2017, MNAC has been working with Previcare to bring bespoke chemical solutions to market that are focused on next generation hard-surface disinfectant and hand sanitizer offerings.
- Early focus was on in-licensed and internally developed intellectual property that vastly improved the performance of both.
- Recent increased focus on green products and associated green packaging.



Previcare - Disinfectants

PREVICARE™

Previcare offers the following hard-surface disinfectant products:

- GR-AD Pro Disinfectant Solutions
 - Residual Kill Technology – eliminates pathogens from hard surfaces for up to 30 days.
- Citric-acid bases Disinfectants
 - In late January 2021, President Biden signed an Executive Order focused on the environment.
 - This Executive Order mandates that the federal government procure more environmentally friendly products for their internal use.
 - Previcare has rights to distribute a Citric Acid-based Disinfectant, currently one of only a few acceptable under this Executive Order, with an industry-leading Covid kill capability

All Previcare disinfectants are approved by the Environmental Protection Agency (“EPA”)



Previcare - Sanitizer

PREVICARE™

Previcare offers the following hand sanitizer products:

AllDay Hand Sanitizers

- BZK-based Residual Kill Technology – eliminates pathogens for up to 24 hours when applied.

Sopuro Hand Sanitizers

- 70% Alcohol based hand sanitizer with aloe vera for dry skin protection available in three scents

Previcare Hand Sanitizers

- Previcare proprietary formulation hand sanitizer with hyssop

All Previcare sanitizers are approved by the Food & Drug Administration
("FDA")



Previcare - Advantage

PREVICARE™

Since its inception, Previcare has focused on using trusted ingredients, proprietary additives and unique processing to increase cleaning power and length of time the formulas remain active on surfaces and skin – providing residual kill technology to both:

- Alcohol - Previcare provides a Certificate of Analysis for each ingredient as well as for each lot it produces (no one else does!)
- Other Additives
 - Proprietary additives that stay on your skin through multiple hand washings or applications to hard surfaces, providing longer-term protection than conventional hand sanitizers and disinfectants.
 - Additives also to protect against dry hands caused by alcohol when used as the active cleaning ingredient.
- Previcare also focuses on the formulation of “green” offerings as well as “greener” associated packaging.

Why is this important?



Previcare - COVID

PREVICARE™

- COVID brought with it much opportunity, while at the same time, much confusion in the sanitizer & disinfectant markets.
 - Early stages saw daily changes to regulatory requirements leaving customers frustrated;
 - Alcohol vs BZK, minimum % alcohol, supply chain issues, etc.
 - In response to the pandemic, there were many well-intended new entrants into the market (i.e., distilleries) – unfortunately much of this product was subject to recall or did not conform to regulatory requirements leading to a glut of product sitting in customer channels.
- Previcare's customer base demanded access to a broader set of Personal Protective Equipment ("PPE") in order to better serve their stakeholders during COVID.



Previcare - PPE

PREVICARE™

- In 2020, Previcare began efforts to assist its clients in securing PPE in order to help protect their stakeholders, including but not limited to:

- Masks (all levels)
- Medical gloves
- Test kits



- Previcare, alongside the rest of society, became concerned with the amount of waste generated by disposable masks during COVID:
 - 3 million masks per minute, or 129 billion masks per month, are disposed of leaching toxic microplastics into the environment with each mask taking up to 450 years to fully decompose



Previcare

– Compostable Non-Wovens

PREVICARE™

- Previcare is negotiating a partnership to manufacture compostable face masks in North America for its customers.
- Initial production could ramp up to several hundred thousand boxes per month if customer take-up meets expectations.
- In order to meet potential customer demand, Previcare is targeting production and delivery capacity of several million masks per month within the next twelve to 18 months.
 - This expansion could require up to \$20M in investment over the next 18 months to achieve the level of anticipated boxes monthly.

All Previcare Compostable Masks are Level 3 ASTM certified, with N95 and KN95 versions in development



Previcare – Compostable Masks

PREVICARE™

	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Sales	72.0		182.0		222.2	
Cost of Goods Sold	52.1		112.1		119.6	
Gross Margin	19.9	27.6%	69.9	38.4%	102.6	46.2%
EBITDA	11.2	15.5%	52.0	28.6%	80.8	36.4%

EBITDA Multiple			
10X	\$ 111.5	\$ 519.7	\$ 808.5
15X	\$ 167.3	\$ 779.6	\$ 1,212.7
20X	\$ 223.0	\$ 1,039.5	\$ 1,616.9

(all amounts in USD and millions)

- **Basic forecast assumptions:**
- i) the successful completion of negotiations of the mask manufacturing partnership; and
- ii) annual sales approaching 3 million+ boxes of facemasks /month by year 3
- Model does **NOT** include any carbon credits earned through the production of compostable masks



Previcare

– Challenging Supply Chain

PREVICARE™

Hand Sanitizer

- Hundreds of new entrants (i.e., distillers etc.) flooded the market with, at the time, toxic products.
- Retailers still experience significantly high inventory levels with some product still being subject to recall.

Disinfectant/Masks (Compostable Offering)

- Preferred disinfectant format in the United States is wipe form.
- Interest in Previcare's compostable citric-acid based offering remains high requiring balance with respect to supply of organic fibers as the world moves away from single use plastics.
- Federal Government only accepts inputs (biopolymers) from certain jurisdictions making the supply chain balancing more complex.





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WHITE QUARTZ MINE

Mining Assets

- Inherited these assets from Black Bull Resources
 - The predecessor company to Magnetic North.
- Mining Licenses in Nova Scotia
- Prior Reserve report showed total measured and indicated resource of:
 - 12.1 million tonnes of Quartz
 - 4.8 million tonnes of Kaolin



Mining Assets

- Have been working to monetize these assets
- Prior development deal expired
- Negotiating an outright sale or other event to surface value and provide shareholders with a return
- Working to have this effective in 2023





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Third Quarter

Third Quarter

- Third quarter showed an increase in the value of Previcare investment net to MNAC of \$5.0 million
- Cost of the investment in cash terms is roughly \$1.4 million
 - (was written off for accounting purposes at year end 2021)

	Three Months Ended September 30, 2022		Nine Months Ended September 30, 2021	
		Restated (Note 22)		Restated (Note 22)
Revenues				
Advisory fees	\$ -	\$ 285,524	\$ -	\$ 405,524
	-	285,524	-	405,524
Expenses				
Exploration and evaluation expenses	\$ 1,050	\$ 4,210	\$ 9,292	\$ 15,890
Selling, general and administrative (note 17)	150,824	255,905	616,327	788,464
Share-based compensation (note 16)	52,210	100,337	216,722	332,158
Depreciation	724	428	2,172	1,284
Total expenses	204,808	360,880	844,513	1,137,796
Loss before other items	(204,808)	(75,356)	(844,513)	(732,272)
Other items				
Accretion	(190)	(179)	(570)	(537)
Finance income, net	-	-	10	128
Share-based transaction costs	-	-	(207,810)	-
Fair value adjustment of investments (note 6)	5,000,000	-	5,000,000	-
Net and comprehensive income (loss) for the period	\$ 4,795,002	\$ (75,535)	\$ 3,947,117	\$ (732,681)
Net and comprehensive income (loss) per share				
- Basic and Diluted (note 18)	\$ 0.08	\$ (0.00)	\$ 0.07	\$ (0.01)
Weighted average number of common shares				
- Basic and Diluted (note 18)	59,097,178	59,054,177	59,097,178	59,051,105



Third Quarter

	As at September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 165	\$ 38
Short-term investments (note 3)	27,400	27,400
Trade and other receivables	29,074	17,977
Advances to investees (note 4)	619,191	601,451
Prepays and other current assets	2,448	24,595
Total current assets	678,278	671,461
Non-current assets		
Investments - fair value through profit or loss (note 6)	9,259,265	4,259,265
Property, plant and equipment (note 7)	723	2,895
Mineral claims (note 8)	1	1
Exploration and evaluation assets (note 9)	1	1
Other assets (note 10)	308,668	308,668
Total assets	\$ 10,246,936	\$ 5,242,291
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	\$ 1,135,422	\$ 924,023
Promissory note payable	176,984	176,984
Subscription receipts	75,000	-
Total current liabilities	1,387,406	1,101,007
Non-current liabilities		
Asset retirement obligation (note 12)	183,146	182,576
Financial liability - Series A preferred shares (note 13)	17,404,749	17,044,718
Total liabilities	18,975,301	18,328,301
Shareholders' deficiency		
Common shares (note 14)	29,083,903	29,083,903
Warrants (note 15)	1,088,072	894,266
Contributed surplus	3,501,629	3,284,907
Accumulated deficit	(42,401,969)	(46,349,086)
Total shareholders' deficiency	(8,728,365)	(13,086,010)
Total liabilities and shareholders' deficiency	\$ 10,246,936	\$ 5,242,291

- Gain impacts the balance sheet as well



Third Quarter

- This was the next step forward with the financials.
- Shows increase in value of Previcare and impact on the financial results
- Each quarter will now reflect the value of the investment portfolio and its impact on the results of the Company



Outlook

- Subsequent to the end of the Third Quarter MNAC received cash from the monetization of some assets in CXTL.
- Further cash receipts are expected during the fourth quarter





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Q&A



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THANK YOU



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