

BuchansResources

MANAGEMENT DISCUSSION AND ANALYSIS

For the six-month period ended June 30, 2020

Dated August 26, 2020

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the six-month period ended June 30, 2020

Date: August 26, 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 condensed interim consolidated financial statements and the notes thereto for the six-month period ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are stated in Canadian dollars, unless otherwise noted.

For a more complete understanding of the Company’s financial condition and results of operations, this MD&A should be read together 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.

COMPANY OVERVIEW

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 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 planned 2020 exploration programs had included 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 has been delayed because of the COVID-19 pandemic and associated developments. 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. Though hampered by restrictions associated with the COVID-19 pandemic, Buchans is undertaking limited assessment activities that will continue throughout 2020 as the Company continues to develop and identify additional targets for exploration for new high-grade orebodies at Buchans.

In June 2020 the Minister of Natural Resources announced measures to assist the mining, and mineral exploration industries in Newfoundland and Labrador during the COVID-19 global pandemic, including deferring rental and fee payments and waiving mineral expenditure requirements for 2020. The measures include deferral of rental and fee payments associated with land tenure issued under the Mineral Act until December 31, 2020 and waiver of mineral assessment expenditure requirements for mineral licences for one year – from March 18, 2020 to March 17, 2021. Items deferred include mining and surface lease rentals and mineral licence renewal fees.

The Company’s operations could be significantly adversely affected by COVID-19 which was declared a pandemic by the World Health Organization on March 11, 2020. The Company cannot predict the impact the COVID-19 pandemic will have on its operations. In addition, this widespread health crisis has adversely affected the economies and financial markets of many countries, resulting in an economic and financial downturn that could further affect the Company’s ability to finance its operations.

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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 retained 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 plc (“Minco Exploration”) or 0.25 additional shares of the Company, at their option, for each share of Buchans held.

During the six-month period ended June 30, 2020, 5,191,680 exchangeable warrants were exchanged into Buchans shares and 984,781 warrants were exchanged into Minco Exploration shares. Any exchangeable warrants which remain unexercised on the expiry date will be automatically exchanged for shares of Minco Exploration.

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.

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 Resource Estimate was completed by Mercator Geological Services of Dartmouth Nova Scotia and 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.

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 additional bench-scale

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metallurgical test work completed in 2017. In addition, Stantec 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. Among the recommendations of the study are that additional metallurgical testing be undertaken 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. 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.

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 by the discovery of additional mineral resources immediately adjacent to the Lundberg deposit. To this end, the Company is reviewing the potential of this area to host additional 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 both near Lundberg and elsewhere within its Buchans project on discovery of new Buchans-style high-grade deposits similar to those previously mined at Buchans by ASARCO, who produced 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.

Though hampered by restrictions associated with the COVID pandemic, Buchans is currently undertaking limited assessment activities that will continue throughout 2020 as the Company continues to develop and identify additional targets for exploration for new high-grade orebodies at Buchans. In addition, the Company may initiate activities to further evaluate development options for its Lundberg deposit as a stand-alone open pit mine and processing complex.

Buchans - Relogging and Target Generation

Since 2014, the Company has initiated a major 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. This work has identified multiple target areas warranting further exploration, some of which have received initial drill testing with favourable results and are the subject of additional evaluation, while other new target areas have been added to the relogging program. To the end of 2019, the Company had relogged more than 134,000 metres of archived drill core from more than 680 drill holes.

As a result of restrictions associated with the current pandemic, the Company delayed resumption of this program in 2020 until July and has to date relogged 14 additional drill holes totalling more than 2,625 m of archived drill core in 2020. This program is expected to continue throughout the remainder of 2020, though at a reduced pace, while COVID measures remain in place.

The Company's relogging efforts are currently focused on two target areas, including the Middle Branch prospect located 3.5 km northeast of the Lundberg deposit where potential exists for discovery of new large Buchans orebodies; and the Two-Level (Lucky Strike) mine area located immediately north of the Lundberg deposit, where potential exists for discovery of additional high-grade ore that could either complement Lundberg's development or perhaps be chased down plunge into areas where larger deposits of sufficient size could be discovered that are amenable to underground mine development as new standalone orebodies.

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

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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.

The Two-Level target area covers the inferred strike extension of favourable geology extending westward from exploration drilling completed by Buchans Resources in 2018. This drilling, in hole H-18-3524, 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) and the Company believes potential exists in this area to discover additional high-grade resources down plunge of previous exploration drilling.

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 from previously mined orebodies to key undeveloped prospects and exploration targets. This database continues to be 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 future exploration.

Other Central Newfoundland VMS Projects in Tulks Belt

Elsewhere in central Newfoundland, the Company owns mineral rights to several projects, including 3 additional VMS deposits with current mineral resource estimates compliant with National Instrument 43 101, including the Daniels, Bobbys, and Tulks Hill base metal deposits. Additional work was undertaken within the Tulks North project that hosts the Daniels and Bobbys deposits in 2019. Additional work that was being considered for 2020 has been delayed as a result of challenging conditions related to the COVID-19 pandemic. The Newfoundland Government waived all assessment work requirements related to these properties for 2020. The Company remains committed to these projects, though it has deferred plans for additional exploration on these projects until 2021.

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.

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 considering plans to undertake further investigation of these anomalies in 2021.

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%. The Company is currently considering undertaking additional work on this property in 2020 that may include compilation of available historic exploration data, including data recently acquired by Prominex Resource Corp.; Buchans' former JV partner on the property from December 2005 until 2019. 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.

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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. Additional work considered for these projects in 2020 has been delayed as a result of the COVID-19 pandemic. The Company remains committed to these projects and may consider additional exploration on these projects in 2021.

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 previous geophysical surveys completed within Buchans' claims and the surrounding area. This review was led by a leading consultant geophysicist in 2019 and results of the compilation indicate previous geophysical surveys detected 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 the future or seek a joint venture partner.

Voisey's Bay (Luk):

In December 2018, Buchans acquired by staking five claims (1.25 km²) located 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.

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 is reviewing available historic data on the Luk property 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. On April 6, 2020, Marathon Gold released results of a pre-feasibility study on its Valentine gold project that envisions a 12-year open pit mine, producing an average of 175,000 oz. of gold annually in the first nine years of operation. Resources evaluated by the pre-feasibility study include Proven and Probable Mineral Reserves totaling 1.87 million ounces (41.05 Mt at 1.41 g/t Au) at a cut-off of 0.33 g/t Au.

In July 2018, Buchans completed soil geochemical surveys over a portion of the property covering favorable geology and structure. Results included detection of a 200 m long anomaly with values up to 137 ppb Au and a second

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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 on this project; however, as a result of the COVID-19 pandemic, additional work may be deferred until 2021.

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, and includes mineral rights to 11.5 km² covering the VBE-2 gold prospect discovered by previous explorers during the Voisey's Bay exploration rush in the mid-1990s.

The prospect's host paragneiss horizon has been traced over a 3-kilometre strike where limited prospecting undertaken in 2018 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. Sampling undertaken by the Company at the VBE-2 prospect in 2018 returned sawn bedrock channel sample assays of up to **8.51 g/t Au & 0.93 g/t Ag over 4.8 m, including 31.91 g/t Au over 0.85 m.**

Buchans believes mineralization within this property may be analogous to stratabound mineralisation at the former Homestake mine in South Dakota that produced more than 40 million ounces of gold and 9 million ounces of silver from approximately 150 million tonnes of ore averaging approximately 8.4 g/t Au (0.24 oz/ton). As such, the Company believes the property represents an excellent exploration opportunity for discovery of new gold deposits in a frontier area.

EXPLORATION AND EVALUATION ASSETS

For the six-month period ended June 30, 2020

| | June 30 2020 \$ | Additions \$ | December 31 2019 \$ | Spin-out \$ | Additions \$ | December 31 2018 \$ |
|-----------|-----------------------|-----------------|---------------------------|----------------|-----------------|---------------------------|
| Buchans | 13,011,491 | 214,368 | 12,797,123 | - | 654,818 | 12,142,305 |
| Woodstock | - | - | - | (4,653,700) | 16,367 | 4,637,333 |
| Ireland | - | - | - | (1,464,073) | 352,116 | 1,111,957 |
| Total | 13,011,491 | 214,368 | 12,797,123 | (6,117,773) | 1,023,301 | 17,891,595 |

CANADIAN MANGANESE COMPANY INC - Woodstock

Prior to December 31, 2019, the Company, held interests in the Woodstock manganese project located northwest of the town of Woodstock, New Brunswick, through its wholly owned subsidiary Canadian Manganese, On December 31, 2019, the Company distributed to its shareholders, pro rata, all of the shares of Canadian Manganese on the basis of one share of Canadian Manganese for each share of Buchans held.

MINCO EXPLORATION PLC - Zinc exploration in Ireland

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. During the six-month period ended June 30,2020, 984,781 exchangeable warrants were exercised into Minco Exploration shares. Any exchangeable warrants which remain unexercised on the expiry date will be automatically exchanged for shares of Minco Exploration.

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

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where Minco Exploration can earn up to a 50% interest. Minco Exploration also holds two prospecting licences at Moate, County Westmeath.

During the six-month period ended June 30, 2020, Minco Exploration completed a private placement financing through subscriptions for 11,000,000 new ordinary shares at a price of €0.05 per share to raise a total of €550,000 (\$833,333) to fund its working capital and planned exploration programs.

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 June 30, 2020 based on the market price of Xtierra shares on the TSX Venture Exchange was \$2,100,000.

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 and is also pursuing new opportunities, including mineral exploration and development projects, and the potential acquisition of new mineral and other royalties.

Xtierra has maintained the Bilbao mineral concessions and title to the property in good standing and, with the much improved outlook for silver prices, now plans to undertake a process to solicit interest in the Bilbao project from operating silver producers with the objective of converting an asset, in which Xtierra invested over \$22 million, into cash flowing royalties in order to maximize value for shareholders.

In April 2020 Xtierra acquired 88% of Minera Portree de Zacatecas, S.A. de C.V. which holds various legal or royalty interests in certain mineral properties in Mexico, including the Company’s Bilbao property and an asserted claim to a 2% net smelter royalty on six mining concessions located adjacent to the Cozamin Mine in Zacatecas operated by Capstone Mining Corp.

At June 30, 2020, the Company held secured Notes receivable from Xtierra in the amount of US\$796,477 (\$1,086,503). By an Extension Agreement dated as of February 7, 2020, as amended by an Amending Agreement dated April 30, 2020, the term of the Notes was extended for an additional period to April 30, 2021, in consideration of the issue to Buchans, following TSXV approval, of 13 million, non-transferable warrants, each warrant entitling Buchans to purchase one common share of Xtierra for \$0.05 per share for a term to April 30, 2021.

In the three-month period ended June 30, 2020, the Company recorded a non-cash finance income from the issue of the new Xtierra warrants in the amount of \$259,234 and a gain in fair value of the Xtierra warrants in the amount of \$223,262,

During June and July 2020, Xtierra raised \$1,000,000 through the issue of 20,000,000 new shares at \$0.05 per share.

RESULTS OF OPERATIONS

Buchans recorded no revenue in the periods ended June 30, 2020 or June 30, 2019.

For the three-month period ended June 30, 2020, the Company recorded a gain of \$422,723. The gain included a non cash finance income from the issue of the new Xtierra warrants in the amount of \$259,234, a gain in fair value of the Xtierra warrants in the amount of \$223,262, a gain in the amount of \$81,995 arising on a reduction in the estimated fair value of the exchangeable warrants, and a loss in the amount of \$6,505 attributable to discontinued operations.

For the six-month period ended June 30, 2020, the Company recorded a loss of \$65,402. The loss included a non cash finance income from the issue of the new Xtierra warrants in the amount of \$259,234, a gain in fair value of the Xtierra warrants in the amount of \$150,812, a loss in the amount of \$214,574 arising on an increase in the estimated fair value of the exchangeable warrants, and a loss in the amount of \$52,920 attributable to discontinued operations.

At December 31, 2019, the 59,868,716 Exchangeable Warrants were initially recorded at their estimated fair value of \$4,370,873, based on the value of Minco Exploration shares, as determined by the price per share of a subsequent private placement financing completed by Minco Exploration. During the six-month period ended June 30, 2020,

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5,191,680 Exchangeable Warrants were exercised into Buchans shares and 984,781 warrants were exercised into Minco Exploration shares.

The 53,692,255 remaining Exchangeable Warrants are recorded at their current estimated fair value of \$4,113,164 at June 30, 2020. A net increase in the estimated fair value of the remaining Exchangeable Warrants in the amount of \$214,574, due to a foreign exchange adjustment arising on a decline in the value of the Canadian dollar against the Euro, was recorded on the Statement of Income and Loss for the six months ended June 30, 2020.

For the three-month period ended June 30, 2019, the Company recorded a loss of \$285,371. The loss included a loss in fair value of the Xtierra warrants in the amount of \$82,537 and a loss in the amount of \$60,966 attributable to discontinued operations

For the six-month period ended June 30, 2019, the Company recorded a loss of \$618,100. The loss included a loss in fair value of the Xtierra warrants in the amount of \$214,013 and a loss in the amount of \$77,702 attributable to discontinued operations

During the six-month period ended June 30, 2020, Buchans invested \$214,368 (2019 - \$225,039) on exploration of its mineral properties.

SUMMARY OF QUARTERLY RESULTS

| Expressed in \$000's, Except for per share amounts | June 30 2020 \$ | March 31 2020 \$ | Dec. 31 2019 \$ | Sept. 30 2019 \$ | June 30 2019 \$ | Mar. 31 2019 \$ | Dec. 31 2018 \$ | Sept. 30 2018 \$ |
|--|-----------------------|------------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Net (loss) gain | 423 | (488) | (405) | (138) | (285) | (333) | 280 | (102) |
| Net (loss) gain per share - basic and diluted | (0.001) | (0.008) | (0.007) | (0.002) | (0.005) | (0.006) | 0.005 | (0.002) |
| Total assets | 18,837 | 17,711 | 17,664 | 22,248 | 22,334 | 22,677 | 22,455 | 22,521 |
| Working capital | 727 | 933 | 1,239 | 1,386 | 1,944 | 2,234 | 2,761 | 4,142 |

- 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 June 30, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$131,476.
- 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.
- 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.
- 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.
- The loss for the quarter ended March 31, 2020 included a foreign exchange gain in the amount of \$86,015, a loss in fair value of the exchangeable warrants in the amount of \$296,569, a loss in fair value of the Xtierra warrants in the amount of \$72,450, and a loss in the amount of \$46,415 attributable to discontinued operations.
- The gain for the quarter ended June 30, 2020 included a non cash finance income from the issue of the new Xtierra warrants in the amount of \$259,234, a gain in fair value of the Xtierra warrants in the amount of \$223,262, a gain in fair value of the exchangeable warrants in the amount of \$81,995, and a loss in the amount of \$6,505 attributable to discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2020, Buchans held \$976,242 (December 31, 2019- \$1,443,246) in cash and cash equivalents and had a working capital surplus of \$726,998, compared to a working capital surplus of \$1,238,704 at December 31, 2019.

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The market value of the Company's Xtierra shares at June 30, 2020 was \$2,100,000 based on the market price of Xtierra shares on the TSX Venture Exchange.

At June 30, 2020, Buchans held mineral properties with a combined book value of \$13,011,491. 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 COVID-19 pandemic. The Company cannot predict the impact COVID-19 will have on its operations, including uncertainties relating to the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments. In addition, this widespread health crisis has adversely affected the economies and financial markets, resulting in an economic and financial downturn that could further affect the Company's ability to finance its operations.

RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the six-month periods ended June 30, 2020 or 2019.

During the six-month period ended June 30, 2020, the Company paid or accrued \$28,896 (June 30, 2019 – \$45,486) to Steenberglaw Professional Corporation, a corporation controlled by Neil Steenberg, Secretary of the Company, for legal services. Included in accounts payable and accrued liabilities at June 30, 2020 is \$36,259 (June 30, 2019 – \$35,310) payable to Steenberglaw Professional Corporation for legal services.

Included in accounts receivable at June 30, 2020 is a total of \$128,191 (December 31, 2019 – \$142,191), including \$119,191 receivable from Canadian Manganese covering an allocation of administration services, and \$9,000 receivable from Labrador Iron Mines for rent.

COMMITMENTS

The Company entered into a lease for its office premises, which expires on January 31, 2022. The yearly rental payments for 2020 amount to approximately \$294,000, 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. For further details, please refer to Note 4 to the December 31, 2019 audited consolidated financial statements.

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 4 to the December 31, 2019 audited consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk factors and uncertainties associated with the Company's business are described in detail in the Company's Management's Discussion and Analysis for the year ended December 31, 2019, as well as in the Company's Annual Financial Statements (under the headings "Nature of Operations and Going Concern" and "Significant Accounting Policies" and elsewhere within that document), all as filed on the SEDAR website at

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www.sedar.com. Such risks and uncertainties could have a material adverse effect on the Company's business, financial condition and/or results of operations, and on the trading price of the Company's shares.

In conducting its business, Conquest faces a number of risks common to the mining and exploration industry. These are summarized below. There are also certain specific risks (including those listed below), associated with an investment in the Company.

Failure to Obtain Additional Financing

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.

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 has resulted in the delay or deferment of planned programs at previously anticipated levels.

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business and the realization of mineral exploration assets is dependent on the development of economic ore reserves 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

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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.

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.

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.

FINANCIAL RISK MANAGEMENT

Fair value

The carrying amounts for cash and cash equivalents, 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 \$976,242 in cash and no cash equivalents at June 30, 2020. A one percent change in interest rates will

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result in a corresponding change in interest income of approximately \$Nil based on cash equivalent balances existing at June 30, 2020.

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 June 30, 2020 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.

Foreign currency risk

Buchans has exposure to currency exchange fluctuations as Buchans' currencies are spread over Canadian Dollars (Cdn\$), Euros (€) and US Dollars (US\$). Buchans does not presently utilize swaps or forward contracts to manage its currency exposures.

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 June 30, 2020, 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 June 30, 2020, and at August 26, 2020 the Company had 61,166,633 common shares issued.

At June 30, 2020, and at August 26, 2020 there were 53,692,873 exchangeable warrants outstanding,, entitling holders 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.

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FORWARD-LOOKING STATEMENTS

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

Date: August 26, 2020