

BuchansResources

Notice of Annual and Special Meeting

of the Shareholders

of

Buchans Resources Limited

To be Held

Thursday, May 9, 2024

12:00 P.M. (EDT)

INVITATION TO SHAREHOLDERS

We are pleased to provide you with the accompanying management information circular (the "**Circular**") for the annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Buchans Resources Limited ("**Buchans**" or the "**Company**") to be held on May 9, 2024. Along with the ordinary annual items of business, we have an important special item of business to be approved by Shareholders at the Meeting, as described below.

On December 20, 2023, we were pleased to close the sale of certain assets in Newfoundland to Canterra Minerals Corporation (TSXV:CTM; OTCQB:CTMCF) ("**Canterra**") in exchange for 24,910,000 common shares ("**Consideration Shares**") and 128,464,216 special warrants ("**Consideration Warrants**") of Canterra (the "**Canterra Transaction**").

Among the benefits outlined in our news release announcing the closing of the Canterra Transaction, the Canterra Transaction consolidated a highly prospective base metals district in central Newfoundland, with a large mineral resource inventory across multiple deposits that ranks favourably in terms of tonnage and grade amongst the peer group, including the past producing Buchans Mine, a prolific polymetallic massive sulfide mine that was operated by ASARCO (and others) for over 50 years producing zinc and copper concentrate from high-grade ore.

Based on the closing price of Canterra's common shares (the "**Canterra Shares**") on December 20, 2023, \$0.075, the total value of the consideration received by Buchans was approximately \$11.5 million or \$0.178 per common share of Buchans in the capital of the Company ("**Buchans Share**") and, as of the date hereof and following the settlement of certain transaction expenses, that value totals \$11.9 million or \$0.184 per Buchans Share.

We now intend to distribute (the "**Distribution**") the majority of the Canterra Shares underlying the Consideration Warrants received from the Canterra Transaction and substantially all of the Royalties Inc. ("**Royalties**") common shares ("**Royalties Shares**") and, with the Canterra Shares to be distributed, the "**Distributed Shares**") that we currently hold to Shareholders. Subject to Shareholder approval, we intend to effect the Distribution as a return-of-capital, which we believe is the most tax efficient manner of effecting the Distribution.

As described further in the Circular, we intend to retain a shareholding of Canterra Shares valued at approximately \$3 million to fund our nickel, copper, cobalt and gold exploration assets in Labrador and general working capital, with the goal of advancing these long overlooked but promising assets over the next 12 to 24 months, and to provide ongoing working capital for the Company.

We are pleased, therefore, to invite you to attend the annual and special meeting of Shareholders of the Company on May 9, 2024 at 12:00 P.M. (Eastern time) to vote on a special resolution (the "**Stated Capital Reduction Resolution**") authorizing and approving a reduction of the stated capital account maintained by the Company in respect of the Buchans Shares pursuant to Section 34(1)(b) of the Business Corporations Act (Ontario) (the "**Stated Capital Reduction**"), for the purpose of distributing the Distributed Shares to holders of Buchans Shares by way of a return of capital (the "**Return of Capital**").

The full text of the Stated Capital Reduction Resolution is attached as Schedule "A" to the Circular. The adoption of the Stated Capital Reduction Resolution requires the approval of at least two-thirds of the votes cast by holders of Buchans Shares.

Buchans' board of directors (the "**Board**") has unanimously determined that the Return of Capital is in the best interests of the Company and unanimously recommends that you vote **FOR** the Stated Capital Reduction Resolution.

If the Stated Capital Reduction Resolution is approved by the holders of Buchans Shares and the Distribution is approved by the Company's Board thereafter, the Company will issue a news release announcing the amount of the Distribution, including the amount of the Return of Capital, as well as the record date for determining the Shareholders entitled to the Distribution and the date for the Distribution.

Included with this letter is the formal Notice of Meeting and the Circular, which includes information with respect to the matters to be voted on at the Meeting and directions on how to vote. We encourage you to review it for complete details of the matters, as well as their impact on you.

Representation of your Buchans Shares at the Meeting is important. We urge you, whether or not you plan to attend the Meeting, to vote promptly over the internet, by telephone or by mailing a completed form of proxy or voting instruction form.

Thank you for your continued support.

John F. Kearney,
Chairman & Chief Executive

March 28, 2024

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of the shareholders (the “**Meeting**”) of Buchans Resources Limited (“**Buchans**” or the “**Company**”) will be held on Thursday, May 9, 2024, at 12:00 P.M. (EDT) at the registered office of the Company, 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7, for the following purposes:

1. Receive the audited consolidated financial statements of the Company for the year ended December 31, 2023 and the report of the auditor thereon;
2. Elect the directors for the ensuing year;
3. Appoint McGovern Hurley LLP, Chartered Professional Accountants, as auditor for the ensuing year and to authorize the directors to fix its remuneration;
4. to consider and, if deemed advisable, approve, with or without variation, a special resolution in the form set out in Schedule “A” to the accompanying management information circular dated March 28, 2024, 2024 (the “**Circular**”), authorizing and approving a reduction of the stated capital account maintained by the Company in respect of the common shares in the capital of the Company (the “**Buchans Shares**”) pursuant to Section 34(1)(b) of the Business Corporations Act (Ontario) (the “**Stated Capital Reduction**”), for the purpose of distributing certain common shares of Canterra Minerals Corporation and Royalties Inc. (collectively, the “**Distributed Shares**”) to holders of Buchans Shares by way of a return of capital, all as more particularly described in the Information Circular;
5. Transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the “*Particulars of Matters to be Acted Upon at the Meeting*” in the Circular.

You have the right to vote if you are a shareholder of the Company. Shareholders are encouraged to vote by proxy. To ensure your vote is counted, your proxy must be received by 12.00 PM (EDT) on May 7, 2024.

The Circular has been prepared to help you make an informed decision on the matters to be voted on at the Meeting. Please review the Circular carefully before voting.

Shareholders are encouraged to complete, date, sign, and return the enclosed Form of Proxy in accordance with the instructions set out in the Form of Proxy and the Circular.

DATED at Toronto, Canada as of March 28, 2024.

BY ORDER OF THE BOARD OF DIRECTORS,

John F. Kearney

John F. Kearney,
Chairman & Chief Executive

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by and on behalf of the management of Buchans Resources Limited ("**Buchans**" or the "**Company**") for use at the annual and special meeting of Shareholders of the Company (the "**Meeting**") to be held on Thursday, May 9, 2024, at 12:00 P.M. (Eastern time), at the registered office of the Company, 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7 for the purposes set out in the accompanying Notice of Meeting.

In addition to the use of the mails, proxies may be solicited by officers ("**Officers**"), directors ("**Directors**") and regular employees of the Company by telephone. The cost of such solicitation will be borne by the Company.

NOTICE AND ACCESS

The Company has elected to use the notice-and-access process ("**Notice-and-Access**") under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**") and National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**"), to provide shareholders with electronic access to our Circular, other meeting materials, and our audited consolidated financial statements for the year ended December 31, 2023 and the report of the auditor thereon together with the associated management's discussion and analysis (the "**Proxy-Related Materials**").

Notice-and-Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR+ and one other website, rather than mailing paper copies of the Proxy-Related Materials to shareholders. Notice-and-Access is an environmentally friendly and cost-effective way to distribute and provide the Proxy-Related Materials to shareholders.

The Proxy-Related Materials including the Circular and the Company's audited financial statements for the year ended December 31, 2023 and the Company's management discussion and analysis for the year ended December 31, 2023, are available on the Company website at www.BuchansResources.com and under the Company's SEDAR+ profile at www.sedarplus.ca.

The Company does not intend to pay intermediaries to forward the Notice-and-Access Notification to OBOs (as defined herein) under NI 54-101, and therefore an OBO will not receive the Notice-and-Access Notification unless the OBO's intermediary assumes the cost of delivery.

Shareholders will not receive a paper copy of the Proxy-Related Materials unless they request paper copies from the Company. Requests for paper copies of the Proxy-Related Materials must be received at least five (5) business days in advance of the proxy deposit date and time, being 12:00 p.m. on April 29, 2024, and the Company will mail the requested materials within three (3) business days of the request.

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the "**Form of Proxy**") as proxyholders, are Officers and/or Directors of the Company. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the persons designated in the Form of Proxy, who need not be a shareholder, to act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided by the Form of Proxy or by completing and delivering another suitable form of proxy.

COMPLETION AND RETURN OF PROXY

Shareholders who wish to ensure that the common shares in the capital of the Company ("**Buchans Shares**") that they hold will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy c/o Computershare Investor Services Inc. (the "**Transfer Agent**"), of 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

A shareholder may also contact the Company by email to info@BuchansLimited.com to request and receive a copy of the Proxy-Related Materials including the Circular and the Company's audited financial statements for the year ended December 31, 2023 and the Company's management discussion and analysis for the year ended December 31, 2023.

Voting by Proxyholder

The persons named in the Form of Proxy will vote or withhold from voting the shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. The Form of Proxy confers discretionary authority on persons therein with respect to:

- a) Each matter or group of matters identified therein for which a choice is not specified, other than the appointment of the auditor and the election of directors;
- b) Any amendment to or variation of any matter identified therein; and
- c) Any other matter that properly comes before the Meeting.

IN RESPECT OF A MATTER FOR WHICH A CHOICE IS NOT SPECIFIED IN THE PROXY, THE PERSONS NAMED IN THE PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE PROXY AND FOR THE ELECTION OF NOMINEES OF MANAGEMENT AS DIRECTORS AND FOR THE APPOINTMENT OF AUDITOR AS IDENTIFIED IN THE PROXY, AS APPLICABLE.

Voting by Registered Holders of Buchans Shares

Every registered holder of Buchans Shares at the close of business on March 28, 2024 is entitled to receive notice of, and to vote such Buchans Shares at the Meeting. Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Buchans Shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy c/o Computershare Investor Services Inc. (the "**Transfer Agent**"), of 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Information Circular accompanying this Notice.

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- a) completing, dating and signing the enclosed form of Proxy and returning it to the Transfer Agent;
- b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the holder's account number and the proxy control number; or
- c) using the internet through the website of the Company's transfer agent at www.investorvote.com.

Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the Proxy control number; in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Voting by Non-Registered Beneficial Shareholders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders may vote at the Meeting.

If Buchans Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Buchans Shares will not be registered in such shareholder's name on the records of the Company. Such Buchans Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Buchans Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Buchans Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Buchans Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Buchans Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Buchans Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Buchans Shares voted.**

The Proxy-related Materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provision of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents.

If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Buchans Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Buchans Shares on your behalf. Buchans Shares on your behalf. The intermediaries (or their service companies) are responsible for forwarding the Proxy-Related Materials to each OBO, unless the OBO has waived the right to receive them.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Proxy-Related Materials sent to Beneficial Shareholders who have not waived their right to receive Proxy-Related Materials are accompanied by a request for voting instructions (a "**VIF**"). VIF's whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit a Beneficial Shareholder to direct the voting of the Buchans Shares which they beneficially own. If a Beneficial Shareholder who receives a VIF wishes to attend the Meeting or have someone else attend on his behalf, then the Beneficial Shareholder may write the applicable name in the space provided in the VIF, which will grant the Beneficial Shareholder or his nominee the right to attend and vote at the Meeting.

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE "REQUEST FOR VOTING INSTRUCTIONS" (VIF) THAT ACCOMPANIES THIS DOCUMENT.

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Objecting Beneficial Owners

With respect to Objecting Beneficial Owners, in accordance with applicable securities law requirements, the Company has provided copies of the Proxy-Related Materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company does not intend to pay for Intermediaries to deliver the Proxy-Related Materials.

REVOCATION OF PROXY

Any Registered Shareholder who has returned a Form of Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Form of Proxy may be revoked by instrument in writing, including a Form of Proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the Form of Proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting.

Only Registered Shareholders have the right to revoke a Form of Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediary to revoke the Form of Proxy on their behalf.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being affected in accordance with the corporate laws of Canada and securities laws of the provinces in Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Business Corporations Act (Ontario), as amended, certain of its directors and its executive officers are residents of Canada and countries other than the United States, and all the assets of the Company and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Buchans Shares of record at the close of business on March 28, 2024 (the "**Record Date**") will be entitled to vote at the Meeting or at any adjournment thereof, by proxy, except to the extent that such holder has transferred any Buchans Shares after the Record Date and the transferee of such Buchans Shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As at March 28, 2024, the Company had 64,729,386 issued and outstanding Buchans Shares. Each Buchans Share carries the right to one vote per share.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Buchans Shares.

As of the date hereof, the Directors and Officers of the Company as a group beneficially own, directly or indirectly, 9,625,067 Buchans Shares representing approximately 14.89% of the issued and outstanding Buchans Shares.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no person who has been a Director or Officer of the Company at any time since the beginning of the Company's last financial year, nor any Nominee (as defined below), nor any of the associates or affiliates of the foregoing persons, has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of Directors or the appointment of the Auditor.

John Kearney, Chairman of the Company, holds approximately 3.1 million Canterra Shares through his holding company, Energold Minerals Inc., which he received in connection with the Transaction. Additionally, Michael Power, a director of the Company, was appointed as a director of Canterra in connection with the Transaction and maintains that role as of the date hereof.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2023 and the report of the Auditor thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at www.sedarplus.ca.

ELECTION OF DIRECTORS

Under the constating documents of the Company, the board of directors (the "Board") is to be elected annually. The Board currently consists of six Directors. At the Meeting, shareholders will be asked to approve an ordinary resolution for the election of the six persons named hereunder as directors of the Company (the "Nominees").

Management does not contemplate that any of the Nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying Form of Proxy to vote the Form of Proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each Director elected will hold office until the close of the first annual meeting of shareholders of the Company following his or her election or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company.

Name and Municipality of Residence	Offices with the Company	Principal Occupation	Director Since	Shares held Directly or Indirectly, or over which control or direction is exercised ⁽¹⁾
John F. Kearney Toronto, Canada	Chairman, Chief Executive & Director	Mining Executive Chairman of Buchans Resources Limited, Labrador Iron Mines Holdings Limited, Canadian Manganese Company Inc.,	May 8, 2015	5,046,969
Patrick D. Downey ⁽²⁾ Toronto, Canada	Director	Chartered Professional Accountant	June 16, 2017	186,500
Terence McKillen ⁽²⁾ Toronto, Canada	Director	Professional Geologist (Retired)	June 16, 2017	213,050
Peter McParland Dundalk, Ireland	Director	Business Executive Chief Executive of Quarry and Mining Equipment and Minco Exploration PLC	June 16, 2017	473,000
Michael Power ⁽²⁾ Toronto, Canada	Director	Professional Engineer	June 16, 2017	Nil
Danesh Varma Kingston, United Kingdom	Director, Chief Financial Officer	Chartered Professional Accountant	June 16, 2017	3,705,548

Notes:

1. The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees.
2. Member of the Audit Committee.

The following relates to the Directors of the Company.

John F. Kearney – Mr. Kearney, Chairman, is a mining executive with 50 years of experience in the mining industry. He is currently a director or senior officer of a number of mineral ventures including, Labrador Iron Mines Holdings Limited, Canadian Manganese Company Inc., and Minco Exploration PLC. He holds degrees in law and economics from the University College Dublin and a Masters in Business Administration from Trinity College Dublin. He is a member of the Law Society of Ireland and the Canadian Institute of Mining and Metallurgy.

Patrick D. Downey – Mr. Downey is a Canadian Chartered Professional Accountant and an Institute of Corporate Directors Certified Director with over 40 years of experience in the mining industry. He has been a director, CEO and CFO of Toronto Stock Exchange and New York Stock Exchange listed companies. The companies he has been associated with have been involved in numerous mining operations, primarily involving gold and copper mines in Canada, Australia, Chile, Mexico and the USA. Mr. Downey is Chairman of the Audit Committee.

Terence N. McKillen – Mr. McKillen is a retired professional geologist with 50 years of experience in the mining industry. He holds degrees in geology from the University of Dublin (Trinity College) and the University of Leicester. He is a lifetime honorary member of the Association of Professional Geoscientist of Ontario. Mr. McKillen is also a director of Conquest Resources Limited. He has extensive experience in exploration and development projects in Ireland, as well as North, Central and South America. Mr. McKillen is a member of the Audit Committee.

Peter McParland – Mr. McParland is the founder and Managing Director of Quarry and Mining Equipment (QME) with over 40 years experience in the Mining and Tunnelling industries. QME is an International Mining Contractor and is also a long-established global equipment supplier of both new, and reconditioned, mining and tunneling equipment. QME headquarters are in Navan, Ireland and also operate from offices in Toronto, Canada and Perth, Australia. He is also a Director and Chief Executive of Minco Exploration PLC and several private companies, both in the mining and medical and health care fields.

Michael Power – Mr. Power is a Chartered Financial Analyst and also a Professional Engineer registered in Ontario with over 50 years of experience in the mining industry in Canada and worldwide. Mr. Power is a director of Canterra Minerals Corporation, Highrock Resources Ltd., Minco Exploration PLC and Minerex Drilling Contractors Limited and was formerly Vice-President and Secretary of Moydow Mines International Inc., Vice-President of Corporate Development at Hemlo Gold Mines Ltd. and previously Noranda Mines. Mr. Power is a member of the Audit Committee.

Danesh Varma – Mr. Varma, Chief Financial Officer, is a Chartered Professional Accountant with over 30 years of experience in the mining finance industry, having been a director of American Resource Company, Northgate Exploration Ltd. and Westfield Minerals Ltd. Mr. Varma holds directorships with Labrador Iron Mines Holdings Limited, Brookfield Investment Corp. and Minco Exploration PLC.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the Nominees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed Director is, or within the ten years prior to the date hereof has been, a Director, or executive officer of any company that, while that person was acting in the capacity of a Director or executive officer of that company or within a year of that of person ceasing to act in that capacity, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, or became bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

- a) John F. Kearney and Danesh Varma are directors and/or officers of Labrador Iron Mines Holdings Limited which on April 2, 2015, instituted proceedings in the Ontario Superior Court of Justice for a financial restructuring by means of a plan of arrangement under the Companies' Creditors Arrangement Act which plan was approved on December 6, 2016, and sanctioned by the Court on December 14, 2016.
- b) Michael Power was a Director of San Gold Company which on December 22, 2014, filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (Canada). On December 23, 2014, trading of the common shares and subordinated unsecured convertible debentures was suspended by the Investment Industry Regulatory Organization of Canada and the Toronto Stock Exchange. On March 5, 2015, San Gold Company obtained Court approval to conduct a Sale and Investor Process (SIPA). Mr. Power resigned as a director of San Gold Company on June 22, 2015.

Personal Bankruptcies

No proposed Director has within the ten years prior to the date hereof become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

Indebtedness of Directors and Executive Officers

None of the Directors, officers, or associates of such persons have been indebted to the Company or any of its subsidiaries at any time since the commencement of the Company's most recently completed financial year. No such person has been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries in respect of the purchase of securities or otherwise.

Indemnification of Directors and Officers

The by-laws of the Company states that every director and officer of the Company in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Company through the insufficiency or deficiency of title to any property acquired for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Company shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

Subject to the Act, the Company shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Company's request as a director or officer of a body corporate of which the Company is or was a shareholder or creditor (or a person who undertakes or has undertaken any liability on behalf of the Company or any such body corporate) and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a director or officer of the Company or such body corporate, if (a) such person acted honestly and in good faith with a view to the best interests of the Company; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that his or her conduct was lawful. The Company shall also indemnify such person in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

APPOINTMENT OF AUDITOR

The Directors propose to nominate McGovern Hurley LLP, as the Auditor of the Company to hold office until the close of the next annual meeting of shareholders.

In the past, the Directors have negotiated with the Auditor of the Company on an arm's length basis in determining the fees to be paid to the Auditor. Such fees have been based on the complexity of the matters in question and the time incurred by the Auditor. The Directors believe that the fees negotiated in the past with the Auditor of the Company were comparable to fees charged by other Auditors providing similar services.

The management representatives named in the attached Form of Proxy intend to vote in favour of the appointment of McGovern Hurley LLP as Auditor of the Company and in favour of authorizing the directors to fix the remuneration of the Auditor, unless a shareholder specifies in the Form of Proxy that his or her Buchans Shares are to be withheld from voting in respect of the appointment of the Auditor and the fixing of their remuneration.

STATED CAPITAL REDUCTION AND RETURN OF CAPITAL

General Overview of Stated Capital Reduction Resolution and Return of Capital

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass the Stated Capital Reduction Resolution authorizing and approving the reduction of the stated capital account maintained by the Company in respect of the Buchans Shares pursuant to Section 34(1)(b) of the Business Corporations Act (Ontario) (the "**Stated Capital Reduction**"), for the purpose of distributing common shares ("**Canterra Shares**") of Canterra Minerals Corporation ("**Canterra**") and common shares ("**Royalties Shares**" and, with the Canterra Shares, the "**Distributed Shares**") of Royalties Inc. ("**Royalties**") to holders of Buchans Shares of Buchans by way of a return of capital (the "**Return of Capital**"), in an amount equal to the aggregate fair market value of the Distributed Shares distributed pursuant to the Return of Capital at the time of the Return of Capital, if, as and when determined by the Board of Directors, in its sole discretion, all as more particularly set forth herein.

In determining the number of Distributed Shares to be distributed, the Board of Directors will consider (a) the proposed budget of \$2,000,000 to fund exploration of Buchans' nickel, copper, cobalt and gold assets in Labrador, with the goal of advancing these assets over the next 12- to 24-months, and to provide ongoing working capital for the Company, (b) the requirement that the Company's holding in Canterra does not exceed 19.9% of Canterra's issued and outstanding common shares and (c) the Company's stated capital account, to ensure that the Distribution is fully treated as a Return of Capital.

Based on the foregoing and the recent range of share prices of Canterra and Royalties, the Company currently expects that holders of Buchans Shares as of the close of business on the record date (the "**Distribution Record Date**") for holders of Buchans Shares will be entitled to a distribution of Distributed Shares (the "**Distribution**") comprising between 1.5 and 2.0 Canterra Shares and 0.5 Royalties Shares per Buchans Share.

The actual amount of Distribution Shares that will be received by Shareholders of record as of close of business on the Distribution Record Date will be an amount per Buchans Share equal to the aggregate amount of Distributed Shares distributed pursuant to the Distribution divided by the number of Buchans Shares outstanding on the Distribution Record Date (including any Buchans Shares issued after the date hereof and prior to the Distribution Record Date), provided however that no fractional Canterra Shares or Royalties Shares will be distributed and any fractional entitlement shall be rounded down to the next whole closest number of Canterra Shares or Royalties Shares, as applicable, without any additional compensation.

If the Stated Capital Reduction Resolution is approved by holders of Buchans Shares at the Meeting, subject to the prior closing of the Canterra Transaction, the Board intends to confirm the Stated Capital Reduction (as defined in Schedule "A" attached hereto) for purposes of effecting the Return of Capital and declaring the Distribution, including the Return of Capital, as soon as practicable following the Meeting. The confirmation and declaration of the Distribution by the Board, including the actual amount of the Distribution, will be subject to applicable laws, and the exercise by the Board of its fiduciary duties. As soon as reasonably practicable following such confirmation and declaration, the Company will issue a news release announcing the amount of the Distribution, including the amount of the Return of Capital, as well as the Distribution Record Date and payment date for the Distribution.

Background and Purpose of the Reduction of Stated Capital

On November 21, 2023, the Company entered into a definitive agreement with Canterra (the "**Asset Purchase Agreement**"), pursuant to which Canterra agreed to acquire the Company's assets in central Newfoundland (the "**NFLD Assets**") in exchange for the Consideration Shares and the Consideration Warrants.

Among the benefits outlined in the news release announcing the closing of the Canterra Transaction, the Canterra Transaction consolidated a highly prospective base metals district in central Newfoundland, with a large mineral resource inventory across multiple deposits that ranks favourably in terms of tonnage and grade amongst the peer group, including the past producing Buchans Mine, a prolific polymetallic massive sulfide mine that was operated by ASARCO (and others) for over 50 years producing zinc and copper concentrate from high-grade ore.

Based on the closing price (\$0.075) of Canterra Shares on December 20, 2023, the closing date of the Canterra Transaction, the total value of the consideration received by Buchans was approximately \$11.5 million or \$0.178 per Buchans Share. As of the date hereof, Buchans holds 20,189,117 Consideration Shares and 128,554,216 Consideration Warrants, representing a combined value of approximately \$11.9 million or \$0.184 per Buchans Share based on the closing price of \$0.08 per Canterra Share on March 27, 2024.

In the context of the Canterra Transaction, the Board of Directors of the Company determined that the distribution in due course of a majority of the Consideration Warrants would be in the best interests of Shareholders, contemporaneously with the distribution of substantially all of the Royalties Shares held by the Company. The Distribution is intended to provide Shareholders with direct exposure to, and investment choice in respect of, both Canterra and Royalties, which are each described further below, including continued participation in ongoing exploration within the Buchans camp in central Newfoundland.

In determining the specifics of the Distribution, the Board of Directors considered: (i) the budgetary requirements of the Company going forward, particularly relating to advancement of exploration of Buchans' Labrador assets and general working capital requirements; (ii) restrictions on the Company exceeding a 19.9% ownership interest in Canterra; (iii) the change in Royalties primary business from mineral exploration and development to music royalties during 2023; and, (iv) the stated capital account of the Company.

In order to effect the Distribution in a tax efficient manner for Shareholders, the Company is proposing the Stated Capital Reduction. Approval of the Stated Capital Reduction Resolution is required to enable the Return of Capital. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Company will not be able to complete the Return of Capital on the terms and on the timing currently proposed.

Summaries of Canterra's and Royalties' businesses are as follows:

Canterra (TSXV:CTM; OTCQB:CTMCF) is a diversified minerals exploration company with a focus on critical minerals in central Newfoundland. Canterra's projects include seven mineral deposits located in close proximity to Teck Resources' past producing Duck Pond mine and ASARCO's past producing Buchans Mine, each of which produced copper, zinc, lead, silver and gold.

In addition, Canterra holds exploration-stage gold properties that cover 80 km of strike length of the regional gold bearing Rogerson Lake structural corridor that hosts Calibre Mining Corporation's development stage Valentine Lake Gold Project (formerly operated by Marathon Gold). Canterra's Newfoundland gold projects have been subject to four drilling campaigns, demonstrating many gold occurrences and warranting further exploration. In Alberta, Canada, Canterra also holds a 50% interest and is operator of the Buffalo Hills diamond project, with Star Diamond Corporation holding the remaining interest. The Buffalo Hills diamond project has been subject to considerable exploration expenditures, including a bulk sample, which has identified 38 kimberlites.

As a condition of the listing approval by the TSX Venture Exchange ("**TSXV**") of the Canterra Transaction, Canterra is required to file on SEDAR a National Instrument 43-101 technical report on the Lundberg Project (the "**Technical Report**"). The Company expects Canterra to file the Technical Report in due and ordinary course during Q2 2024 and Shareholders are urged to review the Technical Report upon filing. As noted, below, in Risk Factors, Buchans cannot exchange the Consideration Warrants for Canterra Shares and effect the distribution until the Technical Report is filed and certain other conditions of the listing approval are met.

A copy of the Asset Purchase Agreement may be found under the Company's profile on the SEDAR+ website at www.sedarplus.ca.

Royalties (CSE:RI) has a 2% stake in Music Royalties Inc., a Canadian-based private company that acquires passive music royalties from rightsholders (including artists, producers and songwriters) and currently holds a portfolio of approximately 27 cash-flowing music royalties. Royalties also owns (i) a 100% interest, subject to a 1.5% net smelter royalty repurchased in July 2019, on the Bilbao silver-lead-zinc-copper project located in the southeastern part of the State of Zacatecas, Mexico and (ii) 88% of the outstanding shares of Minera Portree de Zacatecas, S.A. de C.V. which holds an asserted claim to a 2% net smelter royalty on six mining concessions which are part of the Cozamin Mine operated by Capstone Copper Corp., which claim is challenged by Capstone.

Further information concerning Canterra or Royalties may be found under each company's profile on the SEDAR+ website at www.sedarplus.ca or at www.canterraminerals.com or www.royaltiesinc.com, respectively.

Effect of Distribution

The stated capital account of the Buchans Shares is currently approximately \$14.6 million. If the Stated Capital Reduction Resolution is approved by holders of Buchans Shares at the Meeting, based on the closing price of the Canterra Shares and Royalties Shares on March 27, 2024 of \$0.08 and \$0.04, respectively, and as of the date of this Circular the aggregate market value of the Distribution would be approximately \$10.2 million.

Accordingly, after giving effect to the Stated Capital Reduction and the payment of the Return of Capital, the aggregate stated capital of the Buchans Shares, based on the current value of the Distributed Shares would be reduced by \$10.2 million to approximately \$4.4 million, but may be reduced to as low as \$0.00, depending on the market prices of the Canterra Shares and Royalties Shares at the time of the Distribution.

Such figures are subject to potentially significant fluctuation based on, among other things, the market value of the Canterra Shares and Royalties Shares at the time of the Distribution.

Prohibitions under the OBCA

The OBCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that (a) the corporation is or, after taking such action, would be unable to pay its liabilities as they become due; or (b) after the taking of such action, the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

As of the date of this Circular, the Company does not have reasonable grounds to believe that, after giving effect to the Stated Capital Reduction, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company's assets would be less than the aggregate of its liabilities.

Tax Consequences

For a description of the principal Canadian federal income tax considerations applicable to the holders of Buchans Shares in connection with the Distribution, see "*Certain Canadian Federal Income Tax Considerations*".

Approval of Stated Capital Reduction

The text of the Stated Capital Reduction Resolution shall be substantially as attached hereto as Schedule "A". Pursuant to Section 34(1)(b) of the OBCA, the Stated Capital Reduction Resolution must be approved by a special majority of not less than two-thirds of the votes cast by holders of Buchans Shares at the Meeting in person or by proxy. Approval of the Stated Capital Reduction Resolution is required to enable the Return of Capital. If Shareholders do not approve the Stated Capital Reduction Resolution at the Meeting, the Company will not be able to complete the Return of Capital on the terms and on the timing currently proposed.

The Stated Capital Reduction Resolution proposed for consideration by the holders of Buchans Shares authorizes the Board, without further notice to or approval of the Shareholders, to reduce, revoke or abandon (but not increase the aggregate amount of) the Stated Capital Reduction and the Return of Capital at any time prior to its being given effect.

The Board has unanimously determined that the Stated Capital Reduction and Return of Capital are in the best interests of the Company. The Company believes that the Distribution, including the Stated Capital Reduction and Return of Capital, represents an appropriate means of returning a substantial portion of the Canterra Shares received as consideration for the sale of the Company's central Newfoundland assets. Should the Stated Capital Reduction Resolution not be approved by Shareholders at the Meeting, the Board may nonetheless determine to proceed with the Distribution as a taxable special dividend in its entirety.

Securities Law Matters and Restrictions on Sale

The Distribution will be effected in reliance on an exemption from the prospectus requirements under applicable Canadian securities laws, in accordance with section 2.31 ("**Dividends and Distributions**") of National Instrument 45-106 – Prospectus Exemptions. Accordingly, no prospectus will be provided to Shareholders in respect of the Distributed Shares.

Pursuant to the terms and conditions of the Asset Purchase Agreement, the Canterra Shares composing the Distribution are subject to certain restrictions negotiated with Canterra in the context of the Canterra Transaction, specifically that the Canterra Buchans Shares issuable upon exchange of the Consideration Warrants will be subject to contractual holds, with one third (1/3) being freely tradable on the Distribution, one third (1/3) being freely tradable on the date which is three months from the Distribution and one third (1/3) being freely tradable on the date which is six months from the Distribution. Each Shareholder's holding of Canterra Shares following the Distribution shall be subject to such restrictions on a pro rata basis.

Shareholders are advised to consult their financial or legal advisors with respect to the tradability of the Distributed Shares that they will receive pursuant to the Distribution.

Further information concerning Canterra or Royalties may be found under each company's profile on the SEDAR+ website at www.sedarplus.ca or at www.canterraminerals.com or www.royaltiesinc.com, respectively.

Recommendation of the Board

The Board has unanimously determined that the Stated Capital Reduction and Return of Capital are in the best interests of the Company and unanimously recommends that the Shareholders vote FOR the Stated Capital Reduction Resolution. It is the intention of the persons named in the enclosed form of proxy or VIF, as applicable, to vote the proxy FOR the Stated Capital Reduction Resolution at the Meeting, if not expressly directed to vote to the contrary in such form of proxy or VIF, as applicable.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (the "**Tax Act**") to a holder of Buchans Shares who receives the Distribution and who, at all relevant times, for the purposes of the Tax Act, holds the Buchans Shares, and will hold the Distributed Shares acquired on the Distribution (collectively with the Buchans Shares, the "**Shares**") as capital property, deals at arm's length with the Company, Canterra and Royalties, and is not affiliated with the Company, Canterra or Royalties (a "**Holder**"). Generally, the Shares will be considered to be capital property to a Holder provided that the Holder does not use or hold the Shares in the course of carrying on a business and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Holders who do not hold their Shares as capital property should consult their own tax advisors with respect to their own particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution" for purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iv) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; or (v) that has entered into or will enter into, with respect to the Buchans Shares or Distributed Shares, a "derivative forward agreement" or "synthetic disposition arrangement" (as those terms are defined in the Tax Act). Such Holders should consult their own tax advisors.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by the CRA and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. Holders should consult their own tax advisors regarding the tax considerations applicable to them having regard to their particular circumstances.

Stated Capital Reduction and Return of Capital

The amount of the Distribution will not exceed the paid-up capital (as defined in the Tax Act) ("**PUC**") of the Buchans Shares. PUC is the aggregate of all amounts received by a corporation upon the issuance of its shares (by class), adjusted in certain circumstances in accordance with the Tax Act. PUC differs from the adjusted cost base of shares to any particular shareholder because adjusted cost base is calculated based on the amount paid by a shareholder to acquire shares of a corporation, whether on issuance by the corporation or from a third party through the marketplace.

An amount paid by a public corporation (as defined in the Tax Act) to its shareholders on a reduction of PUC in respect of any class of its shares is generally deemed to be a dividend by virtue of subsection 84(4.1) of the Tax Act unless: (a) the amount may reasonably be considered to have been derived from proceeds of disposition realized by the corporation, or by a person or partnership in which the corporation had a direct or indirect interest at the time that the proceeds were realized, from a transaction that occurred (i) outside the ordinary course of the business of the corporation or the person or partnership that realized the proceeds, and (ii) within the period that commenced 24 months before the payment; or (b) the funds or property are distributed by the corporation to or for the benefit of shareholders on the winding up, discontinuance or reorganization of the corporation's business.

The proceeds for the Return of Capital will be derived from the Canterra Transaction, which closed in December 2023, and the Company's holding of Royalties Shares. In connection with the Canterra Transaction, the Company intends to refocus its strategy on exploring and monetizing its assets in Labrador. Continuing to hold an interest in Royalties, following the change of Royalties' primary business from mineral exploration and development to music royalties and changing its name and stock exchange listing during 2023 does not align with the Company's strategic focus on Labrador exploration assets. Management of the Company is of the view that: (a) the Return of Capital can reasonably be considered to be derived from proceeds of disposition realized by the Company from a transaction that occurred outside the ordinary course of business of the Company, and/or (b) the Distribution is being made on the reorganization of the Company's business. As a result, subsection 84(4.1) should not apply to deem the Distribution to be a dividend. **No advance tax ruling or legal opinion has been sought or obtained in this regard. If the Distribution or part thereof is deemed to be a dividend under the Tax Act, the provisions of the Tax Act regarding taxable dividends from a taxable Canadian corporation would apply and the summary below regarding the Return of Capital would not be applicable.**

Resident Holders

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is or is deemed to be resident in Canada (a "**Resident Holder**"). A Resident Holder to whom the Shares might not constitute capital property may make, in certain circumstances, the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Shares, and all other Canadian securities held by such person in the year of the election and any subsequent taxation year, treated as capital property. Resident Holders considering making such election should first consult their own tax advisors.

Return of Capital

The amount received by a Resident Holder on the Return of Capital (being the fair market value of the Distributed Shares received by the Resident Holder at the time the Distribution is effected) will not be included in computing the Resident Holder's income for purposes of the Tax Act but will reduce the adjusted cost base of the Buchans Shares held by the Resident Holder. If the amount by which the adjusted cost base of the Buchans Shares is reduced on the Return of Capital were to exceed the Resident Holder's adjusted cost base in the Buchans Shares, such Resident Holder would be deemed to have realized a capital gain equal to such excess and the Resident Holder's adjusted cost base of the Buchans Shares would then be nil. Such capital gain will be subject to the tax treatment described below under "*Resident Holders – Capital Gains and Losses*".

Distributed Shares received by a Resident Holder should have a cost to the Resident Holder for tax purposes equal to their fair market value at the time of such receipt. In computing the adjusted cost base of the Distributed Shares at any time, the averaging rules under the Tax Act will apply.

Dividends on Shares

Dividends received or deemed to be received on Shares held by a Resident Holder who is an individual (including certain trusts) will be included in computing such Resident Holder's income for the purposes of the Tax Act and will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received on a Share by a Resident Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income, subject to the detailed rules in the Tax Act. In certain circumstances, however, a dividend received (or deemed to be received) by a Resident Holder that is a corporation may be deemed to be a capital gain or proceeds of disposition potentially giving rise to a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a special tax that is refundable in certain circumstances on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing such Resident Holder's taxable income.

Taxable dividends received or deemed to be received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

Dispositions of Distributed Shares

Upon the disposition or deemed disposition of a Distributed Share by a Resident Holder, the Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of the disposition, exceed (or are less than) the adjusted cost base of such Distributed Share to the Resident Holder. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Resident Holders - Capital Gains and Losses*".

Capital Gains and Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Share may be reduced by the amount of dividends received or deemed to be received by it on such Share (or on a share for which the Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) or a "substantive CCPC" (as defined in the Tax Proposals) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

Non-Resident Holders

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold (and is not deemed to use or hold) the Shares in connection with a business carried on in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere and such holders should consult their own tax advisors.

Return of Capital

The amount received by a Non-Resident Holder on the Return of Capital (being the fair market value of the Distributed Shares received by the Resident Holder at the time the Distribution is effected) will not be subject to Canadian federal income tax but will reduce the adjusted cost base of the Buchans Shares held by the Non-Resident Holder. If the amount by which the adjusted cost base of the Buchans Shares is reduced were to exceed the Non-Resident Holder's adjusted cost base of the Buchans Shares, such Non-Resident Holder would be deemed to have realized a capital gain in an amount equal to such excess from a disposition of such shares and the Non-Resident Holder's adjusted cost base of the Buchans Shares would then be nil.

A Non-Resident Holder will not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed disposition of a Buchans Share that results from the Return of Capital unless such Buchans Share constitutes "taxable Canadian property" (as defined by the Tax Act) to the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See "Non-Resident Holders – Taxable Canadian Property", below.

Dividends on Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder's country of residence. For instance, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

Dispositions of Distributed Shares

Upon the disposition or deemed disposition of a Distributed Share by a Non-Resident Holder, the Non-Resident Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of the disposition, exceed (or are less than) the adjusted cost base of such Distributed Share to the Non-Resident Holder. The Distributed Shares received by a Non-Resident Holder on the Distribution should have a cost to the Non-Resident Holder for tax purposes equal to the fair market value of such Distributed Shares at the time of receipt. In computing the adjusted cost base of the Distributed Shares at any time, the averaging rules in the Tax Act will apply.

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of a Distributed Share, and may not recognize any capital loss realized, unless the Distributed Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention. See "Non-Resident Holders – Taxable Canadian Property", below.

Taxable Canadian Property

Provided that the Distributed Shares, as applicable, are listed on a “designated stock exchange” for the purposes of the Tax Act (which currently includes the TSXV and the CSE) at a particular time, the Distributed Shares generally will not constitute taxable Canadian property to a Non-Resident Holder at that time unless, at any time during the five year period immediately preceding that time: (i) 25% or more of the issued shares of any class or series of the capital stock of the Company, Canterra or Royalties, as applicable, were owned by any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) more than 50% of the value of the Buchans Shares or Distributed Shares, as applicable, was derived, directly or indirectly, from one or any combination of (a) real or immovable property situated in Canada (b) “Canadian resource properties”, (c) “timber resource properties”, and (d) options in respect of, or an interest in, any such property (whether or not the property exists), all for purposes of the Tax Act. A Non-Resident Holder’s Buchans Shares or Distributed Shares can also be deemed to be taxable Canadian property in certain circumstances set out in the Tax Act. Non-Resident Holders whose Distributed Shares or Buchans Shares may constitute taxable Canadian property should consult their own tax advisors.

Distributed Shares – Eligibility for Investment

Based on the current provisions of the Tax Act, provided that the Distributed Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSXV and CSE), the Distributed Shares will be, on the date of the Distribution, qualified investments under the Tax Act at the time of their acquisition by a trust governed by a registered retirement savings plan (“RRSP”), registered retirement income fund (“RRIF”), deferred profit sharing plan, registered disability savings plan (“RDSP”), registered education savings plan (“RESP”) or tax-free savings account (“TFSA”, and collectively with an RRSP, RRIF, RDSP and RESP, the “Registered Plans”), each as defined in the Tax Act.

Notwithstanding the foregoing, the holder, annuitant or subscriber (as the case may be) of a Registered Plan will be subject to a penalty tax in respect of the Distributed Shares held in a Registered Plan if the Distributed Shares are prohibited investments for the Registered Plan. A Distributed Share will generally be a “prohibited investment” for a Registered Plan if the holder, annuitant or subscriber of the Registered Plan does not deal at arm’s length with Canterra or Royalties for the purposes of the Tax Act, or has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in Canterra or Royalties. Holders of a Registered Plan should consult their own tax advisors as to whether the Distributed Shares will be a prohibited investment in their particular circumstances.

RISK FACTORS

Consummation of the transactions contemplated by the Stated Capital Reduction Resolution as set out in this Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Stated Capital Reduction Resolution.

The Board may decide to defer the proposed timing with the Return of Capital and/or the Distribution or Reduce the Stated Capital Reduction and Return of Capital

Notwithstanding approval of the Stated Capital Reduction Resolution by the holders of Buchans Shares, the Board will retain the discretion to defer acting on the Stated Capital Reduction Resolution or to reduce, revoke or abandon the Stated Capital Reduction and Return of Capital and/or the Distribution, without any further approval from Shareholders, if it determines that such transactions are no longer in the best interests of the Company. As a result, the Board may in its sole discretion determine to, among other things, reduce the aggregate amount of the Stated Capital Reduction and Return of Capital and/or defer the proposed timing for the Return of Capital and/or the Distribution.

As well, the Board may not be permitted under the OBCA to reduce its stated capital (and therefore effect the Return of Capital portion of the Distribution) if there are reasonable grounds for believing that (a) the Company is or, after taking such action, would be unable to pay its liabilities as they become due; or (b) after the taking of such action, the realizable value of the Company’s assets would be less than the aggregate of its liabilities. As of the date of this Circular, the Company does not have reasonable grounds to believe that (i) after giving effect to the Stated Capital Reduction, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company’s assets would be less than the aggregate of its liabilities, and (ii) at the time at which the Board would approve the Distribution or at the time after which the Company would make the Distribution, the Company would be unable to pay its liabilities as they become due or that the realizable value of the Company’s assets would be less than the aggregate of its liabilities and its stated capital of all classes.

Amount and Timing of Return of Capital, Stated Capital Reduction and Distribution are Uncertain

The Company intends to distribute such number of Distributed Shares as would ensure that (i) the budgetary requirements of the Company going forward are satisfied, particularly relating to advancement of exploration of the Company's Labrador assets and general working capital requirements, (ii) the Company does not exceed a 19.9% ownership interest in Canterra and (iii) the value of the Distribution does not exceed the stated capital of the Company.

While the Company currently expects the Distribution to take place as soon as practicable after approval of the Stated Capital Reduction Resolution at the Meeting, the timing of such Distribution will be determined by the Board and there can be no certainty, and the Company cannot provide any assurance, as to if, and when, such Distribution will take place. Additionally, the exchange of the Consideration Warrants for Canterra Shares remains subject to certain conditions that have not yet been fulfilled, including the filing on SEDAR of the Technical Report. While the Company expects the Technical Report to be filed in due and ordinary course, the Distribution cannot occur until the Technical Report is filed.

The number of Distributed Shares expected to be received by each Shareholder of record on the Distribution Record Date in connection with the Distribution, all as more particularly set forth herein, including the amount of Return of Capital to be received by each such Shareholder, has been calculated based on the issued and outstanding Buchans Shares as of the Record Date. The actual amount of Distributed Shares to be received by each Shareholder of record on the Distribution Record Date in connection with the Distribution will be an amount per Buchans Share equal to the aggregate amount of Distributed Shares distributed pursuant to the Distribution divided by the number of Buchans Shares outstanding on the Distribution Record Date (including any Buchans Shares issued after the date hereof and prior to the Distribution Record Date), provided however, that if, as a result of the Distribution, a shareholder would otherwise be entitled to a fraction of a Canterra Share or Royalties Share, no such fractional Canterra Share or Royalties Share will be distributed, and the aggregate number of Canterra Shares or Royalties Shares, as applicable, that such Shareholder is entitled to will be rounded down to the next closest whole number of Canterra Shares or Royalties Shares, as applicable.

All or a Portion of the Return of Capital May be Treated as a Deemed Dividend

The proceeds for the Return of Capital will be derived from the Canterra Transaction, which closed in December 2023, and the Company's holding of Royalties Shares. In connection with the Canterra Transaction, the Company intends to refocus its strategy on exploring and monetizing its assets in Labrador. Continuing to hold an interest Royalties, following the change of Royalties' primary business from mineral exploration and development to music royalties and changing its name and stock exchange listing during 2023 does not align with the Company's strategic focus on Labrador exploration assets. Management of the Company is of the view that: (a) the Return of Capital can reasonably be considered to be derived from proceeds of disposition realized by the Company from a transaction that occurred outside the ordinary course of business of the Company, and/or (b) the Distribution is being made on the reorganization of the Company's business. As a result, subsection 84(4.1) should not apply to deem the Distribution to be a dividend. This determination is not free from doubt and no legal opinion or advance tax ruling has been sought or obtained in this regard. If the Distribution is deemed to be a dividend under the Tax Act, the provisions of the Tax Act regarding taxable dividends from a taxable Canadian corporation would apply and the Shareholder may be required to pay certain taxes on all or a portion of the Distribution. Shareholders are urged to consult their own tax advisors in this respect.

The Businesses of Canterra and Royalties are Subject to Risks

The businesses of Canterra and Royalties are each subject to risks. No prospectus will be provided to Shareholders in respect of either the Canterra Shares or Royalties Shares. The Company can make no assurance as to the future value of the Canterra Shares or Royalties Shares, which are not certain and may fluctuate. The performance of each of Canterra and Royalties business is subject to certain risks, including general economic, market and business conditions, volatility in market prices for mineral resources, risks related to the exploration for minerals, and current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility. This list is not exhaustive. Additional information relating to Canterra or Royalties may be found under each company's profile on the SEDAR+ website at www.sedarplus.com or at www.canterraminerals.com or www.royaltiesinc.com, respectively.

Shareholders Will Not be Immediately Able to Trade all their Canterra Shares

The Canterra Shares distributed to Shareholders pursuant to the Distribution will be subject to a contractual hold periods pursuant to the Asset Purchase Agreement negotiated between the Company and Canterra. Specifically, the Canterra Shares issuable upon exchange of the Consideration Warrants will be subject to contractual holds, with 1/3 being freely tradable on the Distribution, 1/3 being freely tradable on the date which is three months from the Distribution and 1/3 being freely tradable on the date which is six months from the Distribution. Each Shareholder's holding of Canterra Shares following the Distribution shall be subject to such restrictions on a pro rata basis.

EXECUTIVE COMPENSATION

NAMED EXECUTIVE OFFICERS

During the year ended December 31, 2023, the Company had two Named Executive Officers (“**NEOs**”) as defined under applicable Canadian securities regulations; namely, John F. Kearney; Chief Executive Officer and Danesh Varma, Chief Financial Officer.

Compensation Discussion and Analysis

Given the stage of development and scale of its operations, the Company has not paid any salary to its Named Executive Officers in their capacities as executive officers during the last two financial years.

The Company does not currently have a formal incentive bonus plan in place. Any award of a bonus to Named Executive Officers is at the discretion of the Board. In considering the payment of a bonus to any Named Executive Officer, the Compensation Committee would take into account the individual performance and efforts of the executive, the progress made by the Company in furthering its business plans and the overall financial position of the Company.

It is expected that in the future, the Company’s objectives of executive compensation will be to provide total compensation packages to senior executive officers to ensure senior management is appropriately engaged and retained and to provide a level of base compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the management of the Company’s business.

In future years, the Company expects to provide longer-term incentive compensation, through the grant of stock options, or other stock appreciation rights, to members of senior management whose actions have a direct and identifiable impact on the performance of the Company and who have material responsibility for long-range strategic development and implementation which aligns the interests of senior management with the interests of shareholders. The grant of restricted share units may also form part of the equity component portion of the total remuneration of senior executive officers.

Summary of Compensation

The NEOs received no compensation from the Company during its financial years ended December 31, 2023 and 2022. The Company does not plan to provide regular compensation to its executive officers during the next 12 months; however, it is anticipated that certain of its officers will be engaged from time to time to provide services as consultants to the Company and they will be compensated at standard industry rates on the basis of the actual time spent and the nature of the services provided.

Director and Named Executive Officer Compensation

Given the stage of its development and the scale of its operations, the Company has not paid any compensation to its directors or Named Executive Officers during the last two financial years.

It is expected that in the future, the Company’s objectives for director compensation will be to provide compensation to directors through the payment of fees or the grant of stock options, or other stock appreciation rights which align the interests of directors with the interests of shareholders, to ensure directors are appropriately engaged and to provide a level of compensation that will attract and retain individuals with the experience and qualifications necessary to serve as directors of the Company.

Particulars of compensation earned by each NEO and Director in the two most recently audited financial years are set out in the summary compensation table below:

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John F. Kearney Chairman & Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Patrick D. Downey Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Terence McKillen Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Peter McParland Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Michael Power Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Danesh Varma Chief Financial Officer & Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

No bonuses were paid to Named Executive Officers during the financial year ended December 31, 2023.

Stock Options and Other Compensation Securities

The Company has adopted a stock option plan (the "**Stock Option Plan**") which was approved by Shareholders in 2018. The intent of the Stock Option Plan is to encourage significant share ownership by executives and directors, to provide a more flexible mix of compensation components to attract, retain, and incentivize the performance of directors and senior employees in alignment with the success of the Company and its Shareholders, and to preserve cash where possible.

The Stock Option Plan is considered a "rolling" plan, which reserves a maximum of 10% of the Company's total outstanding Buchans Shares at the time of grant for issuance pursuant to the Stock Option Plan.

The term of any options granted under the Stock Option Plan is fixed by the Board and may not exceed five years. The options are non-assignable and non-transferable.

The exercise price of any options granted under the Stock Option Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in any recognized exchange's policy and/or manual or such other minimum price in accordance with such policies from time to time.

During the most recently completed financial year, there were no incentive stock options and SARs (stock appreciation rights) granted to or exercised by any Director or Named Executive Officer.

As of the date hereof, there are no options of the Company outstanding exercisable into Buchans Shares.

Defined Benefit or Actuarial Plan

The Company does not have a defined benefit, actuarial or pension plan.

Compensation Governance

The Company does not have a Compensation Committee. Compensation matters are reviewed by the full Board of Directors. An interested board member is required to abstain from voting on matters concerning their own compensation. Currently, the Directors of the Company do not receive fees in their capacities as Directors, as described under "*Directors Compensation*". See "Directors Compensation".

The Board relies on the general knowledge and experience of its members, and recommendations from the Chief Executive Officer, in reviewing appropriate levels of compensation for Named Executive Officers and the implementation of, or amendment to, any other aspects of compensation that the Board may review from time to time. Members of the Board have relevant general, but not direct, experience in executive compensation and compensation policies and practices in the mineral resources business gained through current and prior experience in business and in the minerals industry. The Company has not had any contractual arrangement with any compensation consultant at any time during 2023.

The Board as a whole is responsible for considering the risks associated with the Company's compensation policies and practices and has not identified any specific risks associated with the Company compensation policies and practices that are reasonably likely to have a material adverse effect.

Because of the current scale and scope of the Company's operations, and the limited number of senior management and employees, and the oversight by the Board of all significant activities, including risk management, the Board does not believe that the Company's compensation policies and practices would encourage any executive officer to take inappropriate or excessive risk.

The Company's NEOs or Directors are not prohibited from purchasing financial instruments, including, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive or Director.

Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to the NEOs, which result or will result from the resignation, retirement or any other termination of employment of a Named Executive's employment with the Company or any subsidiary, or from a change of control of the Company or a subsidiary, or a change in the Named Executive's responsibilities following a change in control.

CORPORATE GOVERNANCE

The Directors of the Company are committed to maintaining high standards of corporate governance and to managing the Company in an honest and ethical manner. The Board believes that its corporate governance policies and procedures are appropriate in light of the size, nature and stage of development of the Company. The Board is accountable to shareholders for good corporate governance and has adopted the following policies in this regard.

BOARD OF DIRECTORS

The Board currently comprises six members, four of whom the Board has determined are "independent" within the meaning of Canadian National Instrument 58-101, Disclosure of Corporate Governance Practices (the "**NI 58-101**").

A Director who has no direct or indirect material relationship with the Company is independent within the meaning of NI 58-101. A "material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Chairman of the Board, John F. Kearney, is not considered independent in that he is also Chief Executive Officer of the Company. Danesh Varma, Chief Financial Officer is also considered non-independent.

Messrs. Downey, McKillen, McParland, and Power are considered independent Directors since they are all independent of management and free from any material relationship with the Company. The basis for this determination is that none of the independent Directors has been employed by the Company, received direct remuneration from the Company or had any material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

Directorships

The following Directors of the Company are at present directors of reporting issuers (or equivalent):

Director	Name of Reporting Issuer
John F. Kearney	Canadian Manganese Company Inc. (NEO:CDMN) Conquest Resources Limited (TSXV:CQR) Labrador Iron Mines Holdings Limited (OTC:LBRMF)
Terence McKillen	Conquest Resources Limited (TSXV:CQR)
Michael Power	Canterra Minerals Corporation (TSXV:CTM) Highrock Resources Ltd. (CSE:HRK)
Danesh Varma	Brookfield Investment Corp. Labrador Iron Mines Holdings Limited (OTC:LBRMF) Partners Value Split Corp. (TSX:PVS-K)

Orientation and Continuing Education

The Board recognizes the importance of continuing education to ensure that members of the Board maintain the skill and knowledge for them to meet their obligation as directors. The Company currently has no formal orientation and education program for Board members. Information (such as recent reports, technical reports and various other operating, property and budget reports) is provided to Board members to ensure that Directors are familiarized with the Company's business and the procedures of the Board. In addition, directors are encouraged to visit the Company's properties at least once per year. The Company also encourages continuing education of its directors by distributing information on industry and regulatory matters and by facilitating attendance at industry conferences, seminars or courses.

Ethical Business Conduct

The Board has considered adopting a written code of business conduct and ethics however due to the small size of the Company and the limited scale of its operations, the Company has not adopted such a code to date.

In addition, as some of the Directors of the Company also serve as Directors and officers of other companies engaged in similar business activities, the Directors must comply with the conflict-of-interest provisions under the Business Company Act (Ontario), as well as the relevant securities regulatory instruments, in order to ensure that Directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested Director is required to declare the nature and extent of his or her interest and is not entitled to vote at meetings of Directors where such a conflict arises.

The Board believes that the fiduciary duties placed on individual directors by the Company governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the Director has an interest have been sufficient to ensure that the Board operates in the best interests of the Company.

Nomination of Directors

The Board does not have a separate nominating committee. The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of Directors. In view of the current size of the Company and the current scale of its operations, the composition of the current Board and the service of the current members of the Board, a separate nominating committee has not as yet been considered necessary by the Company.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain Directors with business experience and a particular knowledge of mineral exploration, project development and mining or other areas such as finance which would assist the Company. As such, nominations to the Board have been the result of recruitment efforts by the Company and discussions among the Directors prior to the consideration by the Board as a whole.

Compensation

Given the current stage of development of the Company, the Directors of the Company do not currently receive fees in their capacities as Directors.

No cash compensation was paid to Directors for the most recently completed financial year. Directors who also provide professional or consulting services to the Company may be compensated based upon the invoiced value of the services provided. Directors are entitled to be reimbursed for all reasonable expenses incurred in attending meetings of the board or any committee of the board.

It is expected that in future years the Company will provide longer-term incentive compensation to its directors through the grant of stock options, or other stock appreciation rights in the form of restricted or deferred share units, which would align the interests of the directors with the interests of shareholders.

Other Board Committees

The Board has not established any committees, other than the Audit Committee.

Assessments

Given the size of the Company and the current stage of development and scale of its operations, the Board believes that its structure and composition is appropriate and that the Board is functioning effectively at the current time. From time to time, the Board assesses the contributions and effectiveness of the Board as a whole, and each individual Director, to determine whether each is functioning effectively.

Representation of Women on the Board and Diversity

The Company does not have a formal written policy regarding identification and nomination of women to the Board as it believes that, given its size and stage of development, the less formal process that the Company currently uses to review the representation of women on the board is effective with the goal of creating a board that, as a whole, consists of individuals with relevant career experience, industry knowledge and experience and financial and other specialized expertise.

The Board is aware of the benefit of diversity on the Board and takes gender into consideration as part of its overall recruitment and selection process in respect of the Board. Accordingly, when searching for new directors, the Board will consider the level of female representation and, where appropriate, recruiting qualified female candidates as part of the Company's overall recruitment and selection process to fill Board positions, as the need arises, through vacancies, growth or otherwise.

The Company is also sensitive to the representation of women when making executive officer appointments, however the Company does not formally consider the level of representation of women in executive officer positions when making executive officer appointments.

The Company strives to appoint the best available candidate, regardless of gender, based on several criteria, including ability, experience, leadership and professional qualifications.

The Company has not adopted a formal target regarding women on the Board or in executive officer positions as the Board selection and officer hiring process is based on, among other things, abilities and experience and finding the best possible candidate, regardless of gender. However, as noted above, the Company is committed to promoting diversity and will continue going forward to identify talented women to fulfill Board and executive positions.

The Company does not at the date hereof have any women on its Board or in executive officer positions.

AUDIT COMMITTEE AND RELATIONSHIP WITH THE AUDITOR

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. The Committee recommends the Auditor to be nominated and reviews the compensation of the Auditor. The Committee is directly responsible for overseeing the work of the Auditor, must pre-approve non-audit services, be satisfied that adequate procedures are in place for the review of Buchans' public disclosure of financial information extracted or derived from Buchans' financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

Composition of the Audit Committee

During the year ended December 31, 2023, the members of the Audit Committee were Patrick Downey, Terence McKillen, and Michael Power, and are considered independent of Buchans within the meaning of Canadian NI 52-110. All of the members are financially literate in accordance with National Instrument 52-110 (NI 52-110) – Audit Committees. Each has an understanding of the accounting principles used by Buchans to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves.

Patrick Downey - Mr. Downey is a Canadian Professional Accountant and Institute of Corporate Directors Certified Director with over 40 years of experience in the mining industry. He has been a director, CEO and CFO of Toronto Stock Exchange and New York Stock Exchange listed companies.

Mr. Downey has served as an officer and director of public companies for over 40 years. He has an in depth understanding of the accounting principles used by the Company to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves.

He has in depth experience preparing, auditing, analyzing and evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Company's financial statements. He has an in-depth understanding of internal controls and procedures for financial reporting.

Terence McKillen - Mr. McKillen is a professional geologist with over 50 years of experience in the mining and mineral exploration industry. He was Chief Executive of Royalties Inc. from 2007 to 2013 and Chief Executive Officer of Minco PLC from 2000 to 2017. Mr. McKillen has worked on exploration and development projects in Ireland, Europe, Africa, Southeast Asia, as well as North, Central and South America.

He has an understanding of the accounting principles used by the Company to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has experience evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can reasonably be expected to be raised by the Company's financial statements. He understands internal controls and procedures for financial reporting.

Michael Power - Mr. Power is a Chartered Financial Analyst and also a Professional Engineer registered in Ontario with over 50 years of experience in the mining industry in Canada and worldwide. Mr. Power is a director of Canterra Minerals Corporation, Highrock Resources Ltd., Minco Exploration PLC and Minerex Drilling Contractors Limited and was formerly Vice-President and Secretary of Moydow Mines International Inc., Vice-President of Corporate Development at Hemlo Gold Mines Ltd. and previously Noranda Mines.

He has an understanding of the accounting principles used by the Company to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has experience evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can reasonably be expected to be raised by the Company's financial statements. He understands internal controls and procedures for financial reporting.

Relevant Education and Experience

The education and experience of each Audit Committee member is described above under the section entitled "Composition of the Audit Committee".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company's external Auditor not been adopted by Buchans' Board of Directors.

The Audit Committee has adopted a Charter, a copy of which is available on the Company's website at www.BuchansResources.com.

Reliance on the Exemptions

Since January 1, 2023, the Company has not relied on the exemption in subsection 3.3(2) of NI 52-110 (Controlled Companies), or section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances), or in section 3.8 of NI 52-110 (Acquisition of Financial Literacy).

Since January 1, 2023, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-Audit Services);
- (b) the exemption in section 3.2 (Initial Public Offerings);
- (c) the exemption in section 3.4 (Events Outside Control of Member);
- (d) the exemption in section 3.5 (Death, Disability or Resignation of Audit Committee Member); or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

External Auditor Service Fees

The Company's Audit Committee Charter provides that the Audit Committee must pre-approve all non-audit services to be provided to the Company by the independent Auditor and monitor the independence of the independent Auditor by reviewing all relationships between the independent Auditor and the Company and all non-audit work performed for the Company by the independent Auditor.

The Audit Committee has adopted procedures requiring Audit Committee review and approval in advance of all particular engagement for services provided by the Auditor. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit services, to be approved by the Audit Committee provided the Audit Committee is informed of each particular service. All of the engagements and fees for Fiscal 2023 and 2022 were approved by the Audit Committee. The Audit Committee reviews with the Auditor whether the non-audit services to be provided are compatible with maintaining the Auditor's independence.

The aggregate amounts billed by the Auditor for the two fiscal years ended December 31, 2023 and 2022 for audit fees, audit related fees, tax fees and all other fees are set forth below:

	2023	2022
Audit Fees	\$49,946	\$37,800
Audit Related Fees	\$10,882	Nil
Tax Fees	\$3,023	Nil
All Other Fees	Nil	Nil

Notes:

1. Audit-related fees comprise fees for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not reported under "Audit Fees".
2. Tax fees comprise fees for tax compliance, tax advice and tax planning.
3. All other fees relate to services provided by the external Auditor other than those described in "Audit Fees", "Audit-Related Fees" and "Tax Fees".

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed Director of the Company, or associate or affiliate of any informed person or proposed Director of the Company has or has had any material interest, direct or indirect, in a transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Financial information is provided in the Company's Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2023, which are also available on SEDAR+ and on the Company's website at www.BuchansResources.com.

Shareholders may also contact the Company via email info@buchanslimited.com to request copies of the Company's Financial Statements and Management's Discussion and Analysis. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca.

APPROVAL

The contents and the sending have been approved by the Directors of the Company.

Dated: March 28, 2024

John F. Kearney

John F. Kearney,
Chairman & Chief Executive

Schedule "A"

STATED CAPITAL REDUCTION RESOLUTION

Buchans Resources Limited

(the "Company")

1. Buchans Resources Limited ("**Buchans**" or the "**Company**") is hereby authorized to reduce the stated capital account maintained by the Company in respect of the common shares in the capital of the Company (the "**Buchans Shares**") pursuant to Section 34(1)(b) of the Business Corporations Act (Ontario) (the "**Stated Capital Reduction**"), for the purpose of distributing common shares of Canterra Minerals Corporation and Royalties Inc. (collectively, the "**Distributed Shares**") to holders of Buchans Shares by way of a return of capital (the "**Return of Capital**"), in an amount equal to the aggregate market value of the Distributed Shares distributed pursuant to the Return of Capital at the time of the Return of Capital, if, as and when determined by the board of directors of the Company, in its sole discretion, and the stated capital account in respect of the Buchans Shares shall be adjusted to reflect the Stated Capital Reduction, all as more particularly set forth in the management information circular of the Company dated March 28, 2024.
2. Notwithstanding that this special resolution has been approved by the holders of Buchans Shares, the board of directors of the Company is hereby authorized and empowered, at its sole discretion, to defer acting on this special resolution or to reduce, revoke or abandon (but not increase the aggregate amount of) the Stated Capital Reduction or Return of Capital prior to its being given effect without any further notice to or approval, ratification or confirmation by the holders of Buchans Shares.
3. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, agreements and instruments, and to perform or cause to be performed all such acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things.