

BuchansResources

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2021

Dated November 25, 2021

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the nine months ended September 30, 2021

Date: November 25, 2021

GENERAL

The following management discussion and analysis (“MD&A”) of financial condition and results of operations of Buchans Resources Limited (“Buchans” or the “Company”), should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the nine months ended September 30, 2021, 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, 2020, a copy of which is filed on the SEDAR website.

COMPANY OVERVIEW

Buchans’ flagship project consists of the historic, high-grade Buchans VMS base metal mining camp in central Newfoundland, Canada. Recognized internationally as one of the world’s richest and highest grade VMS camps, the Company is currently working to advance the project under a Collaboration Agreement with Boliden Mineral AB. The Company is also exploring several gold properties in central Newfoundland, including three properties being explored as joint ventures funded largely by joint venture partners. In keeping with the Company’s strategy of exploring districts and opportunities with demonstrated potential for exceptional mines, Buchans also has interests in several additional projects, including other VMS base metal properties near Buchans, gold properties in central Newfoundland and northern Labrador, and nickel-copper-cobalt properties near Voisey’s Bay in Labrador.

In addition to its project portfolio, Buchans holds equity interests in base metal and silver projects in Mexico through its ~25% shareholding in Xtierra Inc. (TSXV: “XAG”), and base metal exploration licences in Ireland through its 12.5% shareholding in Minco Exploration plc.

On January 5, 2021, Buchans entered into a **Collaboration Agreement** on its Buchans Project with **Boliden Mineral AB** a wholly-owned subsidiary of Boliden AB (publ), a leading European mining and metals producer of zinc, copper, lead, and nickel. Under this agreement Boliden has been granted rights to evaluate the project for possible future investment and participation and retains exclusivity on the project until December 31, 2021 (the “Exclusivity Period”). Boliden have until that date to complete its assessment and negotiate further agreements pursuant to which Boliden may earn an interest in the Buchans Project. Since entering into the Collaboration Agreement, Boliden, working with Buchans, has undertaken a variety of programs to further assess and advance the project. These programs have met Boliden’s expenditure commitment of C\$600,000 and included expenditures required to maintain the property. If Boliden submits a proposal prior to the end of the Exclusivity Period, Boliden will be granted a right of first refusal for a further six months.

Located within the Buchans Project, the Lundberg deposit is the largest and most advanced base metal deposit in the Buchans district and has been the subject of multiple technical evaluations undertaken by the Company to advance the deposit towards open pit mine development. These evaluations have included several campaigns of resource delineation drilling, metallurgical test work and other technical assessments. Lundberg’s current In-pit resource estimate contains more than 1.25 billion pounds Zinc Equivalent of which 97.8% of the resource occurs in the higher confidence Indicated category. The Lundberg resource comprises **Indicated In-pit resources totalling 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)**, as well as **Inferred In-pit 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% ZnEq)** [Technical Report entitled: “NI 43-101 Technical Report and Mineral Resource Estimate on the Lundberg Deposit, Buchans Area, Newfoundland and Labrador, Canada”, dated April 15, 2019, filed on SEDAR].

Buchans plans to undertake further exploration and pre-development activities within the Buchans Project to advance its Lundberg deposit as a potential open pit mining and milling operation. Among activities being considered for Lundberg in 2022 is diamond drilling to explore for additional high-grade resources adjacent to Lundberg that may complement Lundberg’s development as an enlarged open pit or combined open pit-underground mining project. The timing and scope of future programs at Lundberg are in part subject to the outcomes of the Company’s Collaboration Agreement with Boliden and are primarily focused on a specific target area located immediately northwest of the Lundberg deposit, known as the Two Level target.

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The **Two Level** target area was last drilled by the Company in 2018 and returned drilled intercepts of **1.8 m** of high-grade mineralization assaying **9.48% combined base metals (Zn+Pb+Cu) as 5.57% Zn, 3.15% Pb, 0.76% Cu, 90.5 g/t Ag & 0.37 g/t Au**, including **1.0 m** assaying **14.83% combined base metals as 8.70% Zn, 4.87% Pb, 1.26% Cu, 133.2 g/t Ag & 0.47 g/t Au** (Buchans news release dated November 19, 2018). Buchans believes the Two Level area holds considerable potential to host additional mineralization that could further enhance Lundberg's development potential by contributing to the deposit's metal inventory.

Within the greater Buchans district, Buchans also controls several additional VMS base metal projects including its Tulks North and Tulks Hill properties. These properties host several smaller VMS deposits or "satellite deposits" located less than 45 km south of Lundberg, including the Daniels, Bobbys and Tulks Hill deposits. Each of these deposits hosts National Instrument 43 101 compliant mineral resource estimates and possess excellent exploration potential for discovery of additional base metal resources that could potentially contribute to the Company's future development of mineral resources in the greater Buchans district.

Buchans also controls several gold and nickel-copper-cobalt (Ni-Cu-Co) properties in Newfoundland and Labrador. Among these are several gold projects located in the central Newfoundland gold belt, an emerging district that continues to yield both advanced staged discoveries such as Marathon Gold's (MOZ.TSX) Valentine Lake gold project, and high-profile, early-stage discoveries being explored by New Found Gold (NFG.TSX.V) at its Queensway Gold Project.

During the period ended September 30, 2021, Buchans entered into joint venture ("JV") agreements on three of its central Newfoundland gold projects. Exploration on these properties is primarily being funded by Buchans' JV partners who are earning or maintaining interests on Buchans held properties. These JVs include the 11,050 ha Long Range JV with Benton Resources Inc. (BEX.TSX.V; "Benton"), the 5,425 ha Tulks South JV with Quadro Resources Ltd. (QRO.TSX.V; "Quadro"), and the 9,100 ha Lake Douglas-South Tally JV with C2C Gold Corp. (CTOC.CSX; "C2C"). Buchans retains rights to maintain participating interests ranging between 49% and 51% on these gold JV properties as well as certain underlying royalty rights. In addition, Buchans retains preferred base metal rights on the Tulks South and Lake Douglas-South Tally joint ventures that grant Buchans rights to retain a 70% interest and operatorship, should a base metal deposit(s) be discovered on these properties.

The Company has also been advised by its respective joint venture partners that a variety of prospecting and geochemical exploration programs have been undertaken on each of the gold joint venture properties in central Newfoundland for which assay results are pending. The Company has also been advised by C2C Gold that "geological mapping, sampling, and prospecting activities are underway at the Lake Douglas property, part of C2C's joint venture with Buchans Resources Limited (C2C Gold Corp. news release dated November 10, 2021). In addition, the Company has also conducted initial prospecting activities on several of its 100% owned gold properties (Exploits Properties).

During the period ended September 30, 2021, Buchans technical staff have been primarily engaged in activities related to Boliden's evaluation of the Buchans Project under the aforementioned Collaboration Agreement. As a result of the Collaboration Agreement with Boliden (\$600,000 2021 expenditure commitment) and exploration JV agreements with partners on the Company's central Newfoundland gold projects (\$435,000 expenditure commitment by August 2022), much of the Company's 2021 exploration activities are partner-funded. Buchans 2021 field programs are being conducted in accordance with government imposed Covid-19 protocols and restrictions and as such, these programs as well as the Company's ability to finance and complete these programs, may be adversely affected by future impacts and protocols related to the COVID-19 pandemic.

CENTRAL NEWFOUNDLAND VMS Target Areas – Buchans Mining District

Newfoundland – Base Metals

Buchans Base Metals Project

Buchans controls mineral rights within the world-renowned Buchans Volcanogenic Massive Sulphide (VMS) mining camp where former operators, ASARCO, operated a high-grade base metal mining complex recognized internationally as one of the world's highest grade base metal VMS mines. The Company's 100% owned project measures more than 73.5 square kilometres (7,350 hectares) and covers all of the camp's past producing orebodies and key undeveloped prospects. Historic mining by ASARCO within the current property produced

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more than **16.2 million tonnes** of ore with a combined average grade of **14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au** from five separate deposits before ore exhaustion and mine closure in 1984.

Recognizing the exceptional high-grade nature of the former Buchans orebodies, the Company's approach at Buchans has been two-fold. First, to identify lower grade resources not developed by the past mining operations, and second, to discover new high-grade orebodies comparable to the historic mined orebodies.

With respect to the latter, Buchans has undertaken multiple initial, target specific, exploration programs throughout the Buchans Project while also investigating the project's overall potential by relogging archived historic drill cores from most of the previously mined orebodies and key undeveloped prospects. To date the Company has relogged approximately 180,000 metres of drill core from 900 holes as a means of identifying and delineating favourable areas for further exploration for new buried high-grade orebodies.

Seeking to benefit from this considerable knowledge of the Buchans Project, the Company entered into a Collaboration Agreement with Boliden under which Boliden is evaluating the project for possible future investment and participation to explore for additional high-grade orebodies. Under the Agreement Boliden is contributing \$600,000 towards ongoing evaluation programs to be undertaken by Buchans working collaboratively with Boliden.

Work under the Collaboration Agreement commenced in January 2021, and to date Buchans has undertaken a compilation of past work on the project and continues to compile these data together with additional relogging collected in 2021 into a new, digital 3D geological model. In addition, Boliden is continuing its review of past geophysical survey data to evaluate optimal geophysical exploration strategies for future exploration. These activities are ongoing and are expected to culminate in the confirmation of priority exploration targets for buried high-grade Buchans VMS deposits. As part of this evaluation, Boliden and Buchans intend to develop specific recommendations for future exploration to be considered by Boliden for future participation and investment.

With respect to the Company's goal of identifying undeveloped lower grade resources within the Buchans Project, the Company continues to advance its Lundberg deposit as a potential open pit mine development. This deposit hosts a large lower grade resource of near-surface stockwork sulphide mineralization immediately beneath workings of the previously mined, high-grade Lucky Strike massive sulphide orebody from which ASARCO mined **5.6 million tonnes** of ore averaging **18.4% Zn, 8.6% Pb, 1.6% Cu, 112 g/t Ag & 1.7 g/t Au**, essentially pre-stripping a large portion of the Lundberg resource.

On March 1, 2019, Buchans reported an updated pit-constrained Mineral Resource Estimate for **Lundberg** containing more than **1.25 billion pounds Zinc Equivalent**, with 97.8% of the Mineral Resources in the Indicated category [Technical Report entitled: "NI 43-101 Technical Report and Mineral Resource Estimate on the Lundberg Deposit, Buchans Area, Newfoundland and Labrador, Canada", dated April 15, 2019, filed on SEDAR].

The Resource Estimate includes **Indicated In-pit 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 **Inferred In-pit 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)**. These resources were estimated within an optimized pit shell at a cut-off grade of US\$20/t NSR and are considered to possess reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods. The resource applied metal price assumptions of **US \$1.20/lb Zn, \$1.00/lb Pb, \$3.00/lb Cu, \$1,250/oz Au, and \$17/oz Ag**.

The 2019 Resource Estimate was completed by Mercator Geological Services of Dartmouth Nova Scotia and Mercator's primary recommendation arising from the Mineral Resource Estimate is that an updated assessment of the 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.

Two Level Target (Lundberg Deposit - Supplementary Target)

Buchans recognizes further enhancements for development of Lundberg could be achieved through discovery of additional higher-grade mineral resources adjacent to the lower-grade Lundberg deposit. To this end, the Company has reviewed the potential of the Lundberg Deposit area to host additional, nearby high-grade resources that might supplement an open pit mine development at Lundberg as either additional in-pit or underground resources.

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Since 2013, the Company's has been engaged in a major relogging program, reviewing archived drill cores from its Buchans Project. This program is being undertaken as a means of identifying and evaluating additional exploration targets throughout the project that have potential for discovery of new high-grade Buchans orebodies. To date, the program has identified multiple target areas warranting further exploration, including the Two-Level (Lucky Strike) mine area, located immediately north of the Lundberg deposit, where the Company believes potential exists to discover additional high-grade resources down plunge of previous exploration drilling.

The Two-Level target is located on-strike to the northwest of mineralization intersected by the Company's 2018 drilling campaign just north of Lundberg and beyond the reach of underground workings of the former Lucky Strike Mine. In 2018 drilling north of historic underground workings in hole H-18-3524 intersected **1.0 m assaying 14.83% combined base metals (%Cu+%Pb+%Zn or "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 Company believes the Two-Level target area remains underexplored for additional fault-displaced orebodies in this area where historic drilling from surface tended to be drilled either too shallow or at too wide a spacing to adequately test this concept. Buchans believes the Two-Level area holds potential for discovery of additional high-grade ore that may complement the open pit development of the Lundberg deposit, or perhaps extend down plunge into areas capable of hosting additional high-grade resources that may be developed as new underground mines.

The timing and scope of future programs at Lundberg and the Two Level area are in part subject to the outcomes of the Company's Collaboration Agreement with Boliden.

Other Central Newfoundland VMS Projects - Tulks Belt

Also, in central Newfoundland, the Company owns mineral rights to several projects, including 3 additional VMS deposits with National Instrument 43 101 mineral resource estimates, including the Daniels, Bobbys, and Tulks Hill base metal deposits. Results from work undertaken on these projects in 2018 and 2019 are considered encouraging and have not been followed up, in part due to the negative impact the Covid pandemic has had on base metal markets and investment. The Company remains committed to these projects, and subject to market conditions, the Company may undertake additional exploration on these projects in the near future.

Exploration within the Tulks North property in 2019 included review and interpretation of geophysical data acquired in 2018, including modelling of conductive anomalies identified by airborne and borehole geophysical surveys undertaken by the Company at its Daniels and Bobbys deposits. Recommendations derived from this work include follow-up in several target areas, including additional deep drilling at both the Daniels and Bobbys deposits, as both deposit areas host newly identified conductors that remain untested by drilling. In addition, reviews of available geophysical data have re-characterized conductive responses associated with the Daniels and Bobbys deposits and identified additional conductive targets within the property warranting further investigation.

Based on exploration completed prior to 2018, the Daniels deposit is estimated to host **Indicated resources totalling 929,000 tonnes averaging 0.34% Cu, 2.50% Pb, 5.13% Zn 101.4 g/t Ag and 0.63 g/t Au** as well as **Inferred resources of 332,000 tonnes averaging 0.30% Cu, 2.13% Pb, 4.61% Zn, 85.86 g/t Ag and 0.53 g/t Au**, at a 2% Zn Cut-off [Technical report dated June 13, 2008 and entitled "Revised Technical Report on the Daniels Pond Deposit and Property Holdings of Royal Roads Corp., Red Indian Lake Area, Newfoundland, Canada" by Peter C, Webster, B.Sc., P.Geo., P. James F. Barr, B.Sc., and Rafael Cavalcanti de Albuquerque, B.Sc. of Mercator Geological Services Limited].

Based on drilling completed prior to 2018, the Bobbys deposit is estimated to host **Indicated resources totalling 1,095,000 tonnes averaging 0.86% Cu, 0.44% Pb, 4.61% Zn, 16.56 g/t Ag and 0.20 g/t Au**, as well as **Inferred resources of 1,177,000 tonnes averaging 0.95% Cu, 0.27% Pb, 3.75% Zn, 10.95 g/t Ag and 0.06 g/t Au** using a 1.1% copper equivalent cut-off [Technical report dated July 31, 2008 entitled "Technical Report on the Bobbys Pond Cu-Zn Deposit, Newfoundland and Labrador, Canada" by Hrayr Agnerian, M.Sc. (Applied), P.Geo. of Scott Wilson Roscoe Postle Associates Inc].

Tulks Hill Deposit

Buchans currently holds 100% Interest in the Tulks Hill property, located approximately 25 km southwest of its Daniels deposit. This property hosts a NI-43-101 **Indicated resource (T-3 lens) of 431,000 tonnes averaging 0.89%**

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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. Prepared for the Tulks Hill Joint Venture between Prominex Resources Corp (Operator) and Buchans River Limited by Hrayr Agnerian, M.Sc. (Applied), P.Geo., Scott Wilson Roscoe Postle Associates Inc. July 22, 2008].

The Company is considering undertaking additional work on this property for 2022 that may include compilation of available historic exploration data, including data acquired by Prominex Resource Corp., Buchans' former JV partner on the property from December 2005 until early 2019. The purpose of this compilation would be to determine an exploration strategy to advance this project.

Exploring for gold in Newfoundland and Labrador

Buchans controls several gold projects in central Newfoundland and northern Labrador that were generated outside of its central Newfoundland VMS properties as additional exploration opportunities with potential to generate significant shareholder value.

Among these projects are three active gold exploration joint ventures announced in 2021 and located within the central Newfoundland gold belt, an emerging district that continues to yield both advanced staged discoveries such as Marathon Gold's (MOZ.TSX) Valentine Lake gold project, and impressive, early-stage discoveries being explored by New Found Gold (NFG.TSX.V) at its Queensway Gold Project. As a result of these discoveries, the central Newfoundland gold belt is currently the focus of significant exploration activity and investment. Within its Valentine project, Marathon has reported Measured and Indicated Resources from five deposits totalling 3.14 million ounces of gold (56.6 Mt at 1.72 g/t Au) (Marathon Gold news release dated April 21, 2021) and announced results of a positive Feasibility study on the project on March 29, 2021. On July 20, 2021, Marathon announced entering into an exclusive non-binding Indicative Term Sheet with Sprout Resource Lending Corp. for a senior secured project financing facility of US\$185 million to be used to fund construction of the Valentine Gold Project. More recently, Marathon indicated that mine construction may commence in 2022, subject to successful completion of provincial and federal EA processes (Marathon Gold news release dated November 4, 2021).

Each of Buchans' gold joint venture projects either host poorly explored historic gold in bedrock occurrences or indications of increased prospectivity based on regional government geochemical datasets and the projects' proximity to several regional scale faults systems known to be associated with gold mineralization.

The Company has been advised by its respective joint venture partners that a variety of prospecting and geochemical exploration programs have been undertaken on each of the gold joint venture properties for which assay results are pending. The Company has also been advised by C2C Gold that "geological mapping, sampling, and prospecting activities are underway at the Lake Douglas property, part of C2C's joint venture with Buchans Resources Limited" (C2C Gold Corp. news release dated November 10, 2021).

Cumulative minimum expenditures on Buchans' Gold JV properties are projected to total CDN\$ 435,000 to fund a variety of exploration and prospecting programs on the joint venture properties over the period between May 2021 and August 2022 (respective joint venture agreement anniversaries).

In addition, Buchans retains 100% interest in several gold projects in the central Newfoundland gold belt and in northern Labrador. Among these, Buchans Exploits gold properties are located near New Found Gold's Queensway project and are comprised of three properties covering 825 hectares staked by Buchans in October of 2020. An initial prospecting program was completed on two of the Exploits properties in October, while a third property could not be accessed as high water levels prevented road access to the property. Assay results for this program are pending. Among the prospected properties is a 4 claims (100 ha) property surrounded by New Found Gold's Queensway property that was included in property-wide airborne geophysical survey completed by New Found Gold in 2021 and for which Buchans received data for that portion of the survey that covered Buchans' property (see *Exploits* below).

Long Range Gold JV – Benton Resources Inc.

On May 13, 2021, Buchans announced reactivation of its Long Range project, a 51%:49% Joint Venture between Buchans and Benton consisting of 11,050 hectares covering multiple early-stage gold prospects located 25 km west of Marathon Gold's Valentine project (Buchans news release dated May 13, 2021). The project's 2021 prospecting

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program is being operated by Benton, a company known for its superior prospecting abilities and long history exploring in Newfoundland. The proposed 2021 program was to include a minimum expenditure of \$150,000. As majority interest holder, Buchans retains rights to resume operatorship of the project in 2022.

Highlights include the Goldquest prospect, where in 2010, prospecting discovered clusters of mineralized quartz float spaced 700 m apart along excavated logging roads. Float from these clusters returned grab samples assaying of up to **123.8 g/t Au and 414 g/t Ag** while limited follow-up exposed quartz veins in bedrock assaying up to **8.5 g/t Au and 31 g/t Ag** (grab samples), and drilled intercepts of up to **5.5 g/t Au over 0.30 m** (core length; Buchans Minerals news release dated November 25, 2011). While limited follow-up failed to locate a bedrock source for the higher grade material, given the abundance, size, and angularity of this material, Benton and Buchans remain optimistic that additional prospecting may locate a nearby bedrock source for this mineralization.

The JV also hosts several gold-in-bedrock prospects that warrant additional follow-up. These include the Little Barachois Brook prospect where Teck Exploration reported outcrop grab samples returning assays of **112 g/t Au and 363 g/t Ag** in 1994, the Abbot's Brook prospect where Marathon Gold reported outcrop grab sample assaying up to **7.01 g/t Au and 9.02 g/t Ag** in 2011, and the Silver Pond prospect where Metals Creek Resources reported outcrop grab samples assaying up to **21.42 g/t Au and 60 g/t Ag** in 2012.

Benton has advised Buchans that an initial program of prospecting has been completed on the Long Range joint venture properties and assay results are pending. Benton have further advised that additional work may be undertaken after assay results have been received and evaluated.

Tulks South Gold JV – Quadro Resources Ltd.

On July 26, 2021, Buchans announced a binding letter of intent (“LOI”) with Quadro on Buchans’ Tulks South property in central Newfoundland (Buchans news release dated July 26, 2021).

Under the LOI, Buchans granted Quadro an option to acquire an initial 51% interest in the project by spending a minimum of \$500,000 over 4 years (by July 21, 2024), and a further right to acquire an additional 19% interest in the event that Buchans elects not to participate in work programs after Quadro earns its initial 51% interest. The LOI also grants Buchans certain rights such that if deposit is discovered having gross in situ base metal values greater than gross in situ precious metal values, that such deposit(s) will be developed as a base metal project(s) for which Buchans would become operator holding a 70% project interest while Quadro would retain a 30% interest.

The joint venture property consists of 5,425 hectares covering a portion of the Tulks volcanic belt and adjoins claims held by Quadro within their Long Lake gold property. As a result of the JV with Buchans, Quadro now holds 12,050 hectares covering a monzonite intrusive unit that may be similarly prospective to the Valentine Lake Monzonite that hosts Marathon Gold’s Valentine Lake deposits located 7 km to the southeast of the joint ventured claims.

Buchans has been advised by Quadro that an initial program of prospecting and soil sampling has been completed on the joint venture property for which assays are pending. In its November 2021, news release, Quadro also announced a 9 hole drill program on their central Newfoundland gold belt properties, including 5 holes drilled on their Long Lake property (adjacent to Tulks South-Buchans JV property). Previous soil sampling and prospecting by Quadro on their Long Lake project identified several gold targets as gold in soil anomalies and float samples returning assays up to 33.65 g/t Au.

Lake Douglas-South Tally Gold JV – C2C Gold Corp.

On August 5, 2021, Buchans announced having entered into an option and joint venture agreement with C2C Gold Corp., on Buchans’ Lake Douglas-South Tally property in central Newfoundland (Buchans news release dated August 5, 2021).

Under the agreement, Buchans granted C2C an option to acquire an initial 51% interest in the project by spending a minimum of \$1.5 million over 4 years (by July 22, 2024), and further rights to acquire an additional 19% interest in the event that Buchans elects not to participate in work programs after C2C has earned its initial 51% interest. The agreement also grants Buchans certain rights such that if a base-metal dominant area is identified, a base metal project area would be defined and Buchans would become operator of the base metal project on a 70% Buchans/30% C2C joint venture. This joint venture property currently consists of 9,100 hectares comprising the Lake Douglas and South Tally properties.

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The Lake Douglas property (2,175 ha) covers the on-strike trend of gold-bearing structures at Marathon Gold Corporation's Valentine project, located 15 km on strike to the southwest. The property is also located less than 5 km on strike from a number of gold prospects on adjacent claims currently being explored by Canterra Minerals Corporation (CTM.TSX.V). Among the prospects located on Canterra's adjacent property are several gold in bedrock prospects, where previous drilling returned intercepts of 10.0 g/t Au over 5.35 m core length, including 49.9 g/t Au over 0.98 m (Antler Gold Inc. news release dated December 13, 2017).

A soil sampling program completed by Buchans on the Lake Douglas property in 2018 returned several gold-in-soil anomalies including multi-station anomalies ranging up to 200 m in length with values up to 317 ppb Au (see Buchans Resources news release dated December 14, 2018).

The South Tally property (6,925 ha) is located 1.5 kilometres north of the Lake Douglas claims and is contiguous with C2C's Barrens Lake gold property. The South Tally property has traditionally been explored for VMS-style base metal mineralization but remains essentially unexplored for gold. The project hosts anomalous gold values as detected within several regional geochemical datasets generated by the Geological Survey of Newfoundland and Labrador. The property is also considered prospective for base metals as the property covers a 20 km extension to the Tally Pond volcanic belt that hosts Teck Resources' former Duck Pond copper mine, located less than 4 km on strike of the property.

Buchans has been advised by C2C that an initial program of prospecting and soil sampling has been completed on the joint venture property for which assays are pending. More recently C2C has disclosed "geological mapping, sampling, and prospecting activities are underway at the Lake Douglas property, part of C2C's joint venture with Buchans Resources Limited" (C2C Gold Corp. news release dated November 10, 2021).

Exploits Properties

Buchans holds three gold properties totalling 8.25 km² (825 ha; Exploits Properties) located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project. In 2020, New Found Gold announced initial high-grade drilling results that included intercepts of 93 g/t Au over 19 m (core length) from their Keats Zone (New Found Gold news release dated January 28, 2020), and 41.2 g/t Au over 4.75 m (core length) from the nearby Lotto Zone (New Found Gold news release dated October 2, 2020). New Found continues to release positive drilling results from these and other nearby gold prospects (New Found news release dated October 14, 2021).

Included within Buchans' Exploits property are 4 claims (100 ha) located internal to New Found Gold's Queensway property, approximately 30 kilometres Southwest of New Found Gold's Keats and Lotto gold discoveries. This property, licence 31341M, was recently included in property-wide airborne geophysical survey undertaken by New Found Gold in April of 2021. As per a letter agreement between Buchans and New Found Gold that allowed New Found Gold to survey Buchans' property, Buchans received the Helitem® TDEM and magnetic data for that portion of the survey in August.

Buchans completed an initial prospecting program on two of its three Exploits properties in October as one of the properties could not be accessed due to high water levels that prevented road access to the property. Assay results for this program are pending.

Tasiuyak Gold Property, Labrador

Buchans holds a 100% interest in its Tasiuyak gold property in Labrador, located 10 km south of Vale's Voisey's Bay nickel-copper-cobalt mine, and covering the VBE-2 gold prospect discovered by previous explorers during the Voisey's Bay exploration rush in the mid-1990s.

Exploration was last undertaken on this project by Buchans in 2018 and returned sawn bedrock channel sample assays from the VBE-2 prospect 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 news release dated December 14, 2018). Prospecting undertaken along strike of the prospect in 2018 traced the host horizon over a 3-kilometre strike where sawn channel samples returned assays of up to 0.69 g/t Au over 0.50 m two kilometres south of the VBE-2 prospect. In November 2020, Buchans acquired additional claims expanding its Tasiuyak Gold property to 22.75 km² from its previous coverage of 11.5 km² to cover several favourable poorly explored sulphide-bearing graphitic metasedimentary horizons west of the original property.

Buchans believes mineralization within its Tasiuyak 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

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ounces of silver from approximately 150 million tonnes of ore averaging 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.

The Company did not proposed work on this project in 2021 due to complications and risks of operating exploration during the ongoing Covid pandemic. Buchans remains committed to undertaking additional exploration on this project in the future, including potentially through joint ventures.

Exploring for nickel-copper-cobalt in Labrador

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 deposits.

Previous explorers identified several prospects within Buchans' property, including historic drilled intercepts (core length) 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 and 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. This review was led by a leading consultant geophysicist in 2019 and highlighted anomalies detected by previous geophysical surveys 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. Given difficulties of undertaking further exploration on this remote project while Covid restrictions are in place, the Company temporarily deferred field exploration on this project in 2021.

Voisey's Bay (Luk):

In December 2018, Buchans acquired by staking five claims (1.25 km²) located 8 km southwest of Vale's (NYSE-VALE) Voisey's Bay nickel-copper-cobalt mine in northern Labrador. Known as the Luk Property, this property covers prospective troctolitic rocks that hosts the Voisey's Bay mine on Vale's adjacent mine property.

Buchans' property is surrounded by Vale's mine property, where Vale recently announced a \$US 1.7 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

EXPLORATION AND EVALUATION ASSETS

For the nine months ended September 30, 2021

	September 30 2021	Additions	December 31 2020	Additions	December 31 2019
	\$	\$	\$	\$	\$
Buchans/Lundberg	9,233,626	123,415	9,110,211	317,989	8,792,222
Bobby's Pond	1,739,938	22,647	1,717,291	11,980	1,705,311
Tulks	1,412,223	24,742	1,387,481	(51,699)	1,439,180
Lake Douglas/Long Range	639,228	614	638,614	386	638,227
South Voisey Bay/Tasiuyak	217,460	1,314	216,146	(6,036)	222,183
	13,242,475	172,732	13,069,743	272,620	12,797,123

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XTIERRA INC.

As at September 30, 2021, Buchans held 43,000,000 shares in Xtierra Inc. (“Xtierra”), a company listed on the TSX Venture Exchange under the symbol “XAG”, and also held 5,000,000 share purchase warrants entitling Buchans to purchase one common share for \$0.10 until April 30, 2023.

At September 30, 2021, the Company also had notes receivable from Xtierra in the amount of \$243,969 (2020 - \$1,014,785) plus accrued interest in the amount of \$5,149, for a total of \$249,118.

The market value of the 43,000,000 Xtierra shares at November 25, 2021 based on the market price of Xtierra shares on the TSX Venture Exchange was \$2,150,000.

On April 27, 2021, Buchans exercised the previously issued share purchase warrants and acquired 13,000,000 shares of Xtierra for a consideration of \$650,000, plus the \$520,013 market value of the warrants exercised, for a total investment of \$1,170,013.

On April 27, 2021, the Notes receivable from Xtierra were reduced by the payment of \$750,000. By a Second Extension Amendment Agreement dated April 27, 2021, the Support Agreement between Buchans and Xtierra was further amended to provide that interest on the remaining balance of the notes receivable from Xtierra in the amount of \$237,882 (US\$191,798) will resume to accrue at the rate of 5% per annum effective May 1, 2021 until paid, and the Term of the Support Agreement was extended for a further period to April 30, 2023.

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.

RESULTS OF OPERATIONS

Buchans recorded no revenue in the quarters ended September 30, 2021 or September 30, 2020.

For the three months ended September 30, 2021, the Company recorded a loss of \$158,481. The loss included a loss in fair value of the 2021 Xtierra warrants between the date of issue of April 27, 2021 and September 30, 2021 in the amount of \$98,029.

For the nine months ended September 30, 2021, the Company recorded a loss of \$201,005. The loss included a non cash income of \$273,648 representing the fair value of the 2021 Xtierra warrants received, a loss in fair value of the 2021 Xtierra warrants between the date of issue of April 27, 2021 and September 30, 2021 in the amount of \$184,833, and a loss in fair value of the 2020 Xtierra warrants in the amount of \$103,847.

For the three months ended September 30, 2020, the Company recorded a gain of \$709,048. The gain included a gain in fair value of the 2020 Xtierra warrants in the amount of \$945,331, a loss in the amount of \$93,204 arising on a reduction in the estimated fair value of the exchangeable warrants, and a loss in the amount of \$13,193 attributable to discontinued operations.

For the nine months ended September 30, 2020, the Company recorded a gain of \$643,646. The gain included a non cash finance income from the issue of the 2020 Xtierra warrants in the amount of \$259,234, a gain in fair value of the 2020 Xtierra warrants in the amount of \$1,096,143, a loss in the amount of \$307,778 arising on an increase in the estimated fair value of the exchangeable warrants, and a loss in the amount of \$66,113 attributable to discontinued operations.

During the nine months ended September 30, 2021, Buchans invested \$172,732 (September 30, 2020 - \$267,565) on exploration of its mineral properties in addition to expenditures made by other parties.

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SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Sept. 30 2021	June 30 2021	March 31 2021	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Net (loss) gain	(158)	(112)	(80)	2,287	709	423	(488)	(405)
Net (loss) gain per share - basic and diluted	(0.003)	(0.002)	(0.001)	0.038	0.011	(0.001)	(0.008)	(0.007)
Total assets	16,679	16,772	16,981	16,847	19,341	18,837	17,711	17,664
Working capital	670	548	1,388	1,464	560	727	933	1,239

- The loss for the quarter ended December 31, 2019 included a loss in fair value of the 2018 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 2018 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 September 30, 2020 included a non cash finance income from the receipt of the 2020 Xtierra warrants in the amount of \$259,234, a gain in fair value of the 2020 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.
- The gain for the quarter ended September 30, 2020 included a gain in fair value of the 2020 Xtierra warrants in the amount of \$945,331, a loss in fair value of the exchangeable warrants in the amount of \$93,204, and a loss in the amount of \$13,192 attributable to discontinued operations.
- The gain for the quarter ended December 31, 2020 included a loss in fair value of the 2020 Xtierra warrants in the amount of \$803,967, a change in fair value of the Exchangeable Warrants of (\$277,759), a gain in the amount of \$3,241,452 arising on the disposal of the exchangeable warrants, and a loss in the amount of \$13,192 attributable to discontinued operations.
- The gain for the quarter ended June 30, 2021 included a non cash income of \$273,648 representing the fair value of the 2021 warrants received, a loss in fair value of the 2021 Xtierra warrants in the amount of \$86,804, and a loss in fair value of the 2020 warrants in the amount of \$103,847.
- The loss for the quarter ended September 30, 2021 included a loss in fair value of the 2021 Xtierra warrants in the amount of \$98,029.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2021, Buchans held \$629,865 (December 31, 2020- \$780,219) in cash and cash equivalents and had a working capital surplus of \$669,884, compared to a working capital surplus of \$1,463,756 at December 31, 2020.

The market value of the Company's Xtierra shares at September 30, 2021 was \$1,935,000 based on the market price of Xtierra shares on the TSX Venture Exchange.

At September 30, 2021, Buchans held mineral properties with a combined book value of \$13,242,475. The balance sheet values for these assets may not represent the value 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,

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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 nine months ended September 30, 2021 and 2020.

During the nine months ended September 30, 2021, the Company paid or accrued \$1,139 to Steenberg Consulting, a corporation controlled by Neil Steenberg, secretary of the Company, for consulting services (September 30, 2020 - \$28,896).

Included in accounts receivable at September 30, 2021 is \$284,652 (December 31, 2020 - \$278,755) receivable from related parties, including \$143,323 (December 31, 2020 - \$140,202) from Canadian Manganese Co. Inc. covering administration services, \$141,329 (December 31, 2020 - \$129,553) from Minco Exploration Plc covering administration services, and \$Nil (December 31, 2020 - \$9,000) receivable from Labrador Iron Mines for rent.

All amounts owing to or from related parties are non-interest bearing, unsecured and due on demand unless otherwise stated.

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 to the December 31, 2020 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.

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The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Buchans' mineral exploration and development activities will result in any discoveries of commercial 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.

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.

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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.

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 \$629,865 in cash and no cash equivalents at September 30, 2021. A one percent change in interest

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rates would result in only a nominal corresponding change in interest income based on cash equivalent balances existing at September 30, 2021.

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 September 30, 2021 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 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 19 of the December 31, 2020 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 September 30, 2021, 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 September 30, 2021, the Company had 62,138,460 common shares issued and outstanding and at November 25, 2021, 62,129,386 common shares.

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: November 25, 2021