

BUCHANS RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

For the three months ended March 31, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

BUCHANS RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025

<i>INDEX</i>	<i>PAGE</i>
Condensed Interim Consolidated Statement of Financial Position	3
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss	4
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity	5
Condensed Interim Consolidated Statements of Cash Flows	6
Notes to the Condensed Interim Consolidated Financial Statements	7-13

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2025

Unaudited

Expressed in Canadian Dollars	Notes	March 31, 2025	December 31, 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	306,171	260,590
Trade and other receivables	9	195,017	208,280
Prepaid expenses		-	25,000
Marketable securities	10	3,367,885	4,263,106
Total current assets		3,869,073	4,756,976
Non-current assets			
Exploration and evaluation assets	6	307,801	296,954
Right-of-use asset, lease	5	-	11,769
Investment in finance leases	5	-	15,198
Investment in associates	7	701,047	701,047
Total non-current assets		1,008,848	1,024,968
Total assets		4,877,921	5,781,944
Shareholders' Equity and liabilities			
Current liabilities			
Trade and other payables	11	262,030	316,103
Current portion of lease obligation	5	-	28,281
Total current liabilities		262,030	344,384
Long term liabilities			
Loans payable	12	61,333	65,333
Lease obligation	5	-	-
Total long term liabilities		61,333	65,333
Total liabilities		323,363	409,717
Shareholders' Equity			
Share capital	13	8,411,026	8,411,026
Retained earnings (deficit)		(3,856,468)	(3,038,799)
Total shareholders' equity		4,554,558	5,372,227
Total shareholders' equity and liabilities		4,877,921	5,781,944

Nature of operations and going concern (Note 1)

Commitments and contingencies (Notes 1, 5, 12 and 15)

Subsequent events (Note 18)

The financial statements were approved by the Board of Directors on May 27, 2025, and signed on its behalf by:

Signed "John F. Kearney", Director

Signed "Patrick Downey", Director

See accompanying notes to the condensed interim consolidated financial statements

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

For the three months ended March 31, 2025 and 2024

Unaudited

Expressed in Canadian Dollars	Notes	Three months ended March 31,	
		2025	2024
General and administrative expenses:		\$	\$
Professional fees	11	(4,102)	(12,085)
Shareholders and investors expense		(1,825)	(7,424)
Depreciation on right-of-use asset	5	(11,770)	(33,967)
Office expense		(39,047)	(11,871)
Loss before other items		(56,744)	(65,347)
Other items:			
Foreign exchange gain/(loss)		(37)	203
Interest expense on lease obligation	5	(146)	(5,107)
Interest income on finance leases	5	79	2,746
Loss on disposal of marketable securities	10	(44,800)	-
Change in fair value of marketable securities	10	(716,021)	(2,226,800)
Total other items		(760,925)	(2,228,958)
Net (loss) income and comprehensive (loss) income for the period		(817,669)	(2,294,305)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share	4	(0.013)	(0.035)
Weighted average common shares - basic and diluted	4	64,710,636	64,710,636

See accompanying notes to the condensed interim consolidated financial statements

BUCHANS RESOURCES LIMITED**Condensed Interim Statements of Changes in Shareholders' Equity****As at March 31, 2025***Unaudited*

Expressed in Canadian Dollars	Notes	Share Capital	Retained Earnings (Deficit)
		\$	\$
Balance as at December 31, 2023		14,639,425	1,720,281
Total comprehensive loss for the period		-	(2,294,305)
Balance as at March 31, 2024		14,639,425	(574,024)
Distribution of marketable securities to shareholders	10	(6,228,399)	-
Total comprehensive loss for the period		-	(2,464,775)
Balance as at December 31, 2024		8,411,026	(3,038,799)
Total comprehensive loss for the period		-	(817,669)
Balance as at March 31, 2025		8,411,026	(3,856,468)

See accompanying notes to the condensed interim consolidated financial statements

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

Unaudited

Expressed in Canadian Dollars	Notes	Three months ended March 31,	
		2025	2024
		\$	\$
Cash flow from operating activities			
Income/(loss) for the period		(817,669)	(2,294,305)
Depreciation on right-of-use asset	5	11,770	33,967
Non-cash foreign exchange loss/(gain)		-	-
Loss on disposal of marketable securities	10	44,800	-
Change in fair value of marketable securities	10	716,021	2,226,800
Interest expense on lease obligation	5	146	5,107
Interest income on finance leases	5	(79)	(2,746)
		(45,011)	(31,177)
Movements in working capital			
(Increase) in trade and other receivables		13,263	(46,510)
Decrease in prepaid expenses		25,000	-
Increase (decrease) in trade and other payables		(58,073)	3,268
Net cash flows from operating activities		(64,821)	(74,419)
Cash flows provided by (used in) investing activities			
Proceeds on disposal of marketable securities	10	134,400	-
Investment in exploration and evaluation assets	6	(10,848)	(14,187)
Lease payments received	5	15,277	45,416
Net cash flows provided by (used in) investing activities		138,829	31,229
Cash flows (used in) financing activities			
Payment of lease obligation	5	(28,427)	(84,035)
Net cash flows (used in) financing activities		(28,427)	(84,035)
Net (decrease) in cash and cash equivalents		45,581	(127,225)
Cash and cash equivalents at the beginning of the year		260,590	171,030
Cash and cash equivalent at the end of the period	8	306,171	43,805

See accompanying notes to the condensed interim consolidated financial statements

BUCHANS RESOURCES LIMITED

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

Expressed in Canadian dollars, unless noted

1. NATURE OF OPERATIONS AND GOING CONCERN

Buchans Resources Limited ("Buchans" or the "Company") is incorporated under the laws of the province of Ontario, Canada. The Company's registered business address is 181 University Ave., Suite 1413, Toronto, Ontario, M5H 3M7.

The Company is in the business of exploring its exploration and evaluation properties and has not yet determined whether its exploration and evaluation assets contain economically recoverable mineral reserves. The underlying value and the recoverability of the exploration and evaluation properties is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the exploration and evaluation properties, and the generation of future profitable production or proceeds from the disposition of the exploration and evaluation properties.

Although the Company has taken steps to verify title to properties on which it is conducting exploration and in which it has an interest in accordance with industry standards for the current stage of development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts and political uncertainty.

Historically, the Company relied on equity financing to generate financial resources to fund its working capital requirements and to fund its planned exploration programs. The continuing operations of the Company are dependent on its ability to generate future cash flows, sell marketable securities or obtain additional financing. Management is of the opinion that funding is available to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis, on acceptable terms to the Company, or at all. The financial statements have been prepared on a going concern basis. The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on financing being available for the continuing working capital requirements of the Company and financing for the exploration and development of the Company's projects being available. Should the going concern basis not be appropriate, adjustments would have to be made to the financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed interim financial statements reflect the financial position, statement of loss and comprehensive loss, equity and cash flow related to assets and liabilities of the Company.

These condensed interim financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a basis consistent with the accounting policies disclosed in the annual financial statements of the Company for the year ended December 31, 2024. The accounting policies set out below were consistently applied to all periods presented, unless otherwise noted.

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024, prepared in accordance with IFRS.

These condensed interim financial statements have been prepared on a historical cost basis, except for those items carried at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements were prepared on a basis consistent with the accounting policies disclosed in the annual financial statements of the Company for the year ended December 31, 2024, as set out in Note 3 thereof.

Basis of consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The results of subsidiaries acquired or disposed of are included in the condensed interim consolidated statement of income/(loss) from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated on consolidation.

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

Expressed in Canadian dollars, unless noted

The Company had one wholly owned subsidiary, Buchans Minerals Corporation (Canada), during the years ended December 31, 2024. On April 30, 2024, Buchans Resources Limited and Buchans Minerals Corporation were amalgamated into a new company named Buchans Resources Limited. The 2024 comparative amounts contained in these condensed interim consolidated financial statements represent the total of both these two former companies.

4. INCOME/(LOSS) PER SHARE

Basic income/(loss) per share is computed by dividing the income/(loss) after taxation for the period available to ordinary shareholders by the sum of the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted income/(loss) per share is computed by dividing the income/(loss) after taxation for the period by the weighted average number of ordinary shares in issue, adjusted for the effect of all potential dilutive ordinary shares that were outstanding during the period. The computation for basic and diluted income/(loss) per share is as follows:

	March 31, 2025 \$	March 31, 2024 \$
Numerator		
Net income/(loss)	(817,669)	(2,294,305)
Total income/(loss) for the year	(817,669)	(2,294,305)
Denominator	No. of Shares	No. of Shares
Weighted average number of shares - basic and diluted	64,710,636	64,710,636
Earnings/(loss) per share		
Basic and diluted earnings/(loss) per share	(0.013)	(0.035)

5. RIGHT OF USE ASSET, LEASE OBLIGATION AND INVESTMENT IN FINANCE LEASES

On February 1, 2022, the Company extended the lease for its office premises, being approximately half of one floor in mid-size office building in downtown Toronto, for three years, expiring January 31, 2025. In accordance with IFRS 16, the Company recognized a right of use asset ("ROU") and a lease obligation.

The Company signed a new the lease for its office premises with Dream Office (GP) Inc. for 181 University Ave., Suite 1413, Toronto, Ontario, for a term with occupancy beginning March 1, 2025.

	March 31, 2025 \$	December 31, 2024 \$
Cost		
Balance, beginning of year	1,145,272	1,145,272
Additions	-	-
Derecognized - investment in finance leases	(1,145,272)	-
Balance, end of period	-	1,145,272
Accumulated Depreciation		
Balance, beginning of year	1,133,502	997,634
Additions	11,770	135,868
Balance, end of period	1,145,272	1,133,502
Net book value	-	11,770
	March 31, 2025 \$	December 31, 2024 \$
Balance, beginning of year	28,281	355,286
Additions	-	-
Lease payments	(355,432)	(339,880)
Interest expense	146	12,875
Balance, end of period	-	28,281
	\$	\$
Current portion of lease liability	-	28,281
Long-term portion of lease liability	-	-
	-	28,281

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

Expressed in Canadian dollars, unless noted

5. RIGHT OF USE ASSET, LEASE OBLIGATION AND INVESTMENT IN FINANCE LEASES (CONTINUED)

When measuring the lease obligation, the Company discounted the remaining lease payments using the estimated incremental borrowing rate of 6.2% per annum.

Net investment in finance leases/contracts

On February 1, 2022, the Company entered into office sharing agreements with related corporations that share part of the office premises for terms of three years. In accordance with IFRS 16, at commencement of the contracts, the Company recognized a net investment in finance leases of \$488,839 and derecognized ROU assets by the same amount.

During the three months ended March 31, 2025, \$15,750 (2024 - \$58,605) was recovered from related corporations.

	March 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of year	15,198	191,189
Additions	1,145,272	-
Finance income	79	6,920
Lease payments received	(15,277)	(182,911)
Balance, end of period	-	15,198

Although considered leases (contracts granting the right to utilize an asset) under IFRS 16, these are simple office and cost sharing arrangements with other companies related by common or overlapping management and/or directors.

6. EXPLORATION AND EVALUATION ASSETS

The following table shows the Company's exploration and evaluation assets:

	March 31 2025	Additions	Dec. 31, 2024	Additions	Dec. 31, 2023
	\$	\$	\$	\$	\$
South Voiseys Bay	230,456	10,848	219,608	75,550	144,058
Tasiuyak-Voiseys Gold	-	-	-	-	-
Voiseys Bay (Luk)	77,345	-	77,345	-	77,345
	307,801	10,848	296,953	75,550	296,954

All exploration and evaluation assets are carried at cost less any applicable impairment provision.

The realisation of the exploration and evaluation assets is dependent on the successful discovery and development of mineral economic resources, including the ability to raise finance to develop the projects. Should this prove unsuccessful the value included in the statement of financial position would be impaired. By its nature there is inherent uncertainty as in the asset value.

The Company holds interests in several copper/nickel/cobalt exploration properties in Labrador, including claims at South Voisey's Bay and claims in the immediate Voisey's Bay area, and the Tasiuyak gold exploration property.

7. INVESTMENT IN ASSOCIATES

At March 31, 2025, the Company held 11,227,879 (2024 - 11,227,879) shares of Minco Exploration PLC, incorporated in Ireland, representing a 14.4% (2024 - 14.4%) interest, as an investment in associate and not held for distribution.

	March 31, 2025	December 31, 2024
	\$	\$
Opening balance	701,047	706,047
Share of loss of associate	-	(5,000)
Closing balance	701,047	701,047

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

Expressed in Canadian dollars, unless noted

8. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024
	\$	\$
Cash	298,924	253,343
Cash (US dollars)	7,247	7,247
Immediately available without restriction	306,171	260,590

Cash comprises cash balances held at a major Canadian bank for purposes of meeting short-term cash commitments.

9. TRADE AND OTHER RECEIVABLES

	March 31, 2025	December 31, 2024
	\$	\$
Receivable from related parties (Note 14)	187,248	186,042
Sales taxes receivable	7,769	22,238
	195,017	208,280

10. MARKETABLE SECURITIES

	March 31, 2025	December 31, 2024
	\$	\$
Canterra Minerals Corporation shares	2,840,085	3,550,106
Royalties Inc.	520,800	700,000
Urano Energy Corp.	7,000	13,000
	3,367,885	4,263,105

(a) Canterra Minerals Corporation

On June 28, 2024, all the warrants were exchanged into Canterra common shares and the Company distributed to Buchans shareholders 113,243,613 Canterra common shares at a ratio of 1.75 Canterra Shares for each common share of Buchans held as of March 28, 2024. The effective price of the Canterra Shares distributed was \$0.055, based on the closing price of the Canterra Shares on June 27, 2024, giving a total value of the distribution of \$6,228,399, the equivalent of \$0.096 per Buchans share outstanding. This transaction resulted in a loss on the distribution of marketable securities of \$2,264,872, recorded in the Statement of Loss. The distribution was structured as a return-of-capital and the stated capital of the Company was reduced by \$6,228,399.

At March 31, 2025, the Company held 35,501,054 shares of Canterra valued at \$2,840,085 (December 31, 2024 – \$3,550,106). During the three months ended March 31, 2025, the Company recorded a fair value loss in the amount of \$710,021.

(b) Royalties Inc.

On June 11, 2024, the Company sold 5,000,000 shares of Royalties Inc. ("Royalties") for net proceeds of \$200,000.

During the first quarter of 2025, the Company sold 4,480,000 shares of Royalties for net proceeds of \$134,400 and recorded a loss on disposal of \$44,800.

At March 31, 2025, the Company held 13,020,003 shares of Royalties (December 31, 2024 – 17,000,003) with a quoted market value as at that date of \$520,800 (December 31, 2024 – \$700,000). During the three months ended March 31, 2025, the Company recorded a loss on disposal of \$44,800.

(c) Urano Energy Corporation

At March 31, 2025, the Company held 100,000 shares of Urano Energy Corp. (December 31, 2024 – 100,000) (Formerly C2C Metals) with a quoted market value as at that date of \$7,000 (December 31, 2024 – \$13,000). During the three months ended March 31, 2025, the Company recorded a fair value loss in the amount of \$6,000.

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

Expressed in Canadian dollars, unless noted

11. TRADE AND OTHER PAYABLES

	March 31, 2025	December 31, 2024
	\$	\$
Trade creditors and accruals	227,030	272,797
Amounts due to related parties (Note 14)	35,000	43,306
	<u>262,030</u>	<u>316,103</u>

12. LOANS PAYABLE

On May 26, 2020, the Government of Canada launched the Canada Emergency Business Account (CEBA), which was implemented by eligible financial institutions. The Company and its former subsidiary, Buchans Minerals Corporation, each received loans of \$40,000, for a total amount of \$80,000 and in January 2021, the Company received an additional loan in the amount of \$40,000. In December 2023, the Company refinanced the full balance of the CEBA loans less a \$40,000 forgivable portion. The refinancing was done through a bank loan in the amount of \$80,000 repayable in monthly instalments over a period of five years at interest rates of prime plus 1.5% to 3.5%.

13. SHARE CAPITAL**Authorized**

Unlimited number of common shares

Issued

	Shares	Amount
		\$
Balance at December 31, 2023	64,710,636	14,639,425
Return of capital distribution	-	(6,228,399)
Balance at December 31, 2024 and March 31, 2025	<u>64,710,636</u>	<u>8,411,026</u>

On June 28, 2024, the Company distributed to Buchans shareholders 113,243,613 Canterra shares valued at \$6,228,399, equivalent to \$0.096 per Buchans common share.

See Note 18.

14. RELATED PARTY TRANSACTIONS

The directors are considered key management personnel of the Company in accordance with IAS 24 'Related Party Disclosures'. No fees were paid by the Company to directors for their services as directors of the Company in the three months ended March 31, 2025 and 2024.

During the three months ended March 31, 2025, the Company charged \$20,750 to related parties for office services, including \$5,000 (2024 - \$15,000) to Canadian Manganese Company Inc., \$11,250 (2024 - \$11,250) to Labrador Iron Mines Holdings Limited and \$4,500 (2024 - \$4,500) to Energold Minerals Inc. These companies are related through John F. Kearney, Chairman of the Company, being director of some or all companies mentioned. See also Note 5.

Included in trade and other receivables at March 31, 2025 is \$187,248 (December 31, 2024 - \$186,042) receivable from related parties, including \$19,850 (December 31, 2024 - \$19,850) from Minco Exploration PLC (Note 7) covering administration services, \$121,334 (December 31, 2024 - \$115,128) receivable from Labrador Iron Mines Holdings Limited, \$45,044 (December 31, 2024 - \$50,044) from Canadian Manganese Company Inc. and \$1,020 (December 31, 2024 - \$1,020) from John F. Kearney.

Included in accounts payable and accrued liabilities at December 31, 2024 is \$35,000 (2024 - \$35,000) payable to related parties, including \$35,000 (2023 - \$35,000) in respect of advances made by Energold Minerals Inc. to the Company, See also Note 11.

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

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

Expressed in Canadian dollars, unless noted

15. COMMITMENTS AND CONTINGENCIES

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

In consideration of Canterra providing support services in 2025 to Buchans, Buchans has agreed to pay Canterra \$17,712 representing 5% of the salary and the target bonus in the applicable period in exchange for the equivalent amount of certain employees' time and availability to provide the support services. Billing will be on two equal amounts payable on a half-yearly basis. The contract is in effect until January 31, 2026.

16. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures during the financial statements reporting period.

Fair value

The Company's exchangeable warrants and marketable securities are classified as fair value through profit or loss ("FVPL"), which are measured at fair value. Cash and cash equivalents, trade and other receivables, trade and other payables, loans payable and lease obligations are measured at amortized cost.

As at March 31, 2025, the carrying and fair value amounts of the Company's current financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value hierarchy

The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). During the three months ended March 31, 2025, the Company's financial instruments that are carried at fair value, consisting of investment in warrants, have been classified as Level 2 within the fair value hierarchy, and investments in marketable securities have been classified as Level 1 within the fair value hierarchy.

Interest rate risk

The Company has cash balances and a variable interest bank loan. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major banks with a credit rating of at least BBB-. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. See Note 12.

Credit risk

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed to or owed by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held in banks.

Commodity price risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals, particularly zinc lead and copper.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Other than a bank loan repayable over five years and office lease obligations payable until January 30, 2025, all of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk with respect to its marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favorable prices. A 5% change in the market prices would result in a \$168,394 impact to the net income.

BUCHANS RESOURCES LIMITED**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**Expressed in Canadian dollars, unless noted

16. FINANCIAL INSTRUMENTS (CONTINUED)**Foreign currency risk**

Although the Company is incorporated in Canada, the Company has operations in Ireland and UK through its investment in associate, none of which presently generate cash from operations, and may hold cash investments in Canadian and US Dollars, Euros or Sterling. The functional currency of the Company's operations is the Canadian Dollar. However, expenditures are not considered to be a monetary asset, and have been translated to the functional currency at the rates of exchange ruling at the dates of the original transactions. The Company also has transactional currency exposures. Such exposures arise from expenses incurred by the Company in currencies other than the functional currency.

The impact of foreign currencies has been determined based on the balances of financial assets and liabilities at March 31, 2025. The sensitivity analysis includes outstanding foreign currency denominated monetary items and largely results from payables and receivables and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% change in the US Dollar exchange rate would not result in a significant foreign exchange impact to the net loss based on monetary assets and liability balances existing at March 31, 2025.

17. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding, primarily to equity financing, to support the exploration and development of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

The Company invests all capital that is surplus to its immediate operational needs in short term, highly-liquid financial instruments, such as short term guaranteed investment certificates, held with a major Canadian financial institution.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no significant changes to the Company's approach to capital management during the three months ended March 31, 2025. The Company is not subject to externally imposed capital requirements.

18. SUBSEQUENT EVENTS

On April 1, 2025, Buchans entered into an agreement to purchase additional claims at South Voisey's Bay. The agreement grants the Company an option to purchase 100% interests in 25 additional adjacent claims (additional 6.25 km²). To acquire this interest, Buchans must (i) pay the vendors an aggregate total of \$40,000, (ii) issue a total of 1,000,000 BRL shares over four years, and (iii) grant the Vendors a two percent (2%) net smelter returns royalty ("NSR Royalty") on the vended claims. Buchans may purchase one half of the NSR Royalty at any time for a cash payment of \$1,500,000 and retains right of first refusal on the transfer or assignment of the NSR Royalty. Buchans has acquired the claims and made the first of four annual payments and share issuances (i.e. \$10,000 and 200,000 shares).

The Company entered into a new lease agreement for its corporate office premises in Toronto, Canada. The lease term is 7 years, with a commencement date of August 1, 2025, and concluding on July 31, 2032. The annual rent is \$66,429 for the first five years, and \$68,442 for the subsequent two years. The Company is also responsible for its share of realty taxes and operating costs. The Company has the right to renew the agreement for a further period of five years, with rental rates determined at that time. As the lease has a commencement date after March 31, 2025, no adjustment has been made to these financial statements.