

BuchansResources

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2019

Dated April 15, 2020

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2019

Date: April 15, 2020

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 accompanying notes for the year ended December 31, 2019, a copy of which is filed on the SEDAR website, 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 is incorporated 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 Newfoundland, gold properties in Newfoundland and Labrador; nickel-copper-cobalt properties in Labrador, and, indirectly through its 21% shareholding in Xtierra Inc. (TSXV: “XAG”), in base metal and silver projects in Mexico.

The Company’s core holding within the Buchans mining district of central Newfoundland includes mineral rights covering approximately 252 km² (25,200 hectares) considered prospective for VMS Zn-Pb-Cu-Ag-Au base metal deposits. This extensive land package includes several undeveloped deposits including the large, lower grade, Lundberg stockwork deposit located beneath the former Lucky Strike massive sulphide orebody at Buchans, as well as several smaller “satellite deposits”, composed of higher-grade, volcanogenic massive sulphide mineralization. The latter include the Company’s Daniels, Bobbys and Tulks Hill deposits, each with excellent exploration potential and located within the Company’s Tulks North and Tulks Hill properties, all located less than 45 km south of Lundberg.

The Company’s land position within the Buchans mining camp itself exceeds 72 km², and includes mineral rights covering essentially all previously mined orebodies, undeveloped deposits and prospects, as well as most of the favourable stratigraphy, where Asarco mined more than 16.2 million tonnes from five separate deposits, with a combined average grade of 14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au, before mine closure in 1984.

Buchans’ exploration strategy in Newfoundland is to continue to build on its existing resource base with the aim of developing either a stand-alone open pit mine centred on the larger, lower grade Lundberg stockwork deposit, or a number of smaller higher grade VMS deposits that could be developed simultaneously and processed in a central milling facility, similar to past-producing mines at Buchans or Duck Pond. Buchans is optimistic that its Newfoundland mineral properties hold potential for discovery of new VMS deposits comparable to historically mined orebodies in the Buchans camp.

The Company’s operations could be significantly adversely affected by the effects of the global spread of the contagious coronavirus disease, causing the recent outbreak of COVID-19 respiratory illness which was declared a pandemic by the World Health Organization on March 11, 2020. The Company cannot accurately predict the impact the COVID-19 pandemic will have on its operations, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the impact on schedules and timelines for planned operations or exploration programs and the length of travel and quarantine restrictions imposed by governmental authorities.

The Company’s planned 2020 exploration programs include drill testing high priority targets, upgrading existing targets and continuing to develop new targets through field work and data interpretation. The schedule and timelines for these programs will depend on the stabilization of the COVID-19 pandemic and associated developments. With the evolving COVID-19 pandemic the Company is following the instructions and advice of Provincial and Federal health professionals and government officials, as well as industry-wide best practice guidelines, to help limit the spread of COVID-19, and has instituted a number of preventative measures including the closure of all corporate offices, implementing remote work for all personnel able to do so, and eliminating all business travel and in-person meetings.

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In addition, this widespread health crisis has adversely affected the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

PLAN OF ARRANGEMENT – Group restructuring

On December 31, 2019, the Company filed Articles of Arrangement to implement a group reorganization whereby the shares of two wholly-owned subsidiaries were distributed to shareholders pursuant to a Plan of Arrangement, which was approved by shareholders on December 10, 2019, and sanctioned by the Ontario Superior Court of Justice on December 19, 2019.

Under the Plan of Arrangement, shareholders retain their existing shares of Buchans, and the Company distributed to its shareholders, pro rata, all of the shares of Canadian Manganese Company Inc. ("Canadian Manganese") on the basis of one share of Canadian Manganese for each share of Buchans held; and exchangeable warrants entitling shareholders to receive either one share of Minco Exploration Limited ("Minco Exploration") or 0.25 additional shares of the Company, at their option, for each share of Buchans held. Any exchangeable warrants which remain unexercised on the expiry date will be automatically exchanged for shares of Minco Exploration.

Prior to December 31, 2019 Buchans, directly or through wholly owned subsidiaries, was engaged in exploring for and developing zinc and other metals deposits in several locations in Canada and Ireland. Geographically and geologically, these projects comprise three areas of activity, namely:

- The base metals deposits and projects in central Newfoundland, (the "Buchans Projects") and in Labrador, Province of Newfoundland and Labrador.
- A manganese deposit (the "Woodstock Manganese Project") located west of the town of Woodstock, New Brunswick, Canada, operated by Buchans' then wholly-owned subsidiary, Canadian Manganese; and
- Zinc-lead exploration licences in the Republic of Ireland operated by Buchans' then wholly-owned subsidiary, Minco Exploration, and its wholly-owned subsidiaries, either alone or in joint ventures (the "Ireland Project").

As a mineral exploration and development company without any producing mines, Buchans must look to and is dependent upon the equity capital markets to secure financing of its ongoing operations. The Board of Buchans determined that future financing opportunities will be enhanced if the unique aspects and geographical diversity of the Newfoundland projects, the Woodstock manganese project in New Brunswick and the zinc-lead exploration properties in Ireland are held in three public companies, with focussed management teams, which can offer direct investment opportunities to shareholders and potential equity investors.

As a consequence of the Arrangement becoming effective on December 31, 2019, the mineral exploration business and projects previously owned and operated by Buchans is now held by three separate public companies. Buchans itself retains the base and precious metals projects in the Province of Newfoundland and Labrador and its investment in base metal and silver projects in Mexico through its 21% shareholding in Xtierra Inc; Canadian Manganese holds the Woodstock Manganese Project in the Province of New Brunswick; and Minco Exploration holds the exploration projects in Ireland.

Each of the Companies plans to take steps to apply for separate stock exchange listings, subject to market and trading conditions and obtaining any necessary approvals, Buchans on the TSXV; Canadian Manganese on the CSE; and Minco Exploration on the Euronext Dublin Stock Exchange.

CENTRAL NEWFOUNDLAND VMS Target Areas – Buchans Mining District

Newfoundland – Base Metals

Lundberg Deposit – 2019 Resource Estimate

On March 1, 2019 Buchans announced a new updated pit-constrained Mineral Resource Estimate for its lower-grade bulk tonnage, Lundberg base metal deposit, located at the former Lucky Strike mine site, and a NI 43-101 Technical Report was filed on April 15, 2019. The 2019 Mineral Resource Estimate contains more than 1.25 billion pounds Zinc Equivalent, with 97.8% of the Mineral Resources in the Indicated category.

The Mineral Resource Estimate, effective February 28, 2019, includes **In-pit Indicated Mineral Resources of 16,790,000 tonnes grading 1.53% Zn, 0.64% Pb, 0.42% Cu, 5.69 g/t Ag and 0.07 g/t Au (3.38% Zn Eq)** and **In-pit Inferred Mineral Resources of 380,000 tonnes grading 2.03% Zn, 1.01% Pb, 0.36% Cu, 22.35 g/t Ag and 0.31 g/t Au (4.46% Zn Eq)**. The Resource Estimate is estimated within an optimized pit shell at a cut-off grade of US\$20/t NSR and is considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods.

The 2019 Mineral Resource Estimate was prepared by Mercator Geological Services Limited. The pit shell was developed and optimized by MineTech International Limited. Projected metal recoveries are based on the previous Central Milling Facility Assessment by Thibault & Associates Ltd and the net smelter return (“NSR”) calculator as prepared by Stantec Consulting Ltd.

The 2019 Mineral Resource Estimate updated the Lundberg deposit to a more robust, pit-constrained resource, that is exemplified by its large inventory of Indicated category resources and represents a significant improvement over previous resource estimates.

Based on work carried out for the 2019 Mineral Resource estimation, Mercator is of the opinion that the Lundberg deposit has been sufficiently delineated by drilling to support Pre-feasibility (PFS) or Feasibility level studies, and that additional infill resource delineation drilling is not required for this purpose.

Mercator’s primary recommendation arising from the current Mineral Resource Estimate program is that an updated assessment of the Lundberg deposit’s economic potential be completed as the next phase of project evaluation. This could take the form of a new Preliminary Economic Assessment or an internal economic study leading to a decision to proceed directly to a PFS assessment of Lundberg Deposit economics.

Additional metallurgical testing would be required to support a future Preliminary Economic Assessment or Pre-Feasibility Study Assessment. Pre-concentration using dense media separation or ore sorting will improve mill feed grades, reduce the size of the milling facility or reduce mill feed transportation requirements should an off-site milling facility be considered. Future economic studies are therefore recommended to determine any potential savings with pre-concentration versus metal loss from the upgrading process.

Lundberg Deposit – 2019 Deposit Optimization Study

Based on recommendations of the 2019 Mineral Resource Estimate, the Company engaged Stantec Consulting Limited of Fredericton, New Brunswick to undertake a deposit optimization study of the Lundberg deposit evaluating potential options for Lundberg’s development as a stand-alone open-pit resource. The study incorporated updated parameters determined by the Company’s continued technical assessments of the deposit since completion of a Preliminary Economic Assessment of the project in August of 2011. These parameters include revised metallurgical assumptions including assumptions determined by bench-scale metallurgical test work completed in 2017. In addition, Stantec also evaluated various development, mining and processing options and scenarios, as well as reviewed tailings disposal options and shipping port alternatives.

The purpose of the Stantec study was to prepare a high-level options assessment for use internally by Buchans to assist with planning for future work on the Lundberg project.

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The Stantec study evaluated several variables, including:

- Potential pit shell sizes and production rates.
- Potential to stockpile low-grade material.
- Option to develop a new concentrator at the Lundberg site versus re-use of an existing third-party mill located in the central Newfoundland area.
- The optional use of dense media separation (DMS) technology to pre-concentrate the resource material ahead of milling.
- Tailings disposal options based on expansion of the existing tailings infrastructure at site.
- Concentrate transport and port shipping alternatives.

Among the recommendations of the study are that additional metallurgical testing is recommended to support a Preliminary Economic Assessment; that further work be undertaken to further assess potential application of a stockpiling strategy; and that tailings management options be further evaluated.

The results and conclusions of the Stantec study will now be utilised to focus the Company's approach towards completion of an updated assessment of the Lundberg deposit's economic potential in the form of a new Preliminary Economic Assessment as the next phase of the project evaluation.

The Lundberg deposit is favourably situated on a brownfields site with excellent infrastructure, including access by provincially maintained paved roads, power, water and other infrastructure. The Lundberg project is located in the Province of Newfoundland and Labrador, one of the top mining jurisdictions in Canada, and the Company has established a positive and cooperative relationship with the immediately adjacent, former mining town of Buchans.

Buchans Exploration

Buchans is confident that its Newfoundland mineral properties hold potential for discovery of new VMS deposits comparable to historically mined orebodies in the Buchans camp.

It is also recognized that further enhancements for mineral development of Lundberg could be achieved through exploration to add additional mineral resources immediately adjacent to the Lundberg deposit that, if successful, may identify new, higher-grade, underground resources that might share common processing and mine infrastructure with an open pit mine development at Lundberg. Accordingly, Buchans anticipates focusing ongoing exploration efforts in the Buchans camp on discovery of new Buchans-style high-grade deposits similar to those previously mined at Buchans by ASARCO.

As part of these exploration efforts, during 2019 Buchans expanded its land position through the purchase of mineral claims covering the former MacLean mine, a significant past producer of Zn-Pb-Cu-Ag-Au, and competitive staking of the Wiley claims.

The MacLean mine claims comprise 6 mineral claims covering 1.5 km², two kilometres northwest of the town of Buchans. The claims include the past producing MacLean mine where ASARCO mined approximately **3.6 million tonnes of ore grading 1.1% Cu, 7.5% Pb, 13.5% Zn, 118 g/t Ag & 0.9 g/t Au** from 1959 until mine closure in 1984. More significantly, the claims cover the inferred strike extension of favourable geology extending westward from exploration drilling completed by Buchans Resources on its adjoining claims in 2018. This drilling includes hole H-18-3524 that intersected **1.0 m assaying 14.83% CBM as 8.70% Zn, 4.87% Pb, 1.26% Cu, 133.2 g/t Ag and 0.47 g/t Au** (see Buchans News Release dated November 20, 2018).

The 10.5 km² Wiley claims cover underexplored favourable Buchans stratigraphy located approximately 4 kilometres southwest of historical mining sites. The claims are also reported to host several angular, base metal-rich boulders that remain unsourced, although they have been interpreted to potentially have a local source. Assays collected by previous operators who discovered the boulders in 2013 include individual samples that returned assays of up to **10.6% Zn, 1.84% Cu, 2.27% Pb, 26.4 g/t Ag**. Buchans has not yet verified the locations or assays for these boulders that were reported in work reports filed with the Newfoundland and Labrador Government by previous operators.

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With the addition of these two properties, Buchans' land position now exceeds 72 km², and includes mineral rights covering essentially all previously mined orebodies, undeveloped deposits and prospects, as well as most of the favourable stratigraphy within the Buchans mining camp.

It is anticipated that Buchans will proceed with assessment activities in 2020 to develop and identify additional targets for exploration for new high-grade orebodies at Buchans, as well as continue to evaluate development options for its Lundberg deposit as a stand-alone open pit mine and processing complex.

Buchans - Relogging and Target Generation

Throughout 2019, the Company continued its relogging program, reviewing archived drill cores from its Buchans project as a means of identifying and evaluating additional exploration target areas for the discovery of new high-grade Buchans orebodies. To date the Company has relogged more than 134,000 metres of archived drill core from more than 680 drill holes since initiating its relogging program in 2014, including relogging of more than 10,800 m of archived core in 29 holes in 2019.

This work has identified multiple target areas warranting further exploration, including the Middle Branch prospect. Located on the northeast corner of the Company's Buchans property, the Middle Branch prospect was discovered by drilling in 1960 by ASARCO that intersected **1.8 m (core length) assaying 0.4% Cu, 3.1% Pb, 4.8% Zn, 48 g/t Ag & 0.7 g/t Au** at approximately 550 m depth. Though deep, this area is considered highly prospective and underexplored. In October 2019, the Company staked an additional 20 claims north of the Middle Branch prospect to cover potential extensions of this mineralized trend, where there is believed to be excellent potential for discovery of new larger deposits of high-grade Buchans-style mineralization.

Also, in 2019, Buchans undertook work to incorporate its extensive relogging data into an expanded digital database that the Company intends to use to create a new, digital, 3-dimensional geological model extending out from previously mined orebodies to key undeveloped prospects and exploration targets. The database is currently being developed in cooperation with Mercator Geological Services of Dartmouth, Nova Scotia, who previously constructed a deposit-scale model for the Lundberg deposit. Buchans believes creation of a digital 3-dimensional geologic model will greatly enhance the Company's ability to successfully target and explore for new, buried, high-grade deposits and the model's construction is a priority for 2020.

Other Central Newfoundland VMS Projects in Tulks Belt

Elsewhere in central Newfoundland, the Company undertook follow-up field work in 2019 to investigate results generated by the Company's 2018 exploration programs within its Tulks North property. In 2018, the Company completed diamond drilling and borehole geophysical surveys at its Daniels and Bobbys massive sulphide deposits to test for extensions to mineralization below these deposits. This drilling returned encouraging results, including several mineralized intercepts that include Hole BP-18-041B, that intersected **0.85 m averaging 17.02% combined base metals ("CBM") as 0.50% Cu, 0.02% Pb, 16.50% Zn, 28.4 g/t Ag and 0.306 g/t Au** at its Bobbys massive sulphide deposit (See Buchans News Release dated December 20, 2018 for details). The 2018 programs also included property-wide airborne geophysical surveys designed to identify and further evaluate existing prospects and additional targets identified as conductive anomalies located throughout the property.

Exploration within the Tulks North property in 2019 included review and interpretation of geophysical data acquired in 2018, including conductive anomalies identified by the property-wide SkyTEM airborne geophysical surveys, as well as Crone borehole geophysical surveys undertaken at the Company's Daniels and Bobbys deposits. Reviews of these surveys undertaken by geophysical consultants in 2019 recommended follow-up work in several target areas, including additional deep drilling at both the Daniels and Bobbys deposits, where several conductors appear to remain untested by previous drilling. In addition, reviews of the 2018 SkyTEM data further characterized conductive responses associated with the Daniels and Bobbys deposits and identified additional conductive targets requiring further investigation.

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Based on these recommendations, the Company undertook limited geochemical surveys and prospecting in 2019 in select areas to further assess conductive anomalies identified by the 2018 geophysical surveys. Results of this work include anomalous geochemical results returned from several conductive anomalies. The Company is currently considering plans to undertake further investigation of these anomalies in 2020.

Acquisition of Tulks Hill Deposit

In 2019, Buchans increased its interests in the Tulks Hill property, located approximately 25 km southwest of its Daniels deposit, to 100%. This property consists of mineral claims covering 3.6 km², including the Tulks Hill VMS deposit. Until 2019, this deposit was held within a smaller mining lease under a joint venture between Prominex Resources (Operator; 51%) and Buchans (49%). The mining lease was allowed to lapse in 2019, and upon its cancellation, the mineral rights accrued to Buchans' surrounding mineral claims. As a result, Buchans now owns a 100% interest in the Tulks Hill deposit, subject to underlying net smelter royalties ranging between 0.75% and 2%.

The Tulks Hill deposit (T-3 lens) is estimated to host Indicated resources totalling **431,000 tonnes averaging 0.89% Cu, 3.97% Zn, 1.61% Pb, 35.09 g/t Ag and 1.17 g/t Au** [Technical Report on the Tulks Hill Cu-Zn Project, Newfoundland & Labrador, Canada, by Hrayr Agnerian, M.Sc.(Applied), P.Ge., Scott Wilson Roscoe Postle Associates Inc. July 22, 2008].

The Company is currently considering undertaking additional work on this property in 2020 that may include compilation of available historic including data more recently acquired by the former Prominex-Buchans Resources JV. The purpose of this compilation would be to determine an exploration strategy to advance this project.

Exploring for gold in Newfoundland and Labrador and nickel-copper-cobalt in Labrador

Buchans controls several projects outside of its central Newfoundland VMS properties as additional exploration opportunities with potential to generate significant shareholder value. These typically earlier stage opportunities have been generated and acquired by the Company and are held 100% without underlying interests or royalties. These properties include nickel-copper-cobalt projects in the Voisey's Bay area of Labrador as well as gold projects in Newfoundland and Labrador. Several of these properties were worked in 2019 and continue to be maintained as highly prospective exploration projects.

Labrador Nickel-Copper-Cobalt Properties

Since 2016, Buchans has staked several properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 38 claims (9.5 km²) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey's Bay, and 5 claims (1.25 km²) covering mineralized troctolite at Voisey's Bay itself.

South Voisey's Bay:

The South Voisey's Bay property is located 80 km south of Vale's Voisey's Bay mine and covers mineralized troctolitic gabbros comparable in age and composition to rocks hosting the Voisey's Bay mine.

Previous explorers identified several showings and prospects within Buchans' property, including drilled intercepts of **1.1 m of 11.9% Ni, 9.6% Cu, and 0.43% Co, 0.65 m of 1.93% Ni, 1.07% Cu and 0.26% Co, and 15.7 m averaging 1.13% Ni, 0.78% Cu, 0.20% Co** drilled in the late 1990s.

Since acquiring this 9 km² property, Buchans has completed a review of past work on the property, largely focused on assessing previous geophysical surveys within Buchans' claims and the surrounding area. This review was led by a leading consultant geophysicist in 2019. Results of the compilation indicate previous geophysical surveys detected geophysical anomalies warranting further follow-up as potential targets for buried Voisey's Bay style magmatic sulphide deposits. The Company is encouraged by these findings and may either undertake additional work on this property in 2020 or seek a joint venture partner.

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Buchans' South Voisey's Bay property is surrounded by a much larger, 292 km² property held by Fjordland Exploration Inc. under a joint venture with Commander Resources Ltd. The Fjordland-Commander property is currently subject to a strategic partnership agreement with an affiliate of privately-owned High Power Exploration Inc. ("HPX"). Through this strategic partnership, HPX is a 29.5% shareholder in Fjordland and retains rights to earn up to 65% interest in the project by providing up to \$7.4 million in expenditures and \$290,000 in property payments. To date, the joint venture/partnership has completed two drilling campaigns on the property.

Voisey's Bay (Luk):

In December 2018, Buchans acquired by staking five claims (1.25 km²) located approximately 8 km southwest of Vale's Voisey's Bay nickel-copper-cobalt mine in northern Labrador.

Known as the Luk Property, this property is reported to cover prospective troctolitic rocks of the same intrusive body that hosts the Voisey's Bay mine.

Historic information on the property indicate surface gossan samples collected within or immediately adjacent to Buchans' property returned **grab sample assays of up to 1.86% Ni, 0.95% Cu, 0.165% Co**, as well as drilled intercepts of up to **7.4 m averaging 0.45% Ni, 0.18% Cu, 0.03% Co** (historic assays not confirmed by Buchans).

Buchans' property is surrounded by mineral claims that comprise Vale's Voisey's Bay mine property, where Vale recently announced a \$US2 billion mine expansion to develop two additional deposits as underground mines adjacent to the currently operating Voisey's Bay Ovoid open pit mine.

Buchans plans to review available historic data on the Luk property prior to determining a strategy to advance this prospective nickel-copper-cobalt property.

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 km south-southeast of Buchans and 20 km southeast of the Company's Daniels and Bobbys deposits.

Buchans' Lake Douglas property is located 15 km northeast along strike of Marathon Gold Corporation's Valentine Lake project that covers a 20-kilometre long system of gold bearing veins including four near-surface deposits with total project Measured and Indicated Mineral Resources, of 3.09 Moz (54.9 Mt at 1.75 g/t Au). and additional Inferred Mineral Resources of 0.96 Moz (16.77 Mt at 1.78 g/t Au). as reported by Marathon Gold. On April 6, 2020, Marathon Gold released the results of a pre-feasibility study on its Valentine gold project, which envisions a 12-year open pit mine, producing an average of 175,000 oz. of gold annually in the first nine years of operation, with total Proven and Probable Mineral Reserves estimated at 1.87 Moz (41.05 Mt at 1.41 g/t Au) utilizing a cut-off of 0.33 g/t Au.

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 favorable hosts rocks on the Lake Douglas property that are akin to the rocks 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 favorable geology and structure. Results include detection of a 200 m long anomaly with values up to 137 ppb Au and a second anomaly defined as a single line, 3-station anomaly with values up to 317 ppb Au.

Given these positive results, the Company is considering additional work for this project in 2020.

Tasiuyak Gold Property, Labrador

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

Bedrock sampling undertaken by Buchans at the VBE-2 gold prospect in 2018 returned positive results from the main outcrop exposure and along strike in both strike directions. Sawn bedrock channel samples collected from the main exposure returned assays averaging **8.51 g/t Au & 0.93 g/t Ag over 4.8 m, including 31.91 g/t Au over 0.85 m, and 15.83 g/t Au over 0.65 m**. These results exceed historic surface sample assays derived from chip sampling of the showing in the 1990's.

In addition, the prospect's host paragneiss horizon has now been traced over a 3-kilometre strike where limited prospecting returned anomalous assays, including sawn channel sample assays of up to 0.69 g/t Au over 0.50 m, 2 km south along strike of the VBE-2 prospect.

Buchans believes this mineralization may be analogous to mineralisation at the former Homestake mine in South Dakota and believes the property represents an excellent exploration opportunity for discovery of new gold deposits in a frontier area.

EXPLORATION AND EVALUATION ASSETS

For the year ended December 31, 2019

	December 31 2019	Spin-out	Additions	December 31 2018	Additions	December 31 2017
	\$	\$	\$	\$	\$	\$
Buchans	12,797,123	-	654,818	12,142,305	2,593,004	9,549,301
Woodstock	-	(4,653,700)	16,367	4,637,333	14,447	4,622,886
Ireland	-	(1,464,073)	352,116	1,111,957	319,583	792,374
Total	12,797,123	(6,117,773)	1,023,301	17,891,595	2,927,034	14,964,561

CANADIAN MANGANESE COMPANY INC – Woodstock Battery Metal Project

On December 31, 2019 Buchans distributed to its shareholders all of its shares of Canadian Manganese Company Inc. on the basis of one share of Canadian Manganese for each share of Buchans held.

Canadian Manganese holds the Woodstock manganese property in New Brunswick containing the Plymouth manganese-iron (Mn-Fe) deposit that hosts a NI 43-101 Inferred Resource and on which a positive preliminary economic assessment ("PEA") technical report was completed in 2014. Canadian Manganese's objective is to advance the development of its Woodstock project to become a supplier of High Purity Manganese products for the lithium ion battery industry.

The Plymouth Mn-Fe deposit is located 5 km west of the town of Woodstock, in west-central New Brunswick, near the junction of the Trans Canada and US Interstate I-95 highways, and approximately 9 km from the border with the state of Maine, USA.

The 2014 PEA was completed by Tetra Tech and Thibault & Associates Inc. in compliance with National Instrument 43-101 and using an updated mineral resources estimate prepared by Mercator Geological Services comprised of 44.8 million tonnes grading 9.98% Mn at 3.5% Mn cut off, (9.72 billion pounds contained manganese) in the Inferred category [*Preliminary Economic Assessment on the Woodstock Manganese Property, New Brunswick, Canada, by Dharshan Kesavanathan, P.Eng., Laszlo Bodi, P.Eng., Michael Cullen, M.Sc., P.Geo., Mike McLaughlin, P.Eng., Stephanie M. Goodine, P.Eng., and Wenchang Ni, P.Eng., Tetra Tech and Thibault & Associates Inc., July 10, 2014*]. The PEA Technical Report is filed on SEDAR at www.sedar.com, under the Buchans profile, on July 22, 2014.

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Manganese at the Woodstock Plymouth Deposit predominately occurs as a manganese carbonate. Manganese carbonates are preferred, relative to high-grade manganese oxide feed materials, for production of high-purity manganese metals. Canadian Manganese's Woodstock deposit is believed to be the largest manganese carbonate (rhodochrosite) resource in North America and one of the largest outside China.

Battery Grade Manganese

Metallurgical development programs for Woodstock have focused on the production of high-grade electrolytic manganese metal and the intermediate production of purified manganese sulphate solution as an interim step, enabling the add-on production of manganese chemicals, manganese catalyst, battery grade manganese dioxide and high-purity manganese metal for electronics. The metallurgical process defined for processing of the Plymouth mineralization is based on technology to achieve an ultra-pure solution of manganese sulfate. Electrowinning tests consistently produced electrolytic manganese metal with a metallic manganese content of greater than 99.99% and a total manganese content ranging from 99.70% to 99.76% Mn.

Advancements in electric vehicle manufacturing are transforming the entire global automobile industry driving increased battery demand. Manganese is a key component in the formulations of the cathode material used in high-performance lithium-ion batteries, and in utility bulk energy storage facilities, which are expected to create strong demand for high-purity manganese products. The Li ion battery market is growing exponentially with projected increased production of electric vehicles. NMC (nickel/manganese/cobalt) batteries are becoming the rechargeable battery of choice for next-generation automotive and industrial uses.

Canadian Manganese plans to continue further evaluation and development work on its Woodstock manganese project and seek opportunities in the Li-ion battery industry to unlock Woodstock's potential.

MINCO EXPLORATION LIMITED - Zinc exploration in Ireland

in June 2019, in a group reorganization, Buchans transferred its shares and receivables in subsidiaries which held its Irish and UK interests to Minco Exploration, in consideration for the issue of 59,868,716 ordinary shares at a deemed fair value of €2,625,000.

On December 31, 2019, under the Plan of Arrangement, Buchans distributed to its shareholders exchangeable warrants entitling shareholders to receive either one share of Minco Exploration Limited or 0.25 additional shares of Buchans, at their option, for each share of Buchans held. Any exchangeable warrants which remain unexercised on the expiry date will be automatically exchanged for shares of Minco Exploration.

During the first quarter of 2020, Minco Exploration completed a private placement of new shares to raise €500,000 (\$766,560) to fund its working capital and planned exploration programs and is taking steps to apply for a stock exchange listing, subject to market and trading conditions and obtaining any necessary approvals, on the Euronext Dublin Stock Exchange.

Minco Exploration holds zinc-lead exploration licences in the Republic of Ireland operated by its wholly owned subsidiaries, either alone or in joint venture with Boliden Tara Mines. Minco Exploration is participating at 20% in a joint venture with Boliden Tara Mines at 80% on Licence 1440R, which lies immediately adjacent to Boliden's large 130 million tonnes Tara zinc-lead mine at Navan. Minco Exploration is also participating in a joint venture with Boliden Tara Mines on Licence 3373, contiguous to the west with Licence 1440R, where Minco Exploration can earn up to a 75% interest, and in a joint venture with Boliden Tara Mines on twelve Prospecting Licences in County Galway where Minco Exploration can earn up to a 50% interest. Minco Exploration also holds two prospecting licences at Moate, County Westmeath.

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Zinc Exploration – Navan, County Meath – Joint Venture with Boliden on Licence 1440R

Minco Exploration, through a wholly owned subsidiary, holds a 20% interest in Licence 1440R (Tatestown), which is being explored under a Joint Venture with Boliden Tara Mines Limited (80%), and which hosts part of the small Tatestown–Scallanstown zinc-lead mineral deposit. Licence 1440R is located immediately adjacent to Boliden’s large 130 million tonnes Tara zinc-lead mine at Navan, County Meath, about 50 km northwest of Dublin.

At the end of 2018 Boliden Tara drilled one-deep hole of 1,225 metres on Licence 1440R, approximately two kilometres to the north of the Tatestown-Scallanstown deposit. The hole intersected the Navan Pale Beds between 1,000 and 1,200 metres down hole which were extensively calcite veined and brecciated with pervasive low-grade mineralization of sphalerite-galena common throughout. The encouraging results of this deep hole supports the concept of a continuous mineralized corridor extending north-northwest from Tatestown, which, in turn, might reflect a larger property-scale northwest-southeast trend extending through the main Navan Mine area to the new Tara Deep deposit in the southeast.

Joint Venture with Boliden on Licence 3373 (Kells) Adjacent to Tara Mine

Minco Exploration, through its wholly owned subsidiary Minco Ireland Limited, has entered into a 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% interest through expenditure of €250,000 in staged programmes, by March 1, 2024. During 2019, Minco incurred expenditures of €30,597 (2018 - €80,979) with respect to the licence and at December 31, 2019 had completed cumulative expenditure of €130,000 and earned an undivided 25% joint venture interest in the Licence. Boliden has the right of off-take to purchase or toll process all ore that may be produced from the Licence area.

Licence 3373, located approximately 10 km northwest of the Navan orebody covers an area of approximately 30 square km and constitutes the north-western quadrant of a contiguous block of ground currently being explored by Boliden Tara Mines. Exploration on Licence 3373 has focused on the search for zinc-lead mineralization within the Navan Group (Pale Beds).

Four structurally defined drill targets with potential for late epigenetic mineralisation, comparable to that at the nearby Tatestown-Scallanstown deposit, have been identified lying to the south of the controlling east-west boundary fault and offset sinistral by a series of northeast striking faults. The four drill target areas are located eight to fifteen kilometres west of the Tara Mine, at estimated depths of 550 to 800 metres below surface. During 2019 a gravity survey was completed near the eastern part of the licence with the objective to define drill targets near the boundary fault, particularly where this may be intersected by other structures.

Joint Venture with Boliden on Slieve Dart Licences, County Galway

Minco Ireland is also participating in a joint venture with Boliden Tara Mines on twelve prospecting licences in the Slieve Dart area of County Galway. Minco Ireland can earn a 50% interest through expenditure of €385,000 in staged programmes, by 31 July 2022. During 2019, the Company incurred expenditures of €122,704 (2018 - €108,235) with respect to the licences and earned an undivided 40% joint venture interest in the Licence Area. Boliden Tara has the right of off-take to purchase or toll process on all ore that may be produced from the licence area.

During September and October 2019, a 2D seismic acquisition program was undertaken over a length of 21 kilometres, supported in part by the Geological Survey of Ireland, the results of which are being interpreted.

Exploration for zinc-lead at Moate, County Westmeath

The Moate Block located in west-central Ireland, consists of two contiguous prospecting licences held solely by Minco Ireland that cover a surface area of 65.67km². An adjacent third licence was dropped during 2019.

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During 2019 a single hole was drilled on one of the Moate licences to explore for Tynagh-type mineralisation associated with the faulted flank of the Waulsortian Reef margin and was sited to test the northern margin of the Waulsortian Reef north of the Moyvoughly cross fault. This hole confirmed the fault location and constrained the target further to the east-northeast. The primary target remains reef derived breccia systems developed along the reef margin.

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 21% interest. The market value of the Xtierra shares at December 31, 2019 based on the market price of Xtierra shares on the TSX Venture Exchange was \$1,350,000.

Xtierra holds the Bilbao polymetallic sulphide and oxide replacement silver-lead-zinc-copper property, located in the Central Mineral Belt of Mexico, in the southeastern part of the State of Zacatecas, approximately 500 km northwest of Mexico City.

At December 31, 2019, the Company held secured Notes receivable from Xtierra in the amount of US\$796,477 (\$1,036,845).

RESULTS OF OPERATIONS

Buchans recorded no revenue in the periods ended December 31, 2019 or December 31, 2018.

For the year ended December 31, 2019, the Company recorded a loss of \$1,160,604. The loss included a loss in fair value of the Xtierra warrants in the amount of \$334,462, lease depreciation in the amount of \$225,262, \$60,992 finance costs in accordance with IFRS 16, Leases, and a loss in the amount of \$289,662 attributable to discontinued operations.

For the year ended December 31, 2018, the Company recorded a loss of \$42,303. The loss included a gain on disposal of marketable securities in the amount of \$344,037, income of \$464,377 representing the fair value of Xtierra warrants received during 2018, a change in the amount of \$57,465 in the estimated fair value of the warrants as at December 31, 2018, and a loss in the amount of \$495,972 attributable to discontinued operations.

For the three-month period ended December 31, 2019, the Company recorded a loss of \$404,662, compared to a gain of \$279,687 for the three-month period ended December 31, 2018. The loss for the three-month period ended December 31, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$155,980, \$61,435 depreciation and \$14,861 finance costs in accordance with IFRS 16, Leases.

The income for the three-month period ended December 31, 2018 included income of \$464,627 representing an audit adjustment recording the fair value of Xtierra warrants received in February 2018 in the amount of \$406,912. and a charge in the amount of \$57,465 in the estimated fair value of the warrants as at December 31, 2018.

During the year ended December 31, 2019, Buchans invested \$1,023,301 (2018 - \$2,927,034) on exploration of its mineral properties, of which \$655,000 (2018-\$2,600,00) were expended on the Buchans zinc lead project in central Newfoundland.

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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, 2019 \$	Year ended Dec. 31, 2018 \$	Year ended Dec. 31, 2017 \$
Net loss from continuing operations	(870)	470	-
Net loss from discontinued operations	(291)	(496)	-
Total loss before taxation	(1,161)	(26)	(4,988)
Net loss for the period	(1,161)	(42)	(5,011)
Net loss per common share from continuing operations	(0.015)	0.008	(0.10)
Net loss per common share from discontinued operations	(0.005)	(0.009)	-
Total assets	17,664	22,455	22,541
Cash and cash equivalents	1,443	2,895	3,426
Shareholders equity	12,043	22,104	22,146

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Dec. 31 2019 \$	Sept. 30 2019 \$	June 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sept. 30 2018 \$	June 30 2018 \$	March 31 2018 \$
Net (loss) gain	(405)	(138)	(285)	(333)	280	(102)	943	(1,163)
Net (loss) gain per share - basic and diluted	(0.002)	(0.002)	(0.005)	(0.006)	0.005	(0.002)	0.017	(0.023)
Total assets	17,664	22,248	22,334	22,677	22,455	22,521	22,297	21,506
Working capital	1,239	1,386	1,944	2,234	2,761	4,142	5,355	4,780

- 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.
- The gain for the quarter ended December 31, 2018 included an audit adjustment recording the fair value of Xtierra warrants received in February 2018 in the amount of \$406,912.
- The loss for the quarter ended March 31, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$131,476, \$40,957 depreciation and \$12,276 finance costs in accordance with IFRS 16, Leases.
- The loss for the quarter ended June 30, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$82,537, \$61,435 depreciation and \$17,604 finance costs in accordance with IFRS 16, Leases.
- The loss for the quarter ended September 30, 2019 included a gain in fair value of the Xtierra warrants in the amount of \$35,531, \$61,435 depreciation and \$16,250 finance costs in accordance with IFRS 16, Leases.
- The loss for the quarter ended December 31, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$155,980, \$61,435 depreciation and \$14,862 finance costs in accordance with IFRS 16, Leases.

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LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2019, Buchans held \$1,443,246 (December 31, 2018- \$2,895,188) in cash and cash equivalents and had a working capital surplus of \$1,238,704, compared to a working capital surplus of \$2,760,648 at December 31, 2018.

At December 31, 2019, Buchans held mineral properties with a combined book value of \$12,797,123. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

The Company relies on equity financing to generate additional financial resources to fund its working capital requirements and to fund its planned exploration programs. If the Company is unable to obtain adequate additional financing, the Company may be required to discontinue operations and exploration activities.

The Company's operations could be significantly adversely affected by the effects of the recent pandemic of respiratory illness COVID-19 caused by the coronavirus. The Company cannot accurately predict the impact COVID-19 will have on its operations, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, this widespread health crisis has adversely affected the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

During the first quarter of 2020 Minco Exploration completed a private placement of new shares to raise €500,000 (\$766,560) to fund its ongoing exploration and corporate administration activities in Ireland.

RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the periods ended December 31, 2019 or 2018.

During the year ended December 31, 2019, the Company paid or accrued \$145,908 (2018 - \$28,182) 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 December 31, 2019 is \$82,960 (2018 - \$7,546) payable to Steenberglaw Professional Corporation for legal services.

Included in accounts receivable at December 31, 2019 is \$109,191 receivable from Canadian Manganese Co. Inc. covering administration services, and \$33,000 receivable from Labrador Iron Mines for rent, for a total \$142,191.

COMMITMENTS

The Company has entered into a lease for its office premises, which expires on January 31, 2022. The yearly rental payments for 2020 amount to approximately \$293,000, approximately half of which the Company expects to recover from other corporations with some common directors and officers that share part of the office premises.

CRITICAL ACCOUNTING ESTIMATES

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

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 4 of the December 31, 2019 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 mineral deposit 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 mineral deposits. 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 required mining and processing facilities and infrastructure. 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 mineral deposits, 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 of exploration and evaluation assets.

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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.

The COVID-19 pandemic is presenting unprecedented challenges to individual health, communities, jobs, businesses and economies, and specifically to public companies, shareholders and investors. The economic fallout from the COVID-19 pandemic will lead to the need for additional sources of financing through the crisis while the pandemic-related market downturn and the need to manage cash in an uncertain economic environment brings into question the appropriateness and prudence of continuing with planned programs at previously anticipated levels.

The Company relies on equity financing to generate additional financial resources to fund its working capital requirements and to fund its planned exploration programs. The COVID-19 pandemic has adversely affected financial markets and investor interest in public companies that could affect the Company's ability to finance its operations.

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 Metal Prices

Metal prices are subject to significant fluctuations 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 China, North America, and/or Europe is not sustained; increases in supply resulting from the discovery and the development of new sources of metals; and supply interruptions, due to changes in government policies, war, or international trade disputes or embargos. The effect of these factors on the future price of metals and their effect 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.

Environmental Risks and Hazards

Buchans' operations are 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.

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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 \$1,443,246 in cash and no cash equivalents at December 31, 2019. A one percent change in interest rates will result in a corresponding change in interest income of approximately \$Nil based on cash equivalent balances existing at December 31, 2019.

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 counterparties. 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, 2019 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 counterparties that have a credit rating of at least BBB.

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Foreign currency risk

Buchans has exposure to currency exchange fluctuations and restrictions as Buchans' currencies are spread over Canadian Dollars (Cdn\$) and US Dollars (US\$), 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, 2019 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 exchangeable warrants and short-term investments as fair value through profit or loss, which are measured at fair value. Cash and receivables and other assets are measured at amortized cost. Trade and other payables and lease obligations are classified for accounting purposes as financial liabilities measured at amortized cost. As at December 31, 2019, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares.

At December 31, 2019 and April 15, 2020, 59,868,716 common shares were issued and outstanding.

At December 31, 2019 and April 15, 2020, 59,868,716 exchangeable warrants were issued and outstanding, entitling shareholders to receive either one share of Minco Exploration Limited or 0.25 additional share of the Company at the holder's option.

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 15, 2020