

BUCHANS RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine-month period ended September 30, 2017

Dated November 23, 2017

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
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GENERAL

The following management discussion and analysis (“MD&A”) of financial condition and results of operations of Buchans Resources Limited (“Buchans” or the “Company”), should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the nine-month period ended September 30, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are stated in Canadian dollars, unless otherwise noted.

COMPANY OVERVIEW

Buchans Resources Limited (the “Company” or “Buchans”) was incorporated on May 8, 2015 under the laws of the Province of Ontario, Canada. The Company was a wholly-owned subsidiary of Minco plc (“Minco”) until August 30, 2017, at which time all of the shares in the Company were transferred to Minco shareholders, see Corporate Reorganization below.

Buchans has interests in exploration and evaluation properties located in Canada, Ireland and the United Kingdom, and indirectly in base metal and silver projects in Mexico. Substantially all of the Company's efforts are devoted to financing and developing these properties. The Company’s head office is located at 55 University Ave, Suite 1805, Toronto, Ontario, M5J 2H7.

CORPORATE REORGANIZATION

On June 1, 2017, Minco and the Company reached agreement with Dalradian Resources Inc on the terms of the acquisition by Dalradian of Minco’s 2% net smelter return royalty on the Curraghinalt gold deposit in Ireland (the “Royalty Disposal”), in consideration for the issue of a total of 15,490,666 new Dalradian Shares valued at \$20,000,000.

The Royalty Disposal was structured as an offer by Dalradian for the acquisition of the entire issued share capital of Minco (the “Offer”). The Offer was implemented by means of a scheme of arrangement, under Section 450 of the Companies Act 2014 of Ireland (“Scheme”).

As part of the Scheme, Minco undertook a demerger of the Company, its wholly owned subsidiary, by way of a transfer in specie of the shares of the Company to Minco Shareholders (the “Demerger”).

Following the Demerger Minco shareholders were issued 11,618,000 new Dalradian Shares which represented 75% of the total shares issued by Dalradian in connection with the Royalty Disposal. The balance of 3,872,666 new Dalradian Shares, being 25% of the total, were issued directly to the Company, which is now wholly owned by former Minco Shareholders.

On August 30, 2017, the market value of the 3,872,666 Dalradian shares issued to the Company was \$6,378,509.

Upon completion, pursuant to the terms of the agreements, the Company assumed all liabilities owed by Minco including transaction costs and expenses, which amounted to a total of \$1,334,876, and a capital contribution in the amount of \$5,043,633 was recorded in shareholders equity.

CENTRAL NEWFOUNDLAND BASE METAL PROJECTS - METALLURGICAL & ECONOMIC STUDIES

During 2016 and 2017, the Company's wholly-owned subsidiary Buchans Minerals Corporation ("Buchans Minerals), in a collaboration agreement with Canadian Zinc Corporation (TSX:CZN) successfully completed a research programme to evaluate the metallurgical characteristics of their respective volcanogenic massive sulphide ("VMS") Zn-Pb-Cu-Ag-Au base metal deposits in central Newfoundland.

The programme focused its evaluation on five VMS deposits, three held by Buchans (Lundberg, Bobbys Pond and Daniels Pond) and two held by Canadian Zinc (Lemarchant and Boomerang-Domino). The Lundberg deposit is the largest, most advanced deposit in terms of resource definition, mine planning (with the potential to have an open pit mine), metallurgical testing and economic studies completed to date. All the other mineral deposits (Bobbys Pond, Daniels Pond, Lemarchant and Boomerang-Domino) are smaller, higher grade deposits, amenable to underground mining, though they are not large enough to individually support a mine and processing operation. The principal goal of the research program was to assess the technical and economic viability of developing a number of these mineral deposits utilizing a common central processing facility.

The metallurgical portion of the program was successful in confirming that selective zinc, lead and copper concentrates at marketable grades can be produced using a common flotation flowsheet for all five deposits. Positive results from the metallurgical test program support the development of the sequential flotation technology for processing of the central Newfoundland deposits using a centralized processing facility.

The economic assessment portion of the program applied a process simulation and cost assessment model (conceptual economic modeling) to evaluate and identify the key factors impacting the operating economics of a centralized processing concept for the production of base metal concentrates.

Multiple conceptual economic scenarios at three potential sites were evaluated to simulate the proposed centralized milling concept. Variables assessed included different potential mill sites, optional use of dense media separation (DMS), new or used process equipment, mining rate, and processing feedstock compositions for each deposit. Outcomes of this economic assessment identified a number of optimum scenarios, all of which depend on the majority of the feed coming from the larger lower grade Lundberg deposit, with supplemental feed coming from the smaller higher-grade satellite deposits.

Following the positive results of the program, Buchans' is now evaluating the optimum corporate structure to facilitate the continued development of this project.

BUCHANS BASE METAL EXPLORATION

Buchans Minerals continues to focus its exploration efforts near the former Lucky Strike mine within its Buchans property in central Newfoundland to explore for high-grade resources that may positively impact open pit and underground development of the Company's Lundberg deposit.

During the first three quarters of 2017, the program of relogging of historic archived drill cores to assess potential for discovery of additional high-grade resources at Buchans continued. This program began in 2013 and to date has relogged more than 650 surface and underground drill holes totaling more 123,000 metres of archived drill core including more than 420 holes (56,200 metres) previously drilled within 1.5 kilometres of the former Lucky Strike mine, and a further 66,800 metres in 230 holes from other prospects located less than 4 kilometres from the Lundberg deposit.

Relogging in 2017 to date included 86 holes (18,359 m) from the main mineralized corridor extending between the Lucky Strike and Oriental high-grade massive sulphide deposits, as well as the Old Buchans North prospect. Old Buchans North was discovered in 1950 and explored sporadically by Asarco until the mid-1960's. Asarco's drilling was severely compromised by poor core recoveries as the zone is located between two major fault structures. Historic intercepts include 2.74 m assaying 23.7% Zn, 9.0% Pb, 2.6% Cu, 147.4 g/t Ag & 3.4 g/t Au. Drilling by Buchans Minerals in 2009 and 2010 benefited from improved core recoveries using larger diameter core drilling, and demonstrated the zone to be larger and more continuous than previously interpreted. The 2017 relogging results indicate that the Old Buchans North prospect remains open down dip to the northwest at a depth of 450 metres. Several target areas have been identified and are undergoing further investigation by relogging and will be targeted by follow-up diamond drilling in 2018.

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A helicopter airborne geophysical survey of the Buchans property using the SkyTEM helicopter TDEM system was completed in June in co-operation with Adventus Zinc Corporation which holds adjoining properties. The survey data has been forwarded to consultant geophysicist for further review and target identification.

In addition to relogging at Buchans, Buchans Minerals undertook limited relogging during the second quarter to re-assess the Company's Daniels Pond deposit. This work included relogging 20 holes totaling 3,233 metres of archived drill core. The relogging was undertaken in response to results generated by the metallurgical research study that indicates selective zinc, lead and copper concentrates at marketable grades can be produced from several deposits in the district, including the Company's Daniels Pond and Bobbys Pond deposits. These satellite deposits are located less than 20 km south of Buchans, on the opposite side of Red Indian Lake.

Relogging at these sites was in part undertaken to identify areas where further exploration may discover additional resources beneath the Daniels Pond and Bobbys Pond deposits and further enhance development of these deposit as satellite mines contributing to a central processing facility.

At Daniels Pond, depth potential is highlighted by the Massive Pyrite zone, a lobe of essentially barren pyrite with locally elevated base metals that suggest the lobe may represent a zoned, distal pyritic margin of a higher grade massive sulphide zone at depth. At Bobbys Pond, depth potential for additional massive sulphides is highlighted by two main plunge trends within the deposit that remain poorly explored below the known resource.

Subsequent to the end of the period the Company staked nine additional claims southwest along strike of the Daniels Pond deposit to cover the possible on strike extension of the Daniels Pond deposit horizon 3 km along strike from the deposit.

LAKE DOUGLAS GOLD, NEWFOUNDLAND

In October of 2016, Buchans Minerals competitively staked 2,075 hectares in central Newfoundland, known as the Lake Douglas project, 40 km southwest of the Buchans project and 20 km southwest of the Company's Daniels Pond and Bobbys Pond deposits. The Lake Douglas Property includes prospective rocks extending between recently discovered prospects controlled by Antler Gold Inc. (ANTL:TSXV) who optioned the project from Altius Minerals Corporation (ALS.TSX) after Altius announced discovery of several showings within the 21,500 ha, Wilding Lake gold project. These showings include gold occurrences in bedrock that returned channel sample assays yielding uncut gold values ranging up to 13.9 g/t gold over 4.0 m, plus additional gold prospects in bedrock extending over a 20-kilometre trend. Antler Gold continue to explore the optioned property and are currently undertaking a 2,500-metre drilling program with results expected before year end. Buchans' Lake Douglas property covers favourable stratigraphy within the core of Antler's project located between the Alder and Jigger gold discoveries.

Since acquiring the Lake Douglas property, Buchans has conducted initial reconnaissance work on its claims and completed a compilation of previous work from historic assessment files. The initial reconnaissance and compilation confirm the presence of favourable Rogerson Lake rocks on the property that remain essentially unexplored as they were not considered prospective for VMS deposits by previous holders. Buchans prospecting results include one anomalous gold value in quartz float located east of the Rogerson Lake Conglomerate assaying 913 ppb Au (0.9 g/t Au).

Buchans' property covers a 3.5 km segment of the prospective trend located northeast, along strike of Marathon Gold Corporation's (MOZ.TSX) Valentine Lake project, where Marathon announced a Measured and Indicated mineral resource estimate of 21.8 million tonnes averaging 1.84 grams of gold per tonne containing 1,292,800 ounces of gold and an Inferred mineral resource of 8.8 million tonnes averaging 1.98 grams of gold per tonne containing 562,600 ounces of gold (Marathon press release dated February 21, 2017) as a potential open pit resource development.

Marathon has reported that the Valentine Lake Gold Camp currently hosts four near-surface, mainly pit-shell constrained, deposits with measured and indicated resources totaling 1,388,200 oz. of gold at 1.91 g/t and inferred resources totaling 766,500 oz. of gold at 2.24 g/t, in each case including both open pit and underground potential. The four deposits outlined to date occur over a 20-kilometer system of gold bearing veins, with much of the 24,000-hectare property having had little detailed exploration activity to date.

Since publishing its initial resource estimate, Marathon have undertaken a 60,000-metre drilling program at Valentine Lake and expects to announce revised resource estimates by the end of the year. Drilling in 2017 is continuing to focus on expanding the Marathon Deposit at surface and to depth. Marathon has reported that the results of the 2017 infill and step-out drilling program have been very successful in increasing the confidence of the resource model and expanding the resource along strike and to depth and results from limited deep drilling demonstrate potential for addition high-grade gold mineralization at depth. In April 2017, Marathon announced results from deeper drilling that returned significant

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results, including intercepts (true widths) of 12.54 g/t Au over 4.8 m and 3.25 g/t Au over 30.4 m, including 11.08 g/t over 4.8 m.

LEAD-ZINC EXPLORATION, MOATE, COUNTY WESTMEATH, IRELAND

Through its wholly owned subsidiary, Minco Ireland Limited, the Company holds three Prospecting Licences PLs 1228, 1229 and 3981, at Moate in County Westmeath, centered on a specific geological target identified by Minco, with potential for zinc-lead mineralization of Tynagh Mine type.

Buchans' 2016-2017 drill programme at Moate consisted of 13 holes completed between September 2016 and January 2017 for a total of 1299m. The 2016-2017 drill programme at Moate has confirmed the geological model and enhanced exploration potential. The primary target horizon remains reef derived breccia systems developed along the reef margin.

A second phase of drilling (13 holes for a total of 2600m) has been recommended to explore these targets.

ZINC EXPLORATION – NAVAN, COUNTY MEATH, IRELAND – JOINT VENTURE WITH TARA BOLIDEN

Buchans, through its wholly owned subsidiary Westland Exploration Ltd, holds a 20% interest in Prospecting Licence 1440R (Tatestown), which is being explored under a Joint Venture agreement with Boliden Tara Mines Limited (80%), and which hosts part of the Tatestown–Scallanstown zinc lead mineral deposit.

The Tatestown–Scallanstown deposit, with a resource of 2.4 million tonnes averaging 7.31% zinc plus lead, is located 1.5 kilometres to the northwest of Boliden's large Tara zinc lead mine at Navan and straddles the Blackwater River, which forms the licence boundary between prospecting Licences 1440R and PL 1496 (100% Tara).

During the first quarter of 2017, Tara Boliden, Operator of the JV, completed a further four holes, with all four holes intersecting economic grade mineralisation over widths between two and nine metres. The drilling confirms the continuity of the deposit and the very widespread nature of mineralisation in this area.

The Tatestown-Scallanstown deposit is centered on the east-west Tatestown Fault and lies within a well-defined, two-kilometre wide, north-south trending, zone of mineralisation, which is a peripheral extension of the large Navan mineralised system. Traced by drilling, this extends north-south for four kilometres, terminated to the south by the Randalstown Fault, which separates it from the main body of the Navan mineralisation, and to the north by the Boolies Fault, a major reverse fault with a throw of around 400m identified by recent seismic surveying.

On PL 1440R, the northern two kilometres of the north-south trending zone remains essentially unexplored, with just four, widely spaced intercepts comparable to those peripheral to the known deposit. A second east-west fault, parallel to the Tatestown Fault, is indicated by drilling cutting this area suggesting potential for higher grades and widths similar to those adjacent to the Tatestown Fault.

At the adjacent Tara Mine, which is one of the larger zinc mines in the world, successful exploration by Boliden has recently identified new mineralisation, Tara Deep, and Boliden has decided to launch a programme to extend the life-of-mine. Boliden reported in February 2017 that the new Tara Deep deposit has inferred mineral resources totaling 10 Million tonnes with a zinc grade of 8.5% and a lead grade of 1.8%. The mineralisation resembles Tara's main ore body, but has a more complicated structure and is at a greater depth of between 1,200 and 1,900 metres.

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EXPLORATION AND EVALUATION ASSETS
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	September 30, 2017 \$	Additions \$	December 31 2016 \$	Additions \$	December 31 2015 \$
Buchans	8,652,070	493,836	8,158,234	577,547	7,580,687
Bobbys Pond	782,869	39,232	743,637	39,576	704,061
Woodstock	4,573,710	135,481	4,438,229	182,259	4,255,970
Ireland	703,459	104,325	599,134	231,105	368,029
UK	2,845,540	2,607	2,842,933	13,440	2,829,493
Total	17,557,648	775,481	16,782,167	1,043,927	15,738,240

QUALIFIED PERSON

Benjamin Batson, P. Geo. is Buchans's Non-Independent Qualified Person for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects and has approved the technical disclosures in this MD&A.

XTIERRA INC.

The Company holds approximately 30 million shares in Xtierra Inc. ("Xtierra"), a company listed on the TSX Venture Exchange under the symbol "XAG", representing an approximate 26% interest.

Xtierra holds mineral properties located in the State of Zacatecas in the Central Mineral Belt of Mexico. The Bilbao Project is a polymetallic sulphide and oxide replacement silver-lead-zinc-copper deposit located approximately 500km northwest of Mexico City in the southeastern part of the State of Zacatecas. Xtierra also holds an extraction licence for the silver-rich La Laguna Pedernalillo ("Laguna") tailings deposit located near the city of Zacatecas in Mexico.

At September 30, 2017, the Company had total Notes and accrued interest receivable from Xtierra in the amount of US\$676,061 (Cdn\$842,737). During the period ended September 30, 2017, Buchans advanced a further amount of US\$93,000 to fund Xtierra's working capital and maintain its mineral properties.

The Notes are secured, pari-passu with Pacific Road Group of Funds ("Pacific Road"), (another significant shareholder of Xtierra), by the pledge by Xtierra of the shares of its wholly owned subsidiary Orca Minerals Limited, which indirectly holds Xtierra's Mexican assets. The security includes various standard provisions, including the right of the lenders to enforce their security in an event of default, including default in payment on the notes when due, which enforcement remedies include foreclosure against the pledged shares of Orca Minerals Limited.

The Notes matured and became due and payable on April 30, 2016. Pacific Road and Buchans have not made demands for payment and are discussing possible solutions with Xtierra on a without prejudice basis. Xtierra has made certain settlement or restructuring proposals to each of Pacific Road and Buchans. Pacific Road has advised Xtierra that Pacific Road desires to see this process come to a conclusion in the near term and, in the absence of an acceptable outcome, Pacific Road reserves all its rights to demand repayment of the Notes and if necessary to initiate foreclosure actions.

RESULTS OF OPERATIONS

The Company recorded no revenue in the nine-month periods ended September 30, 2017 or September 30, 2016.

For the nine-month period ended September 30, 2017, the Company recorded a loss of \$1,975,282 compared to a loss of \$862,609 for the same period ended September 30, 2016. See Note 1 of the financial statements. The loss for the nine-month period ended September 30, 2017 included a loss in market value of marketable securities of \$1,189,136 and foreign exchange loss of \$204,019 compared to a foreign exchange loss of \$170,767 for the same period ended September 30, 2016.

For the three-month period ended September 30, 2017, the Company recorded a loss of \$1,461,645 compared to a loss of \$342,531 for the same period ended September 30, 2016. The loss for the three-month period ended September 30, 2017 included a loss in market value of marketable securities of \$1,189,136 and foreign exchange loss of \$85,438 compared to a foreign exchange loss of \$71,710 for the same period ended September 30, 2016.

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Administrative expenses, excluding foreign exchange, for the nine-month period ended September 30, 2017 amounted to \$617,160 compared to \$617,155 in the same period in 2016.

During the period ended September 30, 2017, Buchans invested \$775,481 (2016- \$755,218) on exploration of its mineral properties, of which the largest amounts were expended on the Buchans zinc lead project in central Newfoundland.

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Sept. 30 2017 \$	June 30 2017 \$	March 31 2017 \$	Dec. 31 2016 \$	Sept. 30 2016 \$	June 30 2016 \$	March 31 2016 \$
Net (loss) gain	(1,462)	(296)	(217)	(290)	(342)	41	(435)
Net (loss) gain per share - basic and diluted	(0.031)	(0.006)	(0.005)	(0.006)	(0.007)	0.000	(0.089)
Total assets	24,992	20,212	20,507	20,697	21,337	21,473	21,733
Working capital	4,705	1,703	2,413	2,796	3,277	4,036	4,422

- The loss for the quarter ended March 31, 2016 included a foreign exchange loss of \$241,530.
- The loss for the quarter ended June 30, 2016 included a foreign exchange gain of \$159,620.
- The loss for the quarter ended September 30, 2016 included a prior year income tax adjustment of \$95,000 and a foreign exchange loss of \$35,000.
- The gain for the quarter ended December 31, 2016 included a foreign exchange gain of \$144,000
- The loss for the quarter ended June 30, 2017 included a foreign exchange loss of \$83,741
- The loss for the quarter ended September 30, 2017 included a loss in market value of marketable securities of \$1,189,136 and foreign exchange loss of \$85,438

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2017, Buchans held \$1,247,657 (December 31, 2016- \$3,002,645) in cash and cash equivalents and marketable securities of \$5,189,373 and had a working capital surplus of \$4,705,000, compared to a working capital surplus of \$2,796,000 at December 31, 2016.

At September 30, 2017, Buchans held mineral properties with a book value of \$17,557,648. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the periods ended September 30, 2017, December 31, 2016 or December 31, 2015.

Amounts paid and accrued for services other than as directors of the Company, include the following expenditures which were incurred with directors and/or officers of the Company, corporations with directors and/or officers in common with the Company, and corporations controlled by directors and/or officers of the Company.

During the nine- month period ended September 30, 2017, Warren MacLeod, President of Buchans Minerals Corp. was paid \$157,500, and Danesh K. Varma, Chief Financial Officer of the Company was paid \$36,000.

Included in accounts payable and accrued liabilities at September 30, 2017 is \$160,000 due to related parties, including \$125,000 due to Terence N. McKillen, Director and \$35,000 due to Juno, a company controlled by Danesh K. Varma. Such amounts are due on demand, unsecured and non-interest bearing.

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COMMITMENTS

The Company's wholly-owned subsidiary Buchans Minerals Corporation has entered into a lease for its office premises, which expires on January 31, 2019. The yearly rental payments amount to approximately \$160,000, approximately half of which the Company expects to recover from other corporations with some common directors and officers that share part of the office premises.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are prepared in accordance with IFRS and require management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and affect estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuation of tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 5 of the September 30, 2017 unaudited condensed interim financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The realization of mineral exploration assets is dependent on the development of economic ore reserves and is subject to a number of significant potential risks including:

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Buchans may be affected by numerous factors that are beyond the control of Buchans and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Buchans not receiving an adequate return of investment capital. Many of the properties in which Buchans holds an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained and a positive feasibility study is completed.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Buchans' mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Buchans' operations will in part be directly related to the costs and success of its exploration and development programmes, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost.

In addition to the above there can be no assurance that current exploration programmes will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and Buchans' continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of Buchans to raise additional financing, if necessary, or

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alternatively upon Buchans' ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

No Assurance of Production

Buchans has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that Buchans will have available to it the necessary expertise when and if Buchans places its resource properties into production and whether it will produce revenue, operate profitably or provide a return on investment in the future.

Fluctuating Mineral Prices

Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of Buchans. The principal factors include: diminished demand which may arise if economic growth in North America, Europe and/or China are not sustained; supply interruptions due to changes in government policies in base and precious metals, war, or international trade embargos; increases in supply resulting from the alleviation of professional and skilled labour shortages experienced by the world's largest producers; and, increases in supply resulting from the discovery and the development of new sources of base and precious metals. The effect of these factors on Buchans' operations cannot be predicted.

Factors beyond Buchans' Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of Buchans. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Failure to Obtain Additional Financing

While Buchans has sufficient financial resources necessary to undertake its currently planned activities, there can be no assurance that Buchans will be successful in obtaining any additional required funding necessary to conduct additional exploration or evaluation, if warranted, on Buchans' current exploration properties or any properties that may be acquired or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause Buchans to forfeit its interest in such properties. If additional financing is raised through the issuance of equity or convertible debt securities of Buchans, the interests of shareholders in the net assets of Buchans may be diluted.

Environmental Risks and Hazards

Buchans' operations may be subject to environmental regulations in the various jurisdictions in which it operates. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Buchans intends to comply fully with all applicable environmental regulations.

Competition

The mining industry is intensely competitive in all its phases, and Buchans competes with other mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical facilities than Buchans. Competition could adversely affect Buchans' ability to acquire suitable properties or prospects in the future. Consequently, Buchans' operations and financial condition could be materially adversely affected.

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Management

The success of Buchans is currently largely dependent on the performance of its directors and officers. There is no assurance Buchans can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on Buchans and its prospects. Some of the directors and officers also serve as directors and/or officers of other companies which are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with Buchans. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate and securities laws.

Recruiting and retaining qualified personnel is critical to Buchans' success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Buchans' business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff will be required. Although Buchans believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If Buchans is not successful in attracting, training and retaining qualified personnel, the efficiency of operations could be affected.

FINANCIAL RISK MANAGEMENT

Fair value

The carrying amounts for cash and cash equivalents, marketable securities amounts receivable and accounts payable and accrued liabilities on the consolidated statements of financial position approximate fair value because of the limited term of these instruments. The marketable securities are stated at the quoted market value.

Interest rate risk

Buchans finances its operations through the issue of equity shares, and has no fixed interest rate agreements. Buchans had \$1,247,657 in cash and cash equivalents at September 30, 2017. A one percent change in interest rates will result in a corresponding change in interest income of approximately \$12,477 based on cash equivalent balances existing at September 30, 2017.

Liquidity risk

Buchans' liquidity exposure is confined to meeting obligations under short term trade creditor agreements. This exposure is financed from a combination of cash, additional issues of ordinary equity shares and other financing arrangements.

Credit risk

With respect to credit risk arising from financial assets of Buchans, which comprise of cash and cash equivalents, cash deposits give risk to credit risks on the amounts due from counter-parties. The Company controls and monitors the distribution of this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions and that exposure to credit risk is distributed across a number of institutions. At September 30, 2017 all cash, short term deposits had a maturity date of 30 days or less. Credit risk is actively managed across the portfolio of institutions by ensuring that material surplus funds are placed with counter-parties that have a credit rating of at least BBB-.

Foreign currency risk

Buchans has exposure to currency exchange fluctuations and restrictions as Buchans' currencies are spread over US Dollars (US\$), Sterling Pounds (£), Canadian Dollars (Cdn\$) and Euro (€). Buchans seeks to minimize its exposure to currency risk by closely monitoring exchange rates. Buchans does not presently utilize swaps or forward contracts to manage its currency exposures, although such facilities may be used where appropriate in the future.

Further details of Buchans' financial risk management policies are set out in Note 15 of the December 31, 2016 audited financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

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FINANCIAL INSTRUMENTS

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. In the nine-month period ended September 30, 2017, the Company earned \$35,033 in interest income.

The Company has designated its cash and cash equivalents as held-for-trading, which are measured at fair value. Fair value estimates of financial assets and liabilities are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates involve uncertainties and are subjective in nature. Other financial instruments included in current assets are classified as loans and receivables, which are measured at amortized costs. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at September 30, 2017, the carrying and fair value amounts of the Company's financial instruments were the same.

OUTSTANDING SHARE CAPITAL

The Company has authorized and unlimited number of common shares. At September 30, 2017, 47,814,051 common shares were issued and outstanding.

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website at www.BuchansResources.com.

FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, delays in the development of projects changes in exchange rates, fluctuations in commodity prices, inflation and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Date: November 23, 2017