

BUCHANS RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2017

Dated April 30, 2018

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

Date: April 30, 2018

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 audited consolidated financial statements and the notes thereto for the year ended December 31, 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’s head office is located at 55 University Ave, Suite 1805, Toronto, Ontario, M5J 2H7.

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 zinc, lead, silver properties located in Canada, Ireland and the United Kingdom, gold properties in Canada 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. At December 31, 2017 Buchans also held 2.37 million shares of Dalradian Resources Inc, which is developing the Curraghinalt gold deposit in Ireland.

Buchans holds an extensive mineral land package in the Buchans district of central Newfoundland with four undeveloped deposits including the large, lower grade, Lundberg stockwork sulphide deposit, as well three smaller, higher grade, massive sulphide VMS “satellite” deposits, each with excellent exploration potential.

The planned 2018 exploration program includes about 5,000 metres of drilling in approximately twenty holes which will be the largest drilling program undertaken at Buchans in the past five years. Further optimization and scoping studies will be undertaken in 2018 to assess the potential development of Lundberg as an open pit mine and it is expected that these studies will provide a path forward for completion of a Preliminary Feasibility Study (PEA) on Lundberg.

Buchans exploration strategy in Newfoundland is to continue to build on its existing resource base with the aim of developing either a stand-alone mine, centered on the Lundberg open pit, or a number of smaller deposits that could be developed simultaneously and processed in a central milling facility, similar to the past-producing mines at Buchans or Duck Pond.

In Ireland, Buchans is continuing exploration for zinc, both on its own licences at Moate and in joint venture with Boliden Tara Mines Limited on Prospecting Licence 1440R which lies immediately adjacent to Boliden’s large 130 million tonne Tara zinc lead mine at Navan. Buchans has also recently entered into a new joint venture agreement with Boliden Tara Mines on Licence 3373, contiguous to the west with Licence 1440R. Under terms of this agreement Buchans can earn a 75% joint venture interest through expenditure of €250,000, in staged programmes, by August 31st, 2024.

The affairs of Xtierra Inc have been restructured with Buchans now Xtierra’s largest shareholder and holding the contingent option of acquiring the Bilbao base metal property in Mexico in settlement of outstanding debt.

At December 31, 2017, Buchans held \$3,426,194 in cash and cash equivalents and marketable securities of \$3,143,782 and had a working capital surplus of \$6,318,009.

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.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

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 was then wholly owned by the former Minco Shareholders.

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 \$1,584,876, and a capital contribution in the amount of \$4,793,633 was recorded in shareholders equity.

CENTRAL NEWFOUNDLAND BASE METAL PROJECTS

Buchans Minerals controls mineral rights covering 115 km² (11,582 hectares) considered prospective for volcanogenic massive sulphide ("VMS") Zn-Pb-Cu-Ag-Au base metal deposits within the Buchans district of central Newfoundland.

Various mines operated in the Buchans area continuously from 1928 until 1984 and are reported to have produced, in total, 16 million tonnes of ore from five orebodies, with reported total average grades of 14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au.

Buchans Minerals current properties host four undeveloped deposits with National Instrument 43-101 compliant resource estimates. The Company's deposits include the large, lower grade, Lundberg stockwork sulphide deposit in the town of Buchans, as well three smaller, higher grade, massive sulphide VMS "satellite" deposits located less than 20 km south of Buchans, on the opposite side of Red Indian Lake, namely the Daniels, Bobbys and Tulks Hill deposits.

Lundberg is the largest and most advanced deposit with respect to metal inventory, resource definition, mine planning, metallurgical testing and economic studies, and was evaluated by a National Instrument 43-101 compliant positive Preliminary Economic Assessment in 2011 as a stand-alone open pit mine and processing project.

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 additional mineral resources that may positively impact open pit and underground development of the Company's Lundberg deposit.

In 2017, a program of relogging of historic archived drill cores was undertaken to assess potential for discovery of additional high-grade and near-surface lower grade resources at Buchans. The program began in 2013 and continues in 2018, with more than 711 surface and underground drill holes relogged to date, totaling approximately 132,800 metres of archived drill core. Relogged holes include 454 historic holes (~59,700 metres) drilled within 1.5 kilometres of the former Lucky Strike mine, and an additional 257 holes (~73,100 metres) from other prospects located less than 4 kilometres from the Lundberg deposit.

In 2017, the Company relogged 111 holes (~24,000 m) from the two kilometre long mineralized corridor extending between the former Lucky Strike and Oriental high-grade massive sulphide mines, including the undeveloped Old Buchans North prospect.

Several target areas comprised of underexplored favourable stratigraphy, occurring down dip of previously mined orebodies, and undeveloped prospects have now been identified in this area. These targets occur at depths of less than 350 metres and warrant testing by diamond drilling. Buchans has applied for exploration permits and government funded exploration grants to test several of the identified targets by diamond drilling in 2018. Meanwhile, the Company continues to identify additional targets through ongoing relogging and review of historic data.

In 2017, the Company also completed limited relogging at its Daniels deposit. This work included relogging of 20 drill holes totaling 3,233 metres of archived core, and was in part undertaken in response to positive results obtained from the metallurgical research study completed in 2017 that indicates selective zinc, lead and copper concentrates can be produced at marketable grades from both the Daniels and Bobbys deposits. These results, coupled with observations generated by the

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

relogging program and other data reviews, suggest excellent potential exists beneath the Daniels and Bobbys deposits for discovery of additional resources below 450 metres depth.

At the Daniels deposit, depth potential is highlighted by the Massive Pyrite zone, a lobe of massive pyrite that achieves true thicknesses that locally exceed 24 metres and exhibits locally elevated base metal concentrations, suggesting the lobe may represent a distal pyritic margin of a larger, higher grade massive sulphide zone at depth.

At the Bobbys deposit, depth potential for additional massive sulphides is highlighted by two main plunge directions that remain poorly explored below the known resource, where additional resource may yet be discovered.

Buchans has applied for exploration permits required to undertake drilling at both deposits in 2018. It is hoped successful exploration may add significant resources to either or both of these deposits.

2018 EXPLORATION DRILLING IN NEWFOUNDLAND

The planned 2018 exploration programs in central Newfoundland includes 2,200 metres of drilling at Buchans, plus 2,800 metres of drilling at Tulks North (Daniels & Bobbys deposits), for a combined total of about 5,000 metres in approximately twenty holes. This will be the largest drilling program undertaken at Buchans in the past five years.

Lundberg (~1,000 m drilling in 9 to 11 holes & resource update)

The planned Lundberg program includes drilling recommended by Mercator Geological Services, based on pit models designed in 2014, to upgrade select portions of the current resource from the Inferred to Indicated category. In total, approximately 1,000 metres of drilling is planned in approximately 10 holes.

This program will include preparation of a revised resource estimate incorporating results from the 2018 drilling as well as drilling results obtained since the last resource estimate completed in 2013, including results from holes drilled south of Lundberg in 2014 and 2015 that extended mineralization within the Lucky Strike and Engine House zones.

Other Buchans Targets (1,330 m in 7 holes)

Exploration drilling is planned to test several targets near Lundberg that may identify additional resources less than three kilometres from the deposit that could be exploited by Lundberg's mining infrastructure as additional pits and/or underground development sites. Targets include the West Orebodies area (southeast of Lundberg); Two-Level deposit area (north of Lundberg); Oriental East; and the Sandfill prospect.

At the West Orebodies, a single 350 m hole is planned to test the northern limits of this previously mined high-grade copper-rich massive sulphide deposit (<100,000 tonnes). This deposit is located 350 metres southwest of Lundberg and was originally discovered in 1939, mined in the 1940s, and has not been drilled since 1953.

At Two-Level, a single 350 m hole is proposed to test the northern, down dip potential of the former Two-Level transported ore deposit lying immediately north of Lundberg. The hole will be an initial test of the area's potential to host additional deposits of Two-Level style mineralization (historic production totaling ~300,000 tonnes of 13.1% combined base metals) at depths of less than 400 metres. Historic drilling in this area has left sufficient space to accommodate additional resources that could potentially contribute to Lundberg's development.

At Oriental East, four shallow holes (total 180 metres) are proposed to test the eastern limits of low to moderate grade mineralization beneath overburden, east of the former Oriental orebody. At this location, historic drilling undertaken at the end of the Oriental Mine's operation, intersected mineralization averaging ~5% combined base metals over thicknesses up to ~16 m. Four holes are proposed as an initial test of this mineralization; and if warranted by results, the program could be expanded to ~1,000 m in 18 holes to yield an initial resource estimate at this location.

At Sandfill, a single 450 metre hole is proposed to test the centre of the historic Sandfill transported ore prospect (historic, non-43-101 compliant resource of 68,000 tonnes averaging 1.5% Cu, 4.7% Pb, 10.0% Zn, 85.7 g/t Ag & 0.34 g/t Au). This hole, with anticipated better core recovery, should allow more complete assaying of the mineralization and better establish the mineralization's location, as historic drilling was likely prone to hole deviation (narrow diameter holes not surveyed by downhole orientation surveys). Relogging by Buchans suggests Sandfill's mineralization is more widespread than originally thought and further suggests historic assaying may have been too limited to assess the potential of this target.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

Tulks North Targets (Daniels and Bobbys deposits)

Exploration drilling is planned to test both the Daniels and Bobbys deposits at depth. Five holes are proposed as an initial test to determine if these deposits extend and improve at depth. Drilling is proposed to test areas where previous drilling results indicate the deposits may be plunging at depth, where potential remains for discovery of additional, larger accumulations of ore-grade massive sulphides.

Daniels Deposit (1,800 m in 3 holes)

Drilling will be undertaken to test this deposit at depth, in areas where previous drilling identified thickening within a sheet of essentially barren pyrite (Massive Pyrite Lobe) that remains open in several directions where the sheet may grade into additional accumulations of ore-grade massive sulphides. Three holes are proposed for a total of 1,800 metres of drilling.

Bobbys Deposit (1,050 m in 2 holes)

Drilling will be undertaken to test this deposit at depth, in areas where previous drilling results define possible plunge directions where the deposit may continue and improve at depth. Two holes are proposed for a total of 1,050 metres of drilling.

METALLURGICAL & ECONOMIC STUDIES

In early 2017, the Company's wholly-owned subsidiary, Buchans Minerals Corporation, in collaboration with Canadian Zinc Corporation (CZN:TSX), completed a research study to evaluate the metallurgical characteristics of both companies' deposits within the Buchans district of central Newfoundland. The collaborative research program, was partially funded by the Research & Development Corporation of Newfoundland and Labrador ("RDC"). The program evaluated the district's five main deposits, three held by Buchans (Lundberg, Bobbys and Daniels) and two held by Canadian Zinc (Lemarchant and Boomerang-Domino). 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 study successfully identified a technically viable flowsheet that provides flexibility for producing copper, lead and zinc concentrates from all five deposits using sequential flotation. A common flotation reagent scheme was also developed that can be applied to all of the deposits with specific reagent dosages identified for each deposit to maintain flotation selectivity to produce separate zinc, lead and copper concentrates at marketable grades. Overall, findings of the study support development of sequential flotation technology for processing of the Buchans district's deposits using a centralized processing facility.

The study also included an internal, scoping-level, economic assessment that applied process simulation and cost assessment models (conceptual economic models) to evaluate and identify key factors that might impact the operating economics of a centralized processing concept. Multiple conceptual economic scenarios at three potential sites were evaluated to simulate the proposed centralized milling concept. Variables assessed included mill site location, optional use of dense media separation (DMS), new or used process equipment, mining rates, and processing feedstock compositions for each deposit.

Results generated by the research program continue to provide high-level strategic guidance to the Company as it continues to evaluate strategies and optimum corporate structures to facilitate development of its base metal assets in the Buchans district of central Newfoundland.

LUNDBERG OPEN PIT MINE - OPTIMIZATION STUDIES

Utilizing the results of the 2017 RDC metallurgical research study, further evaluations will be undertaken in 2018 to assess the potential development of Lundberg as an open pit mine.

The Lundberg resource will be updated and remodeled after the drilling planned for 2018 (~1,000 metres) to upgrade and expand resources beneath and east of the current resource has been completed. This program will also evaluate the potential to upgrade and add near-surface resources at Lundberg, incorporating the results from the 2014-15 drilling south of the current resource.

Revised mine plans and pit schedules will be compiled incorporating revised NSR calculations using updated parameters as determined by the RDC study including: (i) revised metallurgical parameters (sequential flowsheet predicts better

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

performance); (ii) application of dense media separation (DMS), as previous mining schedules and pit shells did not consider the potential benefits of applying DMS; and (iii) revised forecasted metal prices.

Optimization studies are also planned to examine mining lower tonnages at higher grades to evaluate the potential to yield higher IRRs at lower capital costs.

It is expected that these internal optimization and scoping studies to be carried out in 2018 will provide a path forward for completion of a Preliminary Feasibility Study (PEA) on Lundberg.

LAKE DOUGLAS GOLD, NEWFOUNDLAND

Buchans Minerals owns 100% interest in 2,075 hectares staked in central Newfoundland, known as the Lake Douglas gold project. This property is located 40 km south/southeast of Buchans and 20 km southeast of the Company's Daniels and Bobbys deposits. The Lake Douglas property covers prospective rocks extending between gold prospects owned by Antler Gold Inc. (ANTL:TSXV), who optioned its 21,500 ha Wilding Lake gold project from Altius Minerals Corporation (ALS.TSX) in 2016.

Since staking the property in 2016, Buchans has conducted preliminary reconnaissance work including a compilation of previous work from historic assessment files. This work confirms the presence of unexplored favourable hosts rocks on the Lake Douglas property akin to those hosting gold mineralization on adjacent properties held by Antler Gold.

Results from limited prospecting include one anomalous gold assay from quartz float assaying 913 ppb Au (0.9 g/t Au). Antler completed a 2,600 metre, 30-hole drilling program on its property in October of 2017. Results of this program included gold intercepts in bedrock of up to 10.01 g/t Au over 5.35 m (including 49.92 g/t over 0.98 m) from the Elm Zone, and 1.51 g/t over 11.0 m from the Red Ochre Complex (Antler Gold Inc.- December 13, 2017 news release).

The Lake Douglas property is located approximately 15 kilometres northeast along strike of Marathon Gold Corporation's (MOZ.TSX) Valentine Lake project, where on November 30, 2017, Marathon announced revised resource estimates for four separate deposits, including Measured & Indicated resources containing 1.85 million ounces of gold, in a resource averaging 1.88 g/t Au, plus Inferred resources totaling 1.0 million ounces of gold in a resource averaging 1.65 g/t Au (Marathon Gold- November 30, 2017 news release). Marathon's project is currently being evaluated by a Preliminary Economic Assessment that Marathon anticipates will be complete in the second quarter of 2018.

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 Ireland, 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 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, which lies immediately adjacent to Boliden's large 130 million tonne Tara zinc-lead mine at Navan.

The Tatestown-Scallanstown deposit 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 for four or five kilometres from the cross-cutting Randalstown Fault, which separates it from the main body of the Navan mineralisation.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

During 2017, Boliden Tara, Operator of the JV, continued an infill drilling programme, completing a further four drill holes between and peripheral to existing resource blocks on PL 1440R. Potentially economic grades and widths were intersected in one of these. The drilling confirms the continuity of the resource and the widespread nature of mineralisation in this area, and the potential for extension. A continuation of the infill-step out drilling is proposed by Boliden Tara for 2018.

NEW JOINT VENTURE WITH BOLIDEN ADJACENT TO TARA MINE

Buchans, through its wholly owned subsidiary Minco Ireland Limited, has recently entered into a new joint venture agreement with Boliden Tara Mines on PL 3373, contiguous to the west with PL1440R. Under terms of this agreement, Buchans can earn a 75% joint venture interest through expenditure of €250,000 in staged programmes, by August 31, 2024. Boliden has the right of off-take to purchase or toll process all ore that may be produced from the Licence area.

Seismic surveying undertaken in 2011 and 2012 by Boliden Tara identified a major east-west fault extending across PL 3373 and the western part of PL 1440R. Five structurally defined drill targets with potential for late-epigenetic mineralization have been identified on PL 3373, located along a line which runs from eight to fifteen kilometres west of the Tara Mine, lying parallel and to the south of this major east-west fault and offset by a series of north east striking faults.

At the adjacent Tara Mine, which is one of the larger zinc mines in the world, Boliden reported in 2017 that successful exploration resulted in the discovery of new mineralisation, the Tara Deep deposit, lying approximately two kilometres east of the main orebody, with an inferred mineral resource totaling 10 million tonnes with a zinc grade of 8.5% and a lead grade of 1.8%.

NORTHERN PENNINES - UNITED KINGDOM

Minco's 2012-2015 drill programme in the Netherhead area, the most productive and zinc rich area within the Northern Pennines, established a significant stratiform component to the mineralisation within the Great Limestone which had not been previously recognized. In total fifteen kilometres of mineralised structures have been outlined by previous mining with at least five kilometres of this considered to have comparable potential for stratiform mineralisation.

In accordance with the Company's accounting policies, as no drilling had been carried out since 2015 and due to delayed renegotiation of underlying contracts and agreements, a provision in the amount of \$2,842,933 was recorded against the carrying value of mineral exploration assets in the Northern Pennines at December 31, 2017.

Buchans plans to resume exploration in the Northern Pennines where it is negotiating extensions or amendments to certain of the exploration licenses and option agreements and expects to conclude acceptable option agreements in due course.

WOODSTOCK MANGANESE PROJECT – NEW BRUNSWICK

Buchans, through its wholly owned subsidiary Canadian Manganese Corporation, holds the Woodstock Property in New Brunswick, containing the Plymouth Mn-Fe deposit, which hosts a NI 43-101 Inferred Resource and on which a preliminary economic assessment (PEA) was completed in 2014.

Given the large capital investment required to build an electrolytic manganese metal (EMM) plant at Woodstock, as estimated by the PEA, Buchans has focused its efforts on attracting a development partner, preferably an existing EMM producer in China, and in the meantime is maintaining the Woodstock property on a care-and-maintenance basis, which remains in good standing until 2024.

QUALIFIED PERSON

Benjamin Batson, P. Geo. is Buchans' 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.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

EXPLORATION AND EVALUATION ASSETS

For the year ended December 31, 2017

	31 December 2017 \$	Impairment \$	Additions \$	December 31 2016 \$	Additions \$	December 31 2015 \$
Buchans	8,765,017	-	594,665	8,170,352	577,547	7,592,805
Bobbys Pond	784,284	-	40,647	743,637	39,576	704,061
Woodstock	4,622,886	-	184,657	4,438,229	182,259	4,255,970
Ireland	792,374	-	193,240	599,134	231,105	368,029
UK	-	(2,842,933)	-	2,842,933	13,440	2,829,493
Total	14,964,561	(2,842,933)	1,013,209	16,794,285	1,043,927	15,750,359

METAL PRICES

The improvement in base metal prices, which began in 2016, continued throughout 2017 as evidenced by significant increases in the prices of zinc and lead.

This improvement was caused by many factors including strong demand in China's property, infrastructure and manufacturing sectors as well as renewed economic optimism in the US, increased consumer confidence measures in Europe and continuing bottlenecks in mine production.

China remains the largest producer and consumer for many base metals, and therefore the rate of growth of the economy in China is a barometer for future metal prices.

Zinc

The price of zinc increased 30% in 2017 and since January 2016 has more than doubled, rising from US\$1.00 per pound in January 2017 to a 10-year high of US\$1.63 per pound in February 2018, making it one of the better performing metals over the two-year period.

Large mine closures that happened in 2016, followed by price induced shutdowns in Australia and in the US further tightened the zinc concentrate market, enhanced by continuing inventory drawdowns on the world's major metal exchanges.

China, which produces almost half of the world's refined zinc metal, saw output constrained by environmental inspections, delays in start-up of new mine capacity and closures of illegal mining operations. To meet its increasing demand, China increased imports of both zinc concentrates and refined zinc metal in 2017.

The International Lead and Zinc Study Group ("ILZSG") expects global demand for refined zinc metal to rise in 2018, after remaining stable for the past three years, and will exceed supply in 2018.

The key factors that may impact the future price of zinc include the potential for an increase in mine production, particularly from China, and the potential restart of production sidelined by Glencore. Looking ahead, global mine production is forecast to increase by 5% in 2018, in response to higher zinc prices, driven by the recent opening of the Dugald River mine in Australia, New Century Resources' tailing project in Queensland and Vedanta's Gamesberg mine in South Africa.

Lead

Lead also performed well in 2017, rising from US\$0.92 per pound in January 2017 to US\$1.22 per pound in January 2018, with strong demand for lead batteries in automobiles and three-wheeled e-trikes in China.

The ILZSG forecasts that global demand for lead metal in 2018 will rise by 2.7%, primarily in response to increases in apparent demand from China and the US. World lead mine production is forecast to increase in 2018, primarily because of increased production in Australia.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

XTIERRA INC.

Buchans holds 30 million shares in Xtierra Inc. (“Xtierra”), a company listed on the TSX Venture Exchange under the symbol “XAG”, now representing an approximate 22% 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.

At December 31, 2017, the Company held secured Notes receivable from Xtierra in the amount of US\$688,094 (\$863,600) (2016 - US\$559,629; \$751,974).

On February 14, 2018, as part of a restructuring of Xtierra’s debt, the Company entered into a two-year Support and Standstill Agreement (“Support Agreement”) with Xtierra to defer repayment of principal and accrued interest of the Notes, and also to provide additional financial support of up to US\$100,000, on the following terms:

- The Notes, including the additional advances, remain secured by a pledge to Buchans alone of the shares of Orca Minerals Limited, which indirectly holds Xtierra’s mineral properties in Mexico (the “Secured Property”);
- Accrual of interest is suspended during the term of the Support Agreement;
- Buchans has the option at any time, upon 60 days written notice, to require the transfer of the Secured Property to Buchans in full satisfaction of the Notes, including accrued interest, unless during that 60-day period the debt is repaid in full, in cash;
- Xtierra has the right to repay the Notes, including accrued interest, in cash at any time;
- Upon expiry of the term of the Support Agreement, Xtierra may discharge the Notes, including accrued interest, in full by transferring the Secured Property to Buchans.

The payment by Xtierra required to repay the Notes, including accrued interest, as contemplated in the Support Agreement, and discharge the debt is approximately \$1,000,000, based on an exchange rate of CDN\$1.25 to US\$1.00.

As consideration for entering the Support Agreement, Xtierra issued 13 million non-transferable warrants to Buchans, each warrant entitling Buchans to purchase one common share of Xtierra for \$0.05 per share for a term of two years.

At the same time in February 2018 Xtierra settled its debt due to Pacific Road by the issue to Pacific Road of 18,442,721 common shares of Xtierra, and Xtierra arranged the placing of 50 million shares of Xtierra owned by Pacific Road Funds.

The settlement of the outstanding debt owed to Pacific Road, Xtierra’s former major shareholder, coupled with the distribution of most of Pacific Road’s control block of shares, was a major step for Xtierra, enhancing both the financability of the company and its ability to formulate a new strategy and pursue new opportunities, projects and royalties.

The Support Agreement with Xtierra strengthens Buchans’ position as the largest shareholder in Xtierra, now holding approximately 22% of the outstanding shares and 13 million warrants (representing approximately a further 10% of Xtierra), sole holder of Xtierra’s secured debt and with a contingent option to acquire Xtierra’s Mexican assets, including the Bilbao property, if considered appropriate to do so.

The market value of Buchans shares in Xtierra, as at April 30, 2018, based on the market price of Xtierra shares on the TSX Venture Exchange was \$1,500,000.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

RESULTS OF OPERATIONS

The Company recorded no revenue in the years ended December 31, 2017 or December 31, 2016.

For the year ended December 31, 2017, the Company recorded a loss of \$5,010,599, compared to a loss of \$1,050,744 for the year ended December 31, 2016. The loss for the year ended December 31, 2017 included an impairment of exploration expenditures in the amount of \$2,842,933, a loss on disposal of marketable securities of \$523,605 and a loss in market value of marketable securities of \$764,122. Administrative expenses, excluding foreign exchange, for the year ended December 31, 2017 amounted to \$699,096 compared to \$813,223 for the year ended December 31, 2016.

For the three-month period ended December 31, 2017, the Company recorded a loss of \$3,035,317 compared to a loss of \$315,000 for the same period ended December 31, 2016. The loss for the three-month period ended December 31, 2017 included an impairment of exploration assets in the amount of \$2,842,933.

During the year ended December 31, 2017, Buchans invested \$1,013,209 (2016- \$1,043,927) on exploration of its mineral properties, of which the largest amounts were expended on the Buchans zinc lead project in central Newfoundland.

SELECTED ANNUAL INFORMATION

The following selected annual information has been derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards.

Expressed in \$000's, Except for per share amounts	Year ended Dec. 31, 2017 \$	Year ended Dec. 31, 2016 \$	Year ended Dec. 31, 2015 \$
(Loss)/income before taxation and other items	(4,988)	(937)	297
Net (loss)/income for the period	(5,011)	(1,051)	279
Net (loss)/earnings per common share	(0.10)	(0.02)	0.01
Total assets	22,541	20,697	21,931
Cash and cash equivalents	3,426	3,003	5,356
Owner's equity	(217)	20,342	21,602

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Dec. 31 2017 \$	Sept. 30 2017 \$	June 30 2017 \$	March 31 2017 \$	Dec. 31 2016 \$	Sept. 30 2016 \$	June 30 2016 \$	March 31 2016 \$
Net (loss) gain	(3,036)	(1,462)	(296)	(217)	(315)	(342)	41	(435)
Net (loss) gain per share - basic and diluted	(0.063)	(0.031)	(0.006)	(0.005)	(0.006)	(0.007)	0.000	(0.009)
Total assets	22,541	24,992	20,212	20,507	20,697	21,337	21,473	21,733
Working capital	6,318	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 gain 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 loss 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
- The loss for the quarter ended December 31, 2017 included an impairment provision against exploration assets in the amount of \$2,842,933.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2017, Buchans held \$3,426,194 (December 31, 2016- \$3,002,645) in cash and cash equivalents and marketable securities of \$3,143,782 and had a working capital surplus of \$6,318,009, compared to a working capital surplus of \$2,795,781 at December 31, 2016.

In December 2017, the Company settled a total \$160,000 of outstanding liabilities due to related parties through the issue of 533,334 shares valued at \$0.30 per share,

In December 2017, the Company raised \$2,004,000 through the issue of 6.6 million flow-through shares at \$0.30 per share in a non-brokered, arms-length, private placement financing. The proceeds of the private placement will be used to incur eligible Canadian Exploration Expenses to explore the Company's mineral properties in Canada during 2018, including the Lundberg, Daniels Pond and Bobbys Pond properties in central Newfoundland. The Company has provided an indemnity to the flow through subscribers for any tax amounts that may become payable by such subscribers if the Company does not meet its flow through exploration expenditure commitments.

Relating to the placement, the subscribers entered into resale agreements with Delbrook Capital Advisors Inc. ("Delbrook"), which resulted in the placement shares being acquired by Delbrook on behalf of the Delbrook Resource Opportunities Fund and Delbrook Resource Opportunities Master Fund LP. Delbrook acts as investment manager to both Funds. Buchans has entered into an Investor Rights Agreement with Delbrook to provide certain liquidity and anti-dilution rights. If the Company's shares have not been listed on a recognized stock exchange by June 30, 2018, (subject to extension to September 30, 2018 in certain circumstances) the Funds shall be issued an additional 0.10 of a share for each Placement share at no additional cost and similarly at the end of each successive quarterly interim period after June 30, 2018.

At December 31, 2017, Buchans held 2.4 million shares of Dalradian Resources Inc, which is developing the Curraghinalt gold deposit in Ireland, valued at \$3.1 million.

At December 31, 2017, Buchans held mineral properties with a combined book value of \$14,964,561. 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

During 2016 and 2017 the Company made advances to its associate company, Xtierra Inc, and subsequent to year end in February 2018 entered into a Support Agreement with Xtierra. See Xtierra above.

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

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.

Warren MacLeod, President of Buchans Minerals Corp., was paid an amount of Cdn\$17,500 per month, or \$210,000 (2016 - \$210,000) and Danesh Varma, Chief Financial Officer of the Company, was paid an amount of \$36,000 (2016-\$36,000). In December 2017, on the recommendation of an Independent Committee, the Board of Directors approved the issue of 833,333 shares valued at \$0.30 per share to John Kearney, Chairman and Chief Executive, as compensation for management services in the equivalent amount of \$250,000, which shares were issued after year-end.

The Company's subsidiary Buchans Minerals Corporation has entered into a lease for its office premises, which expires on January 31, 2019, with yearly rental payments of \$160,000, approximately half of which the Company recovers from other corporations with some common directors and officers that share part of the office premises. At December 31, 2017 prepaid rent of \$90,000 had been paid by Labrador Iron Mines, a company with some common directors.

In December 2017, the Company settled a total \$160,000 of outstanding liabilities due to related parties through the issue of a total of 533,334 shares valued at \$0.30 per share, 416,667 shares were issued to Terence McKillen, a director of the Company, in settlement of a liability of \$125,000, and 116,667 shares were issued to a company controlled by Danesh Varma, a director of the Company, in settlement of a liability of \$35,000. The shares for debt settlements were approved by an independent committee of the Board.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

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.

In connection with the private placement completed in December 2017, Buchans has entered into an Investor Rights Agreement to provide certain liquidity and anti-dilution rights to the Funds which acquired the placement shares. If the Company's shares have not been listed on a recognized stock exchange by June 30, 2018, (subject to extension to September 30, 2018 in certain circumstances) the Funds shall be issued an additional 0.10 of a share for each Placement share at no additional cost and similarly at the end of each successive quarterly interim period after June 30, 2018.

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 4 of the December 31, 2017 audited consolidated 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.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

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 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

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

adversely affect Buchans' ability to acquire suitable properties or prospects in the future. Consequently, Buchans' operations and financial condition could be materially adversely affected.

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 \$3,426,194 in cash and cash equivalents at December 31, 2017. A one percent change in interest rates will result in a corresponding change in interest income of approximately \$34,262 based on cash equivalent balances existing at December 31, 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 December 31, 2017 all cash and 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 Canadian Dollars (Cdn\$), US Dollars (US\$), Sterling Pounds (£), 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 18 and 19 of the December 31, 2017 audited financial statements.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2017

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

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.

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 December 31, 2017, the carrying and fair value amounts of the Company's financial instruments were the same.

OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares.

At December 31, 2017 and April 30, 2018, 55,027,383 common shares and 55,860,716 common shares, respectively, were issued and outstanding.

At December 31, 2017 and April 30, 2018, 334,000 broker warrants, expiring December 29, 2018, entitling the holder to purchase 334,000 common shares, at an exercise price of \$0.30 per share, were 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: April 30, 2018