

BUCHANS RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine-month period ended September 30, 2018

Dated November 26, 2018

(Form 51-102F1)

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GENERAL

The following management discussion and analysis (“MD&A”) of financial condition and results of operations of Buchans Resources Limited (“Buchans” or the “Company”), should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the nine-month period ended September 30, 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 interests in 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 summer 2018 the Company initiated an 8,000 m drilling program using three drills to test targets within its Buchans and Tulks North properties in central Newfoundland, and to date has drilled approximately 7,700 metres in 32 holes. This is the largest drilling program undertaken at Buchans in the past six years.

Favourable results have been returned from holes drilled to expand and upgrade the Lundberg stockwork sulphide deposit. Among these results are several wide mineralized intercepts that are expected to contribute to the Lundberg resource. In addition, several holes intersected high-grade mineralization associated with the previously mined Lucky Strike orebody lying immediately above the Lundberg resource.

Drilling results have also been reported from two of four exploration target areas at Buchans where the Company is exploring for additional higher-grade VMS resources located in the Buchans area within a radius of 3 km from the former Lucky Strike mine. Meanwhile additional results are still pending for three of the Buchans target areas, as well as results for recently completed drilling at the Company’s Daniels and Bobbys massive sulphide deposits, located on the nearby Tulks North property.

The 2018 drilling program is part of a larger 2018 exploration program that includes state-of-the-art airborne geophysical surveys over the Company’s Buchans and Tulks North properties, as well as borehole geophysical surveys within select portions of both properties, where potential exists to discover additional high-grade massive sulphide deposits.

Drilling continues in Buchans with one drill, while a second drill is facilitating borehole geophysical surveys on the Tulks North Property to further explore the Daniels and Bobbys massive sulphide deposits. Upon completion of the borehole surveys on the Tulks North property, the drill and geophysical crew will relocate to the Buchans property to conduct additional bore hole geophysical surveys over select target areas.

Buchans has engaged Mercator Geological Services of Dartmouth, Nova Scotia to prepare a new resource estimate for the Company’s Lundberg deposit. This estimate is expected to be available in Q4 of 2018 and will include results from previous drilling undertaken in 2014 and 2015 that extend mineralization beyond the limits of the previous 2013 resource estimate.

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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 Tara zinc lead mine at Navan, where the pre-mining resource would now amount to almost 130 million tonnes. 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.

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 agreed to acquire all the outstanding shares of Dalradian by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) for cash consideration of C\$1.47 for each Dalradian Share. The Arrangement was approved by Dalradian shareholders at a special meeting held on August 31, 2018 and closed in the third quarter of 2018. Pursuant to the Arrangement, Buchans' remaining 2,372,666 shares of Dalradian were acquired by Orion for proceeds of \$3,487,819 and a gain on disposal of \$344,037 was recorded.

Although the price to be paid by Orion was stated by Dalradian to represent a 62% premium to the closing price of Dalradian shares on the day immediately prior to the announcement, and was recommended by the Dalradian Board supported by independent valuations and fairness opinions, the effect of the arrangement with Orion deprived Dalradian shareholders of exposure to the Curraghinalt gold project in Ireland, as Dalradian continues its exploration and development activities, and cashed out shareholders at a price which Buchans believes 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, were 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 2017 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 as a Reporting Issuer in good standing 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 2018, Buchans started a major drilling program within its Buchans and Tulks North Properties in central Newfoundland. Originally proposed as a 5,000-metre program, the program was expanded to include approximately 8,000 metres of drilling. Results have been released for several targets areas, including resource drilling at Lundberg as well as exploration drilling at several other exploration target areas in Buchans.

Lundberg Open Pit Deposit (~2,200 m drilling in 17 holes & resource update)

The Lundberg program included drilling recommended by Mercator Geological Services, based on pit models designed in 2014. Holes were 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.

Results from the 2018 drilling include several intercepts of stockwork mineralization that may further expand and upgrade the resource. Highlights include intercepts of: **28.0 m of 2.64% combined base metals (i.e., Cu+Pb+Zn%; "CBM")** as 0.34% Cu, 0.83% Pb, 1.47% Zn, 3.0 g/t Ag & 0.05 g/t Au in hole H-18-3501; and **152.0 m averaging 2.48% CBM**, as 0.27% Cu, 0.71% Pb, 1.50% Zn, 4.20 g/t Ag & 0.05 g/t Au in hole H-18-3505 (results released July 31, 2018), as well as **34.7 m averaging 4.54% CBM** as 0.62% Cu, 1.08% Pb, 2.84% Zn, 7.31 g/t Ag and 0.127 g/t Au in hole H-18-3516b, and **35.7 m averaging 2.57% CBM** as 0.53% Cu, 0.71% Pb, 1.34% Zn, 11.54 g/t Ag and 0.065 g/t Au in hole H-18-3518 (results released October 17, 2018).

In addition, drilling at Lundberg also encountered remnants of high-grade massive sulphide mineralization above the Lundberg deposit associated with the former Lucky Strike orebody. Highlights for this mineralization include intersections of **1.0 m assaying 21.99% CBM** as 0.59% Cu, 7.90% Pb, 13.50% Zn, 109.9 g/t Ag & 1.93 g/t Au, as well as **1.8 m of 32.22% CBM** as 4.29% Cu, 11.62% Pb, 16.30% Zn, 85.4 g/t Ag & 1.39 g/t Au in hole H-18-3500 (results released July 31, 2018). More recent results also include intersections of **23.8 m averaging 9.11% CBM** as 0.35% Cu, 3.01% Pb, 5.75% Zn, 94.04 g/t Ag and 0.999 g/t Au, **including 8.0 m averaging 20.38% CBM** as 0.69% Cu, 6.81% Pb, 12.88% Zn, 159.94 g/t Ag and 1.254 g/t Au in hole H-18-3515; as well as **4.80 m averaging 15.48% CBM** as 0.50% Cu, 5.01% Pb, 9.98% Zn, 149.06 g/t Ag and 0.686 g/t Au in hole H-18-3516b (results released October 17, 2018).

Intersections of the former Lucky Strike high-grade massive sulphide orebody were not included in previous Lundberg resource estimates and may provide additional, high-grade mineralization that could be exploited in the early stages of a Lundberg open-pit mining operation. Buchans intends to work with Mercator Geological Services to appropriately include higher grade intersections returned from drilling undertaken by the Company in 2018, and earlier drilling campaigns, into a revised resource estimate for Lundberg expected to be available in Q4 of 2018.

VMS Target Areas – Buchans Mine Camp (~3,000 m drilling in 11 holes)

To date, results for several Buchans target areas have been released including drilling completed east of the former Oriental Mine, located less than 2 km east of the former Lucky Strike mine, as well as an initial drill hole at the undeveloped Sandfill prospect located 2.5 km northeast of Lucky Strike.

At Sandfill, drilling targeted breccia or transported style sulphide mineralization at depths between 300 and 400 metres near historic drilled intersections to confirm the character and location of mineralization. An initial, hole H-18-3513, returned mineralized intercepts at multiple intervals between depths of 306 and 353 m, including **7.0 m averaging 7.42% CBM** as 0.69% Cu, 1.58% Pb, 5.15% Zn, 33.5 g/t Ag and 0.21 g/t Au, including **1.0 m assaying 23.59% CBM** as 2.96% Cu, 5.13% Pb, 15.50% Zn, 96.4 g/t Ag and 0.27 g/t Au; as well as a lower section of **3.10 m averaging 6.40% CBM** as 0.22% Cu, 1.99% Pb, 4.19% Zn, 52.04 g/t Ag and 0.25 g/t Au, including **1.0 m assaying 17.46% CBM** as 0.56% Cu, 5.50% Pb 11.40 % Zn, 152.8 g/t Ag and 0.70 g/t Au (results released September 17, 2018). A second hole, H-18-3525, has since been drilled approximately 200 m west of the initial hole and assays are pending.

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Several other target areas remain to be tested to explore for additional high-grade sulphides, including areas north and south of the former Lucky Strike mine and down dip of the former Lucky Strike orebody. Approximately 70 metres north of historic workings of the former Lucky Strike mine, drilling intersected higher-grade sulphide mineralization down dip of the former mined orebody. Hole H-18-3524, drilled vertically from surface, intersected 1.8 m averaging 9.48% combined base metals ("CBM") as 0.76% Cu, 3.15% Pb, 5.57% Zn, 90.5 g/t Ag and 0.37 g/t Au, including 1.0 m assaying 14.83% CBM as 1.26% Cu, 4.87% Pb, 8.70% Zn, 133.2 g/t Ag and 0.47 g/t Au.

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

The Company completed a 5-hole, 2,800 m drilling program at the Daniels and Bobbys deposits within the Tulks North property located 20 kilometres south of Buchans in late October. The program was designed to test areas where previous drilling results indicated the deposits may be plunging at depth, where potential exists for discovery of additional, larger accumulations of ore-grade massive sulphides. The program also includes down-hole geophysical surveys to aid vectoring and detection of larger sulphide accumulations.

SkyTEM Airborne Geophysical Surveys

In October 2018 Buchans contracted SkyTEM, a leading airborne electromagnetic (AEM) survey company, to fly state-of-the-art helicopter borne transient electromagnetic (TEM) and magnetic airborne geophysical surveys over its Buchans and Tulks North properties in central Newfoundland.

The objective of the 2018 airborne geophysical survey is to further enhance understanding of several key exploration target areas, as portions of the survey area had not been surveyed with airborne geophysical surveys since the 1980's. The helicopter TEM survey was flown using SkyTEM's innovative SkyTEM312 system, a platform well-suited for both near-surface and deep-target imaging. Among its strengths, the SkyTEM platform is acknowledged as being adept for providing quality data in areas prone to near-surface noise associated with culture and powerlines.

The geophysical survey program covered 970-line kilometres and provided coverage over several of the Company's key exploration prospects and deposits, as well as historic mine sites. Results are currently under review by the Contractor and delivery of final processed results is expected in the coming weeks.

In addition, Borehole Electromagnetic Geophysical Surveys ("BHEM" surveys) are in progress at the Buchans and Tulks North properties in many of the holes drilled in 2018. These surveys are being undertaken in select areas where the Company believes potential exists to discover additional higher-grade resources at depth.

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. Buchans Lake Douglas property is located approximately 15 kilometres northeast along strike of Marathon Gold Corporation's (MOZ.TSX) Valentine Lake project, where on May 1, 2018, Marathon announced revised resource estimates from multiple deposits containing a total of 2.14 million ounces in Measured and Indicated resources averaging 1.99 g/t Au; plus 1.1 million ounces Inferred resources averaging 1.99 g/t Au. (Marathon Gold- May 1, 2018 news release). On May 17, 2018, Marathon announced results from a positive Preliminary Economic Assessment of an open pit mine development that would produce 185,000 ounces of gold per year at an average Life of Mine cash cost of US\$595 per ounce of gold over an 11-year mine life.

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. Results from limited prospecting include one anomalous gold assay from quartz float assaying 913 ppb Au (0.9 g/t Au). In July 2018, Buchans completed soil geochemical surveys over a portion of the property covering favourable geology and structure. Assays have been received and are currently under review.

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TASIUYAK GOLD PROPERTY, LABRADOR

In July 2018, Buchans undertook a limited prospecting and sampling program on its Tasiuyak gold 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.

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.

Assays have been received from the summer prospecting program and are currently under review. Meanwhile, the Company continues to believe the 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, where the total pre-mining resource amounts to almost 130 million tonnes. 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 September 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 nine-month period ended September 30, 2018

	September 30 2018	Additions	December 31 2017	Impairment	Additions	December 31 2016
	\$	\$	\$	\$	\$	\$
Buchans	11,075,604	1,526,303	9,549,301	-	594,665	8,913,989
Woodstock	4,630,143	7,257	4,622,886	-	184,657	4,438,229
Ireland	987,613	195,239	792,374	-	193,240	599,134
UK	-	-	-	(2,842,933)	-	2,842,933
Total	16,693,360	1,728,799	14,964,561	(2,842,933)	972,562	16,782,167

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RESULTS OF OPERATIONS

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

For the three-month period ended September 30, 2018, the Company recorded a loss of \$101,276, compared to a loss of \$1,461,645 for the same period ended September 30, 2017. The loss for the three-month period ended September 30, 2018 included a gain in marketable securities of \$156,180. The loss for the three-month period ended September 30, 2017 included a loss in market value of marketable securities of \$1,189,136.

For the nine-month period ended September 30, 2018, the Company recorded a loss of \$321,990, compared to a loss of \$1,975,282 for the same period ended September 30, 2017. The loss for the nine-month period ended September 30, 2018 included a gain in market value of marketable securities of \$344,037. Administrative expenses, excluding foreign exchange, for the nine-month period ended September 30, 2018 amounted to \$699,008 compared to \$617,160 for the same period ended September 30, 2017.

During the nine-month period ended September 30, 2018, Buchans invested \$1,728,799 (2017- \$775,481) on exploration of its mineral properties, of which the largest amounts were expended on the Buchans zinc lead project in central Newfoundland.

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Sept. 30 2018 \$	June 30 2018 \$	March 31 2018 \$	Dec. 31 2017 \$	Sept. 30 2017 \$	June 30 2017 \$	March 31 2017 \$	Dec. 31 2016 \$
Net (loss) gain	(101)	944	(1,163)	(3,036)	(1,462)	(296)	(217)	(315)
Net (loss) gain per share - basic and diluted	(0.002)	0.017	(0.023)	(0.065)	(0.031)	(0.006)	(0.005)	(0.006)
Total assets	22,521	22,297	21,506	22,541	24,992	20,212	20,507	20,697
Working capital	4,142	5,355	4,780	6,318	4,705	1,703	2,413	2,796

- 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.
- The loss for the quarter ended September 30, 2018 included a gain on disposal of marketable securities of \$156,180.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2018, Buchans held \$4,494,750 in cash (December 31, 2017- \$3,426,194 in cash and \$3,143,782 in cash equivalents) and had a working capital surplus of \$4,142,416, compared to a working capital surplus of \$6,318,009 at December 31, 2017.

At September 30, 2018, Buchans held mineral properties with a combined book value of \$16,693,360. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

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RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the periods ended September 30, 2018 or 2017.

During the nine-month period ended September 30, 2018, the Company paid or accrued \$36,973 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 September 30, 2018 is \$3,276 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 September 30, 2018 prepaid rent of \$39,000 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 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, 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. A total of 668,000 shares were issued to the Funds in July 2018 and an additional 668,000 shares were issued to the Funds on October 3, 2018 pursuant to this 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 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.

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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.

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.

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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.

Interest rate risk

Buchans finances its operations through the issue of equity shares and has no fixed interest rate agreements. Buchans had \$4,494,750 in cash and cash equivalents at September 30, 2018. A one percent change in interest rates will result in a corresponding change in interest income of approximately \$44,947 based on cash equivalent balances existing at September 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.

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Credit risk

With respect to credit risk arising from financial assets of Buchans, which comprise of cash and cash equivalents, cash deposits give risk to credit risks on the amounts due from counter-parties. The Company controls and monitors the distribution of this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions and that exposure to credit risk is distributed across a number of institutions. At September 30, 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 September 30, 2018, 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 September 30, 2018 56,528,717 common shares were issued and outstanding, and on November 26, 2018, 57,196,717 common shares were issued and outstanding.

At September 30, 2018 and November 26, 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.

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ADDITIONAL INFORMATION

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

FORWARD-LOOKING STATEMENTS

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

Date: November 26, 2018