

BUCHANS RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the six-month period ended June 30, 2018

Dated August 28, 2018

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
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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 six-month period ended June 30, 2018, 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.

Buchans has interests in zinc, lead, silver properties located in Canada and Ireland, gold and manganese properties in Canada and, indirectly, in base metal and silver projects in Mexico. Substantially all the Company's efforts are devoted to financing and developing these properties.

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.

In June 2018 the Company started a 5,000 metre drilling program to test targets within its Buchans and Tulks North Properties in central Newfoundland using two rigs. Nineteen holes comprising approximately 3,500 metres have been drilled to date. In August, the Company expanded the program to include approximately 7,000 metres of drilling with additional holes proposed at both Lundberg and other exploration target areas in Buchans. This is the largest drilling program undertaken at Buchans in the past six years and drilling will continue into Q4 of 2018.

The program was expanded in response to favourable results returned from the first five holes of the program (released July 31, 2018). Among these results are intercepts of 28.0 m 0.34% Cu, 0.83% Pb, 1.47% Zn, 3.0 g/t Ag & 0.05 g/t Au starting at a depth of 52 m in hole H-18-3501; and 152.0 m averaging 0.27% Cu, 0.71% Pb, 1.50% Zn, 4.20 g/t Ag & 0.05 g/t Au in hole H-18-3505.

In addition, drilling on the southwest margin of the deposit also encountered remnants of high-grade massive sulphide mineralization associated with the former Lucky Strike orebody above the Lundberg deposit. Highlights for this mineralization (released July 31, 2018) intersected include 1.0 m assaying 0.59% Cu, 7.90% Pb, 13.50% Zn, 109.9 g/t Ag & 1.93 g/t Au (i.e., 21.99% combined base metals) as well as 1.8 m assaying 4.29% Cu, 11.62% Pb, 16.30% Zn, 85.4 g/t Ag & 1.39 g/t Au (i.e., 32.22% combined base metals).

Buchans has engaged AGP Mining Consultants Inc. of Toronto, to conduct an internal scoping study to evaluate and assess possible mining and processing scenarios for development of Lundberg as an open pit mine, including further application of Dense Media Separation (“DMS”) technology. It is expected that an updated resource estimate incorporating the results of the 2018 drilling program and the scoping study will provide a path forward for completion of a Preliminary Economic Assessment (PEA) on Lundberg as an open-pit, zinc, lead and copper mine.

In Ireland, Buchans entered into a new joint venture agreement with Boliden Tara Mines on Licence 3373, contiguous to the west with Licence 1440R which lies immediately adjacent to Boliden’s large 130 million tonne Tara zinc lead mine at Navan. Under terms of this agreement Buchans can earn a 75% joint venture interest through expenditure of €250,000, in staged programs, by August 31st, 2024. During 2018 Buchans completed two drill holes for a total of 636 metres to define the location of a boundary fault and assist in structural interpretation of this large strategically located property.

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DALRADIAN RESOURCES INC

At June 30, 2018, Buchans held 2.37 million shares of Dalradian Resources Inc, which is developing the Curraghinalt gold deposit in Ireland. On June 21, 2018, Dalradian announced that it had entered into an arrangement agreement with Orion Mine Finance whereby Orion will acquire all the outstanding shares of Dalradian by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) and Dalradian shareholders will receive cash consideration of C\$1.47 for each Dalradian Share. The Arrangement will require the approval of Dalradian shareholders at a special meeting scheduled to be held on August 31, 2018 and is expected to close in the third quarter of 2018.

Although the price to be paid by Orion is stated by Dalradian to represent a 62% premium to the closing price of Dalradian shares on the day immediately prior to the announcement, and is recommended by the Dalradian Board supported by independent valuations and fairness opinions, the effect of the arrangement with Orion, if approved, will be to deprive Dalradian shareholders of exposure to the Curraghinalt gold project in Ireland, as Dalradian continues its exploration and development activities, and to cash out shareholders at a price which Buchans believes is inadequate and does not properly reflect the underlying value and potential of the Curraghinalt gold deposit. The underlying value and potential of the Curraghinalt gold deposit were among the main reasons Minco proposed and recommended the scheme of arrangement whereby Minco disposed of its 2% net smelter royalty on the Curraghinalt gold deposit to Dalradian and Dalradian acquired all of the shares of Minco plc in 2017. As such, the arrangement with Orion whereby Buchans, and any Buchans shareholders still holding Dalradian shares, will be involuntarily cashed out of Dalradian and Curraghinalt is considered a disappointment by Buchans.

LISTING OF BUCHANS SHARES

When the shares of Buchans were distributed to Minco shareholders in August 2018 as part of the scheme of arrangement whereby Dalradian acquired all of the shares of Minco plc, Buchans indicated that, subject to market and trading conditions and obtaining any necessary approvals, it was intended that Buchans would either make an application for its shares to be listed on a Canadian stock exchange or complete another transaction whereby Buchans would acquire or be acquired by a company listed on a Canadian stock exchange, as soon as reasonably practicable.

Unfortunately, throughout 2018 to date market conditions in Canada for junior exploration companies have not been conducive to an initial public offering of the shares of a new listed company and, based on advice from the Company's brokers and financial advisors, it has been determined to postpone the planned listing of the Company's shares pending more favourable market conditions. Nevertheless, it is still intended to list the shares of Buchans at an appropriate time, subject to market conditions.

In the meantime, Buchans continues in good standing as a Reporting Issuer in the Provinces of British Columbia, Alberta, Nova Scotia and Newfoundland and Labrador, and in compliance with all of the requirements of the Securities Acts and Securities Regulations in Canada. All public filings of the Company may be inspected under the Company's profile on SEDAR at www.sedar.com. Shareholders who wish to transfer their shares to another party may do so by submitting appropriate transfer documentation in the usual manner to Computershare Investor Services in Vancouver or Toronto.

CENTRAL NEWFOUNDLAND BASE METAL PROJECTS

In June Buchans started a major drilling program to test targets within its Buchans and Tulks North Properties in central Newfoundland. Originally proposed as a 5,000 metre program, including 2,200 metres of drilling at Buchans (Lundberg and adjacent deposits) and 2,800 metres of drilling at Tulks North (Daniels & Bobbys deposits), the program has been expanded to include additional drilling at Lundberg as well as other targets in Buchans and is subject to further expansion as results warrant. Drilling is being undertaken using two rigs, with 19 holes either complete or in progress, and approximately 3,500 metres drilled to date.

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Lundberg (~2,000 m drilling in 15 holes & resource update)

The Lundberg drilling program includes drilling recommended by Mercator Geological Services, based on pit models designed in 2014, with holes originally designed to upgrade portions of the current resource from the Inferred to Indicated categories, as well as further delineate the limits of the Lundberg resource that remains open near surface on the deposit's northeastern margin.

Originally planned to comprise approximately 1,000 metres of drilling in 10 holes, the program has been expanded in response to favourable results returned from the first five holes of the program (released July 31, 2018). Among these results are intercepts of **28.0 m 0.34% Cu, 0.83% Pb, 1.47% Zn, 3.0 g/t Ag & 0.05 g/t Au** starting at a depth of 52 m in hole H-18-3501; and **152.0 m averaging 0.27% Cu, 0.71% Pb, 1.50% Zn, 4.20 g/t Ag & 0.05 g/t Au** in hole H-18-3505.

In addition to extending the Lundberg stock-work style mineralization, drilling on the southwest margin of the deposit also encountered remnants of high-grade massive sulphide mineralization associated with the former Lucky Strike orebody above the Lundberg deposit. Highlights for this mineralization (released July 31, 2018) intersected during the 2018 drill program include **1.0 m assaying 0.59% Cu, 7.90% Pb, 13.50% Zn, 109.9 g/t Ag & 1.93 g/t Au** (i.e., 21.99% combined base metals) as well as **1.8 m assaying 4.29% Cu, 11.62% Pb, 16.30% Zn, 85.4 g/t Ag & 1.39 g/t Au** (i.e., 32.22% combined base metals). The occurrence of remnants of high-grade Lucky Strike ore that may be exploited by a Lundberg open pit is potentially significant. The Company intends to further review historic mine documents to determine if there may be other remnants including pillars etc. remaining in situ that could enhance Lundberg's development.

The Lundberg drilling will ultimately contribute to a revised resource estimate incorporating additional results obtained by previous drill programs undertaken since the last resource estimate was completed in 2013. These results include mineralization intersected in holes drilled south of Lundberg in 2014 and 2015 that extend mineralization within the Lucky Strike and Engine House zones beyond the limits of the 2013 resource.

Other Buchans Targets (~2,000 in 9 holes)

Drilling in the immediate Buchans area continues with an initial phase of drilling having been completed at Oriental East to test for extensions of moderate grade mineralization east of the former Oriental Mine, located 2.5 kilometres east of Lundberg. Five shallow holes (total 262 metres) were drilled to test the eastern limits of low - to moderate-grade mineralization beneath overburden, where historic drilling intersected mineralization averaging ~5% combined base metals over thicknesses up to ~16 m. Assays for 2018 drill holes are pending.

In August one 434 m hole was drilled to test the undeveloped Sandfill prospect located about 3 kilometres northeast of Lundberg. Comprised of transported ore breccias common to the Buchans Camp, this Sandfill prospect is reported to host an historic, non- N.I. 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. The 2018 drill hole was undertaken to provide more complete assaying of the mineralization and better establish the mineralization's location, as it is believed historic drill holes may have experienced significant deviations and are not known to have been surveyed by downhole orientation surveys. Assays for the 2018 drill hole are pending.

Other targets near Lundberg include the West Orebodies area (southeast of Lundberg) and the Two-Level deposit area (north of Lundberg); both located less than 350 metres from the Lundberg deposit.

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. Buchans intends to use modern borehole electromagnetic geophysical surveys as a means of enhancing its explorations efforts to discover additional resources in this area.

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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 which lies 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.

Other Buchans area targets that may discover additional resources that could potentially be exploited with common mining infrastructure at Lundberg, as well as additional pits and/or underground development sites within three kilometres of the deposit, are currently being reviewed for inclusion within the expanded 2018 drill program.

Tulks North Targets (Daniels and Bobbys deposits; 2,800 m in 5 holes)

An exploration drill program designed to test the Daniels and Bobbys deposits both located within the Tulks North property, 20 kilometres south of Buchans, commenced in mid-July and continues drilling with one rig. Five holes are proposed as an initial test to determine if these massive sulphide deposits extend and improve at depth. To date, one hole (total 600 m) has been completed at Daniels and a second hole is in progress.

The program is testing areas where previous drilling results indicate the deposits may be plunging at depth, or where potential exists for discovery of additional, larger accumulations of ore-grade massive sulphides. Assays for the 2018 drilling are pending. The planned program will also include down-hole geophysical surveys to aid vectoring and detection of larger sulphide accumulations that may occur nearby. Results of the currently proposed drill holes and subsequent borehole geophysical surveys will be used to determine if and where additional drilling may be undertaken at these deposits during the 2018 drilling program.

LUNDBERG OPEN PIT MINE – RESOURCE UPDATE AND OPTIMIZATION STUDIES

Results from the Lundberg 2018 drilling will be compiled with previous drilling results obtained in 2014 and 2015 that extended mineralization beyond the limits of the currently defined resource estimate which was compiled in 2013. Buchans has engaged Mercator Geological Services of Dartmouth, Nova Scotia to prepare a new resource estimate expected to be available in the fourth quarter of 2018.

In addition, Buchans has engaged AGP Mining Consultants Inc. of Toronto, to conduct an internal scoping study to evaluate and assess possible mining and processing scenarios for development of Lundberg as an open pit mine, including further application of Dense Media Separation (“DMS”) technology.

It is expected that the updated resource estimate and scoping study will provide a path forward for completion of a Preliminary Economic Assessment (PEA) on Lundberg as an open-pit, zinc, lead and copper mine.

LAKE DOUGLAS GOLD, NEWFOUNDLAND

Buchans owns 100% interest in the 2,075-hectare Lake Douglas gold project. in central Newfoundland. This property is located 40 kilometres south-southeast of Buchans and 20 kilometres southeast of the Company's Daniels and Bobbys deposits.

In July, Buchans completed soil geochemical surveys over a portion of the property covering favourable geology and structure. Assays are pending.

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 that are 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).

TASIUYAK GOLD PROPERTY, LABRADOR

In July 2018, Buchans undertook a limited prospecting and sampling program on its Tasiuyak gold exploration property in Labrador. This 100% Buchans-owned property, located 10 kilometres south of Vale's Voisey Bay nickel-copper-cobalt mine, includes mineral rights to 11.5 km² covering a historic gold prospect discovered by previous explorers, while exploring for nickel during the Voisey's Bay exploration rush in the mid-1990s.

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The prospect, known as the VBE2 gold prospect, consists of a 90 m long bedrock exposure of sulphide-rich iron formation and has returned historic sampling results that include chip samples assaying up to 18.9 grams per tonne gold over 1 metre, as well as drilled intercepts over a 275 metre strike that include intercepts of 5.5 g/t Au over 2.1 m, 4.2 g/t Au over 3.0 m, and 4.1 g/t over 2.1 m.

Compilation of historic data indicates the host horizon may be traceable beyond the extent of previous drilling where it remains essentially unexplored.

Buchans believes the Tasiuyak property represents an excellent exploration opportunity for discovery of new gold deposits in a frontier area.

NEW JOINT VENTURE WITH BOLIDEN ADJACENT TO TARA MINE

Buchans, through its wholly owned subsidiary Minco Ireland Limited, has entered into a new joint venture agreement with Boliden Tara Mines on PL 3373, which lies immediately adjacent to Boliden's large 130 million tonne Tara zinc-lead mine at Navan, Co. Meath. Under terms of this agreement, Buchans can earn a 75% joint venture interest through expenditure of €250,000 in staged programs, by August 31st, 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 the adjacent 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.

During the period ended June 30, 2018 Buchans completed two drill holes on PL 3373 for a total of 636 metres to define the location of the boundary fault and assist in structural interpretation of this large strategically located property.

QUALIFIED PERSON

Paul Moore, 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. Historic mine production figures are derived from historic archived documents of the former operator, ASARCO, and have not been independently verified. Information on base metal properties in Ireland is derived from the Company's communication with Boliden Tara Mines Limited, Operator of the Tatestown-Scallanstown (Prospecting Licence 1440R) and Kells (Prospecting Licence 3373) joint ventures.

EXPLORATION AND EVALUATION ASSETS

For the six-month period ended June 30, 2018

	June 30 2018	Additions	December 31 2017	Impairment	Additions	December 31 2016
	\$	\$	\$	\$	\$	\$
Buchans	9,167,025	402,008	8,765,017	-	594,665	8,158,234
Bobbys Pond	788,417	4,133	784,284	-	40,647	743,637
Woodstock	4,627,893	5,007	4,622,886	-	184,657	4,438,229
Ireland	982,867	190,493	792,374	-	193,240	599,134
UK	-	-	-	(2,842,933)	-	2,842,933
Total	15,566,202	601,641	14,964,561	(2,842,933)	1,013,209	16,782,167

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RESULTS OF OPERATIONS

The Company recorded no revenue in the periods ended June 30, 2018 or June 30, 2017.

For the three-month period ended June 30, 2018, the Company recorded a gain of \$943,790, compared to a loss of \$296,423 for the same period ended June 30, 2017. The gain for the three-month period ended June 30, 2018 included a gain in market value of marketable securities of \$1,053,879.

For the six-month period ended June 30, 2018, the Company recorded a loss of \$218,857, compared to a loss of \$513,638 for the same period ended June 30, 2017. The loss for the six-month period ended June 30, 2018 included a gain in market value of marketable securities of \$187,857. Administrative expenses, excluding foreign exchange, for the six-month period ended June 30, 2018 amounted to \$487,599 compared to \$421,713 for the same period ended June 30, 2017.

During the six-month period ended June 30, 2018, Buchans invested \$601,641 (2017- \$421,408) 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	June 30 2018 \$	March 31 2018 \$	Dec. 31 2017 \$	Sept. 30 2017 \$	June 30 2017 \$	March 31 2017 \$	Dec. 31 2016 \$	Sept. 30 2016 \$
Net (loss) gain	944	(1,163)	(3,036)	(1,462)	(296)	(217)	(315)	(342)
Net (loss) gain per share - basic and diluted	0.017	(0.023)	(0.065)	(0.031)	(0.006)	(0.005)	(0.006)	(0.007)
Total assets	22,297	21,506	22,444	24,992	20,212	20,507	20,697	21,337
Working capital	5,355	4,780	6,205	4,705	1,703	2,413	2,796	3,277

- 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.
- The loss for the quarter ended March 31, 2018 included a loss in market value of marketable securities of \$866,023.
- The gain for the quarter ended June 30, 2018 included a gain in market value of marketable securities of \$1,053,879.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2018, Buchans held \$2,185,995 (December 31, 2017- \$3,426,194) in cash and cash equivalents and marketable securities of \$3,331,639 and had a working capital surplus of \$5,354,910, compared to a working capital surplus of \$6,205,009 at December 31, 2017.

At June 30, 2018, Buchans held 2.4 million shares of Dalradian Resources Inc, which is developing the Curraghinalt gold deposit in Ireland, valued at \$3.3 million. On June 21, 2018, Dalradian announced that it had entered into an arrangement agreement with Orion Mine Finance whereby Orion will acquire all the outstanding shares of

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Dalradian by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) and each Dalradian shareholder will receive cash consideration of C\$1.47 for each Dalradian Share. The transaction is expected to close in the third quarter of 2018.

At June 30, 2018, Buchans held mineral properties with a combined book value of \$15,566,202. 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 June 30, 2018 or 2017.

During the six-month period ended June 30, 2018, the Company paid or accrued \$33,697 to Steenberglaw Professional Corporation, a corporation controlled by Neil Steenberg, Secretary of the Company, for legal services. Included in accounts payable and accrued liabilities at June 30, 2018 is \$13,404 payable to Steenberglaw Professional Corporation for legal services.

The Company's subsidiary Buchans Minerals Corporation has entered into a lease of its office premises, which expires on January 31, 2019, with yearly rental payments of \$160,000. At June 30, 2018 prepaid rent of \$82,500 had been paid by Labrador Iron Mines, a company with some common directors, which shares part of the office premises.

COMMITMENTS

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. Subsequent to the end of the quarter 668,000 shares were issued pursuant to the Investor Rights Agreement.

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

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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 programs, 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 programs 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.

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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.

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.

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Interest rate risk

Buchans finances its operations through the issue of equity shares and has no fixed interest rate agreements. Buchans had \$2,185,995 in cash and cash equivalents at June 30, 2018. A one percent change in interest rates will result in a corresponding change in interest income of approximately \$21,860 based on cash equivalent balances existing at June 30, 2018.

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 June 30, 2018 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.

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 June 30, 2018, the carrying and fair value amounts of the Company's financial instruments were the same.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the six-month period ended June 30, 2018

OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares.

At June 30, 2018 and August 28, 2018, 55,860,716 common shares were issued and outstanding.

At June 30, 2018 and August 28, 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: August 28, 2018