

BuchansResources

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2022

Dated August 23, 2022

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the six months ended June 30, 2022

Date: August 23, 2022

GENERAL

The following management discussion and analysis (“MD&A”) of financial condition and results of operations of Buchans Resources Limited (“Buchans” or the “Company”), should be read in conjunction with the condensed interim consolidated financial statements and the notes thereto for the six months ended June 30, 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All dollar amounts are stated in Canadian dollars, unless otherwise noted.

For a more complete understanding of the Company’s financial condition and results of operations, this MD&A should be read together with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2021, a copy of which is filed on the SEDAR website.

COMPANY OVERVIEW

Buchans’ flagship project is the historic, high-grade Buchans VMS base metal mining camp in central Newfoundland, Canada. Recognized internationally as one of the world’s richest and highest grade VMS camps, the Company is currently working to advance the project under a Collaboration Agreement with Boliden Mineral AB, a leading European mining and metals producer of zinc, copper, lead, and nickel.

Buchans is also exploring several gold properties in central Newfoundland, including three properties being explored as joint ventures funded largely by joint venture partners.

In keeping with the Company’s strategy of exploring districts and opportunities with demonstrated potential for exceptional mines, Buchans also has interests in several additional projects, including other VMS base metal properties near Buchans, gold properties in central Newfoundland and northern Labrador, and nickel-copper-cobalt properties near Voisey’s Bay in Labrador.

In addition to its project portfolio, Buchans holds equity interests in base metal and silver projects in Mexico through its 24.5% shareholding in Xtierra Inc. (TSXV: “XAG”), and in base metal exploration in Ireland through its 14.4% shareholding in Minco Exploration plc.

Collaboration with Boliden

Early in 2021, Buchans entered into a **Collaboration Agreement** on its Buchans Project with **Boliden Mineral AB**, a wholly-owned subsidiary of Boliden AB (publ). Under this agreement Boliden has been granted rights to evaluate the project for possible future investment and participation and retains exclusivity on the project. During 2021 Boliden invested \$635,000 in cash and services towards evaluation programs undertaken on the Buchans project and contributed a further \$320,000 to date in 2022. The evaluation period was originally meant to end at the end of 2021 but has been extended by subsequent amendments as Boliden requested additional time to negotiate terms for option and joint ventures agreements, as well as complete its due diligence investigations.

In amendments to the Collaboration Agreement, Boliden and Buchans have confirmed their intentions to enter into an Earn in and Option Agreement under which Boliden will be granted an option to earn an interest in the Project. Under the amendments, the parties acknowledge that the Technical Committee established a 2022 Budget and Funding Schedule of \$2,000,000 for the Buchans Project and Boliden paid Buchans \$320,000 to cover anticipated project expenditures under the approved 2022 Budget and Funding Schedule to the end of April 2022. Buchans continues to expend funds in keeping with the approved 2022 Budget, but at a reduced rate of progress and expenditure.

Buchans anticipates concluding negotiations with Boliden during the third quarter and remains hopeful ongoing negotiations will lead to further investment and participation by Boliden.

Lundberg deposit open pit project

Located within the Buchans Project, the Lundberg deposit is the largest and most advanced base metal deposit in the Buchans district and has been the subject of multiple technical evaluations undertaken by the Company to advance the deposit towards open pit mine development. These evaluations have included several campaigns of resource delineation drilling, metallurgical test work and other technical assessments.

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Lundberg's current In-pit resource estimate contains more than 1.25 billion pounds Zinc Equivalent of which 97.8% of the resource occurs in the higher confidence Indicated category. The Lundberg resource comprises **Indicated In-pit resources totalling 16,790,000 tonnes grading 1.53% Zn, 0.64% Pb, 0.42% Cu, 5.69 g/t Ag and 0.07 g/t Au (3.38% Zn Eq)**, as well as **Inferred In-pit resources of 380,000 tonnes grading 2.03% Zn, 1.01% Pb, 0.36% Cu, 22.35 g/t Ag and 0.31 g/t Au (4.46% ZnEq)** [Technical Report entitled: "NI 43-101 Technical Report and Mineral Resource Estimate on the Lundberg Deposit, Buchans Area, Newfoundland and Labrador, Canada", dated April 15, 2019, filed on SEDAR].

Encouraged by the positive outlook for metal prices, Buchans remains optimistic that Lundberg represents an important resource asset and intends to continue to advance its assessment of Lundberg as a potential open pit mine development.

Gold Exploration in Newfoundland

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

In 2021, Buchans entered into joint venture ("JV") agreements on three of its central Newfoundland gold projects. Exploration on these properties is primarily being funded by Buchans' JV partners who are earning or maintaining interests on Buchans' properties. These JVs include the 11,925 ha Long Range JV with Benton Resources Inc. (BEX.TSX.V; "Benton"), the 5,425 ha Tulks South JV with Quadro Resources Ltd. (QRO.TSX.V; "Quadro"), and the 9,100 ha Lake Douglas-South Tally JV with C2C Gold Corp. (CTOC.CSX; "C2C"). Buchans retains rights to maintain participating interests ranging between 49% and 51% on these gold JV properties as well as certain underlying royalty rights. In addition, Buchans retains preferred base metal rights on the Tulks South and Lake Douglas-South Tally joint ventures that grant Buchans rights to retain a 70% interest and operatorship, should a base metal deposit(s) be discovered on these properties.

CENTRAL NEWFOUNDLAND VMS Target Areas – Buchans Mining District

Buchans Base Metals Project

The Company's 100% owned Buchans base metal project measures more than 73.5 km² (7,350 hectares) and covers all of the camp's past producing orebodies and key undeveloped prospects. Historic mining by ASARCO within the current property produced more than **16.2 million tonnes** of ore with a combined average grade of **14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au** from five separate deposits before ore exhaustion and mine closure in 1984.

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

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

The Resource Estimate includes **Indicated In-pit Mineral Resources of 16,790,000 tonnes grading 1.53% Zn, 0.64% Pb, 0.42% Cu, 5.69 g/t Ag and 0.07 g/t Au (3.38% Zn Eq)** and **Inferred In-pit Mineral Resources of 380,000 tonnes grading 2.03% Zn, 1.01% Pb, 0.36% Cu, 22.35 g/t Ag and 0.31 g/t Au (4.46% Zn Eq)**. These resources were estimated within an optimized pit shell at a cut-off grade of US\$20/t NSR and are considered to possess reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods. Notably, the 2019 resource estimate applied metal price assumptions of **US \$1.20/lb Zn, \$1.00/lb Pb, \$3.00/lb Cu, \$1,250/oz Au, and \$17/oz Ag**.

This Lundberg deposit hosts a large lower grade resource of near-surface stockwork sulphide mineralization immediately beneath workings of the previously mined, high-grade Lucky Strike massive sulphide orebody from which ASARCO mined **5.6 million tonnes** of ore averaging **18.4% Zn, 8.6% Pb, 1.6% Cu, 112 g/t Ag & 1.7 g/t Au**, essentially pre-stripping a large portion of the Lundberg resource.

The principal recommendation arising from this Mineral Resource Estimate completed by Mercator Geological Services is that an updated assessment of the deposit's economic potential should be completed as the next phase of project

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evaluation. This could take the form of a new Preliminary Economic Assessment or an internal economic study leading to a decision to proceed directly to a Prefeasibility assessment.

With respect to the second approach of identifying high-grade mineralization, Buchans has undertaken multiple initial, target specific exploration programs throughout the Project while also investigating the Project's overall potential by relogging archived historic drill cores from the Project's previously mined orebodies and key undeveloped prospects. To date, the Company has relogged approximately 181,000 metres of drill core from more than 900 holes as a means of identifying and delineating favourable areas for further exploration for new buried high-grade orebodies.

Seeking to benefit from this considerable knowledge of the Buchans Project, the Company entered into a Collaboration Agreement with Boliden under which Boliden is evaluating the project for possible future investment and participation to explore for additional high-grade orebodies. Under the Agreement, Boliden invested \$635,000 towards evaluation programs undertaken by Buchans working collaboratively with Boliden on the Buchans project in 2021, of which \$544,500 was paid to and expended by the Company and an additional \$91,000 was expended directly by Boliden.

Since entering into the Collaboration Agreement work on the Buchans Project has included compilations of past work, reprocessing and modeling of historic geophysical data, relogging of archived drill cores; all of which have supported creation and expansion of a digital 3D geological model that the Company and Boliden intend to use to advance exploration for new buried high-grade ore bodies at Buchans. To date, the partners have generated multiple targets warranting further follow-up, and the current 2022 budget and program includes funding for initial exploration drilling in 2022 that is contingent on the parties entering into additional option and joint venture agreements (negotiations ongoing).

Work completed so far in 2022 has been primarily focused on investigations of the project's volcanic stratigraphy and modelling of previously collected geophysical datasets working in collaboration with Boliden and expert consultants with advanced expertise in volcanology of VMS deposits and magnetotelluric geophysical surveys. The Company has also undertaken additional relogging to further refine targets that may be tested by a proposed 2022 exploration drilling program to be undertaken should the parties successfully conclude negotiations on option and joint venture agreements.

Under the amendments to the Boliden Collaboration Agreement the parties acknowledge that the Technical Committee has established a 2022 Budget and Funding Schedule of \$2,000,000 for the Buchans Project and Boliden paid Buchans \$320,000 to cover anticipated project expenditures under the approved 2022 Budget and Funding Schedule to the end of April 2022. Amounts paid by Boliden will be credited for the purposes of earning an interest in the Project if the Option Agreement is signed. The amendments to the Collaboration Agreement do not commit Boliden to fund the remainder of the 2022 Budget if the contemplated option and joint venture agreements are not signed.

Two Level Target (Lundberg Deposit - Supplementary Target)

The Boliden collaboration program is being undertaken as a means of identifying and evaluating additional exploration targets throughout the project that have potential for discovery of new high-grade Buchans orebodies. To date, the program has identified multiple target areas warranting further exploration, including the Two-Level (Lucky Strike) mine area, located immediately north of the Lundberg deposit. At this locality, the Company believes potential exists to discover additional high-grade resources down plunge of previous exploration drilling that might supplement an open pit mine development at Lundberg as either additional in-pit or underground resources.

The Two Level target is located on-strike to the northwest of mineralization intersected by the Company's 2018 drilling campaign just north of Lundberg and beyond the reach of underground workings of the former Lucky Strike mine.

The **Two Level** target area was last drilled in 2018 and returned drilled intercepts of **1.8 m** of high-grade mineralization assaying **9.48% combined base metals (Zn+Pb+Cu)** as **5.57% Zn, 3.15% Pb, 0.76% Cu, 90.5 g/t Ag & 0.37 g/t Au**, including **1.0 m assaying 14.83% combined base metals** as **8.70% Zn, 4.87% Pb, 1.26% Cu, 133.2 g/t Ag & 0.47 g/t Au** (Buchans news release dated November 19, 2018).

Buchans believes the Two Level target area remains underexplored for additional fault-displaced orebodies in this area, where historic drilling from surface tended to be drilled either too shallow or at too wide a spacing to adequately test this concept. The Two Level area holds potential for discovery of additional high-grade ore that may complement open

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pit development of the Lundberg deposit, or perhaps extend down plunge into areas capable of hosting additional high-grade resources of sufficient size and grade to warrant development as new underground mines.

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

Other Central Newfoundland VMS Projects - Tulks Belt

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

EXPLORING FOR GOLD IN NEWFOUNDLAND AND LABRADOR

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

Among these projects are three active gold exploration joint ventures announced in 2021 and located within the central Newfoundland gold belt, an emerging district that continues to yield both advanced staged discoveries such as Marathon Gold's (MOZ.TSX) Valentine Lake gold project, and impressive, early-stage discoveries being explored by New Found Gold (NFG.TSX.V) at its Queensway Gold Project. As a result of these discoveries, the central Newfoundland gold belt is currently the focus of significant exploration activity and investment. Within its Valentine project, Marathon has reported Measured and Indicated Resources from five deposits totalling 3.14 million ounces of gold (56.6 Mt at 1.72 g/t Au) (Marathon Gold news release dated April 21, 2021) and announced results of a positive Feasibility Study on the project on March 29, 2021.

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

The Company has been advised by its respective joint venture partners that a variety of prospecting and geochemical exploration programs were undertaken on each of the gold joint venture properties in central Newfoundland in 2021.

Buchans has been advised by both C2C Gold Corp. ("C2C") and Quadro Resources Ltd. ("Quadro"), that these companies met their expenditure commitments for 2021 and continue to explore their respective joint venture projects in 2022 maintaining their options to earn an interest in Buchans' properties. These active projects include C2C's Lake Douglas-South Tally joint venture property and Quadro's Tulks South joint venture properties in 2022.

Benton Resources Inc. ("Benton"), operator of the 2021 exploration program on the Long Range joint venture, has also advised Buchans that results of the 2021 program are still being evaluated and has not yet proposed additional programs on the Long Range joint venture project for 2022.

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

Exploits Properties

Buchans also retains 100% interest in several gold projects in the central Newfoundland gold belt and in northern Labrador. Among these, are three gold properties totalling 8.25 km² near Gander known as the Exploits Properties located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project.

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One of these, a four-claim (100 ha) property surrounded by New Found Gold's Queensway property is located approximately 30 km southwest of New Found Gold's Keats and Lotto gold discoveries and was included in property-wide airborne geophysical survey completed by New Found Gold in 2021 for which Buchans received the Helitem® TDEM and magnetic data for that portion of the survey that covered Buchans' property.

Buchans completed an initial, cursory prospecting program on two of its three Exploits properties in 2021, and is considering additional prospecting activities for these properties in 2022, the scope of which will be in part be determined by the Company's ongoing negotiations with Boliden to enter into an Option and Joint Venture agreement on the Company's Buchans Project.

Tasiuyak Gold Property, Labrador

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

Exploration was last undertaken on this project by Buchans in 2018 and returned sawn bedrock channel sample assays from the VBE-2 prospect of **8.51 g/t Au & 0.93 g/t Ag over 4.8 m**, including **31.91 g/t Au over 0.85 m**. Prospecting undertaken along strike of the prospect traced the host horizon over a 3-kilometre strike where sawn channel samples returned assays of up to 0.69 g/t Au over 0.50 m, two kilometres south of the VBE-2 prospect.

EXPLORING FOR NICKEL-COPPER-COBALT IN NEWFOUNDLAND AND LABRADOR

Buchans holds (100%) several properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 38 claims (9.5 km²) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey's Bay, and 5 claims (1.25 km²) covering mineralized troctolite at Voisey's Bay itself.

South Voisey's Bay

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

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

Originally acquired by staking an initial 9 km² property in 2016, Buchans has continued to expand its property position in this area, including staking additional property as recently as June 2022. The current property covers an area of 20.5 km². Buchans has completed reviews of past work on the property including geophysical modelling and compilation by a leading consultant geophysicist in 2019. This compilation has highlighted several anomalies detected by previous geophysical surveys warranting further follow-up as potential targets for buried Voisey's Bay-style magmatic sulphide deposits.

Buchan's South Voisey's Bay Property is surrounded by Fjordland Exploration Inc.'s South Voisey's Bay Property under option to Ivanhoe Electric Inc. ("IVNE") a privately owned US corporation led by Chairman and CEO Robert Friedland. Fjordland announced IVNE earned a 75% interest in the project after having funded \$3 million in exploration expenditures on the project and retains rights to earn 100% interest by spending a further \$5 million by October 2024 (Fjordland news release dated November 15, 2021). More recently (Fjordland news release dated August 16, 2022), Fjordland and Ivanhoe Electric announced that they have commenced a summer drill program on their property that will include a minimum of 2,500 metres of drilling, citing "*Potential targets to be tested have been derived from extensive processing of historical and recent geophysical data including a significant property-wide gravity inversion study and the recently completed SQUID EM survey performed in 2021.*" Buchans continues to monitor developments on this adjacent property and may pursue additional work on its South Voisey's Bay property in 2022.

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Voisey's Bay (Luk)

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

Buchans' property is surrounded by Vale's mine property, where Vale is completing a US\$1.7 billion mine expansion to develop two additional deposits as underground mines adjacent to the currently operating Voisey's Bay Ovoid open pit mine. Buchans continues to maintain this property and intends to review available historic data prior to determining a strategy to advance this prospective nickel-copper-cobalt property.

Qualified Person

Paul Moore M.Sc., P.Geo. (NL), Vice President Exploration of Buchans Resources Limited and a Qualified Person as defined by National Instrument 43-101, has approved the scientific and technical disclosure contained in this Management's Discussion and Analysis.

EXPLORATION AND EVALUATION ASSETS

For the six months ended June 30, 2022

| | June 30 2021 | Additions | December 31 2021 | Additions | December 31 2020 |
|---------------------------|-----------------|-----------|---------------------|-----------|---------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Buchans/Lundberg | 9,173,295 | 18,586 | 9,154,709 | 44,498 | 9,110,211 |
| Bobby's Pond | 1,747,185 | - | 1,747,185 | 29,894 | 1,717,291 |
| Tulks | 1,423,533 | 6,400 | 1,417,133 | 29,652 | 1,387,481 |
| Lake Douglas/Long Range | 639,228 | - | 639,228 | 614 | 638,614 |
| South Voisey Bay/Tasiuyak | 238,388 | 12,533 | 225,855 | 9,709 | 216,146 |
| | 13,221,629 | 37,519 | 13,184,110 | 114,367 | 13,069,743 |

XTIERRA INC.

At June 30, 2022, the Company held 43,000,003 shares and 5,000,000 share purchase warrants of Xtierra Inc. ("Xtierra"), a company listed on the TSX Venture Exchange, which represent an approximate 24.5% shareholding.

Xtierra holds the Bilbao polymetallic sulphide and oxide replacement silver-lead-zinc-copper property, located in the Central Mineral Belt of Mexico, in the southeastern part of the State of Zacatecas, approximately 500 km northwest of Mexico City and is also pursuing new opportunities, including mineral exploration and development projects.

At June 30, 2022, the Company held notes receivable from Xtierra in the amount of US\$191,798 (\$247,253) plus accrued interest in the amount of US\$11,397 (\$14,692), for a total of \$261,945 (December 31, 2021 - \$251,673).

The market value of the Company's shares in Xtierra at June 30, 2022 was \$1,075,000 based on the market price of Xtierra shares on the TSX Venture Exchange (December 31, 2021 - \$1,720,000).

MINCO EXPLORATION PLC.

At June 30, 2022, the Company held 11,227,879 shares of Minco Exploration plc, representing a 14.4% interest in Minco Exploration as an investment in associate and not held for distribution (2020 – 12.4%).

Minco Exploration continues to focus its exploration efforts on its Prospecting Licences (“PLs”) in Ireland held either directly or in joint venture with Boliden Tara Mines Limited (“Boliden”) and considered prospective exploration areas for “Irish Type” carbonate hosted zinc-lead mineralization and quality target areas have been identified through field work, reinterpretation of historical exploration data and application of geological concepts.

Minco holds a 20% interest in PL 1440R (Tatestown) being explored under a Joint Venture with Boliden (80%). PL 1440R is located within the mineralized envelope that surrounds the immediately adjacent Boliden’s Tara mine and hosts part of the Tatestown–Scallanstown zinc-lead deposit.

Boliden’s Tara Mine is the largest zinc mine in Europe and is also one of the largest globally. Exploration by Boliden has continued to extend the life-of-mine through the delineation of new resources proximal to the existing workings and at the Tara Deep zone to the south-east.

Minco is also participating 50% in a joint venture agreement with Boliden on ten prospecting licences in the Slieve Dart area of County Galway. Historic exploration has detected widespread, significant, mineralization in Waulsortian reef limestones at shallow depth in the northern and north-western part of the block. These limestones, which host many of the Irish ore deposits, are covered to the south-east by younger rocks.

A 2D seismic survey was completed over this area in 2019, jointly funded by Minco and Boliden, with financial support from the Geological Survey of Ireland (“GSI”). The survey results, in conjunction with review of the GSI TELLUS regional airborne data, indicate the presence of major structures in the basement rocks beneath the younger cover. It is interpreted that these structures might provide the plumbing system for mineralizing fluids ascending from the basement into the prospective limestones. Minco plans to drill test these structural – stratigraphic targets in 2022 as part of a longer term exploration strategy for the Block.

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RESULTS OF OPERATIONS

Buchans recorded no revenue in the quarters or six months ended June 30, 2022 or June 30, 2021.

For the three months ended June 30, 2022, the Company recorded a loss of \$167,586. The loss included a loss in fair value of the Xtierra warrants in the amount of \$38,125.

For the six months ended June 30, 2022, the Company recorded a loss of \$302,399. The loss included a loss in fair value of the Xtierra warrants in the amount of \$60,030.

For the three-month period ended June 30, 2021, the Company recorded a gain of \$37,868. The gain included a non cash income of \$273,648 representing the fair value of the 2021 Xtierra warrants received, a loss in fair value of the 2021 warrants between the date of issue of April 27, 2021 and June 30, 2021 in the amount of \$86,804, and a loss in fair value of the 2020 warrants in the amount of \$103,847.

For the six-month period ended June 30, 2021, the Company recorded a loss of \$42,524. The loss included a non cash income of \$273,648 representing the fair value of the 2021 Xtierra warrants received, a loss in fair value of the 2021 Xtierra warrants between the date of issue of April 27, 2021 and June 30, 2021 in the amount of \$86,804, and a loss in fair value of the 2020 warrants in the amount of \$103,847.

During the six months ended June 30, 2022, Buchans invested \$37,519 on exploration expenditures on its mineral properties in addition to approximately \$320,000 funded by Boliden.

SUMMARY OF QUARTERLY RESULTS

| Expressed in \$000's, Except for per share amounts | June 30 2022 \$ | March 31 2022 \$ | Dec. 31 2021 \$ | Sept. 30 2021 \$ | June 30 2021 \$ | March 31 2021 \$ | Dec. 31 2020 \$ | Sept. 30 2020 \$ |
|--|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| Net (loss) gain | (167) | (135) | (1,208) | (158) | 38 | (80) | 2,287 | 709 |
| Net (loss) gain per share - basic and diluted | (0.003) | (0.002) | (0.019) | (0.003) | 0.001 | (0.001) | 0.038 | 0.011 |
| Total assets | 15,860 | 16,376 | 15,561 | 16,679 | 16,899 | 16,981 | 16,847 | 19,341 |
| Working capital | 672 | 1,051 | 1,119 | 670 | 624 | 1,388 | 1,464 | 560 |

- The gain for the quarter ended September 30, 2020 included a gain in fair value of the 2020 Xtierra warrants in the amount of \$945,331, a loss in fair value of the exchangeable warrants in the amount of \$93,204, and a loss in the amount of \$13,192 attributable to discontinued operations.
- The gain for the quarter ended December 31, 2020 included a loss in fair value of the 2020 Xtierra warrants in the amount of \$803,967, a change in fair value of the Exchangeable Warrants of (\$277,759), a gain in the amount of \$3,241,452 arising on the disposal of the exchangeable warrants, and a loss in the amount of \$13,192 attributable to discontinued operations.
- The gain for the quarter ended June 30, 2021 included a non cash income of \$273,648 representing the fair value of the 2021 warrants received, a loss in fair value of the 2021 Xtierra warrants in the amount of \$86,804, and a loss in fair value of the 2020 warrants in the amount of \$103,847.
- The loss for the quarter ended September 30, 2021 included a loss in fair value of the 2021 Xtierra warrants in the amount of \$98,029.
- The loss for the quarter ended December 31, 2021 included a share of loss of associate, Xtierra, in the amount of \$1,170,013.
- The loss for the quarter ended March 31, 2022 included a loss in fair value of the 2021 Xtierra warrants in the amount of \$21,905.
- The loss for the quarter ended June 30, 2022 included a loss in fair value of the 2021 Xtierra warrants in the amount of \$38,125.

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LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2022, Buchans held \$891,129 (December 31, 2021- \$1,070,738) in cash and cash equivalents and had a working capital surplus of \$671,811 compared to a working capital surplus of \$1,118,934 at December 31, 2021.

The market value of the Company's shares in Xtierra at June 30, 2022 was \$1,075,000 based on the market price of Xtierra shares on the TSX Venture Exchange.

At June 30, 2022, Buchans held mineral properties with a combined book value of \$13,221,629. The balance sheet values for these assets may not represent the value which could be obtained if the assets were to be offered for sale.

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

The Company's operations could be adversely affected by the effects of the COVID-19 pandemic. The Company cannot predict the impact COVID-19 will have on its operations, including uncertainties relating to the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments. In addition, this widespread health crisis has adversely affected financial markets, resulting in financial uncertainty that could further affect the Company's ability to finance its operations.

RELATED PARTY TRANSACTIONS

No fees were paid by the Company to directors for their services as directors of the Company in the six months ended June 30, 2022 and 2021.

During the six months ended June 30, 2022, the Company accrued \$7,350, net of HST, to SPC Consulting, a corporation controlled by Neil Steenberg, secretary of the Company, for consulting services.

During the six months ended June 30, 2022, the Company recovered \$55,250 from related corporations that share part of the office premises, including \$27,000 from Canadian Manganese Co. Inc. (June 30, 2021 - \$12,000), \$20,750 from Labrador Iron Mines Limited (June 30, 2021 - \$Nil), and \$7,500 from Energold Minerals Inc. (June 30, 2021 - \$Nil). These companies are related through directors in common.

Included in accounts receivable at June 30, 2022 is \$2,640 (December 31, 2021 - \$4,478) receivable from related parties, including \$Nil (December 31, 2021 - \$4,478) from Canadian Manganese Co. Inc. in respect of geological services, \$2,640 (December 31, 2021 - \$Nil) from Minco Exploration Plc in respect of administrative services.

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

CRITICAL ACCOUNTING ESTIMATES

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

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Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 4 to the December 31, 2021 audited consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The realization of mineral exploration assets is dependent on the development of economic ore reserves and is subject to a number of significant potential risks including:

Exploration, Development and Operating Risk

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Buchans may be affected by numerous factors that are beyond the control of Buchans and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Buchans not receiving an adequate return of investment capital. Many of the properties in which Buchans holds an interest are in the exploration stage only and are without a known mineral deposit of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained and a positive feasibility study is completed.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Buchans' mineral exploration and development activities will result in any discoveries of commercial mineral deposits. The long-term profitability of Buchans' operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the required mining and processing facilities and infrastructure. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis and at an acceptable cost.

In addition to the above, there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of interests in mineral properties and Buchans' continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable mineral deposits, the achievement of profitable operations, or the ability of Buchans to raise additional financing, if necessary, or alternatively upon Buchans' ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values of exploration and evaluation assets.

Failure to Obtain Additional Financing

While Buchans has sufficient financial resources necessary to undertake its currently planned activities, there can be no assurance that Buchans will be successful in obtaining any additional required funding necessary to conduct additional exploration or evaluation, if warranted, on Buchans' current exploration properties or any properties that may be acquired or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause Buchans to forfeit its interest in such properties. If additional financing is raised through the issuance of equity or convertible debt securities of Buchans, the interests of shareholders in the net assets of Buchans may be diluted.

Significant uncertainty about the impacts of the COVID-19 pandemic and geopolitical tensions continue to pose risks to the global economic outlook. The economic outlook remains subject to ongoing uncertainty due to the evolving nature of the COVID-19 pandemic, higher energy prices and escalating inflation. In addition, financial markets and commodity prices

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remain vulnerable to geopolitical tensions, such as those between the U.S. and China, which mainly centers around trade and technology, as well as those between Russia and Ukraine. The Company continues to follow published guidance from governments and public health authorities and will monitor and assess the appropriate level of planned company programs accordingly.

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

No Assurance of Production

Buchans has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that Buchans will have available to it the necessary expertise when and if Buchans places its resource properties into production and whether it will produce revenue, operate profitably or provide a return on investment in the future.

Fluctuating Metal Prices

Metal prices are subject to significant fluctuations and are affected by a number of factors which are beyond the control of Buchans. The principal factors include: diminished demand, which may arise if economic growth in China, North America, and/or Europe is not sustained; increases in supply resulting from the discovery and the development of new sources of metals; and supply interruptions, due to changes in government policies, war, or international trade disputes or embargos. The effect of these factors on the future price of metals and their effect on Buchans' operations cannot be predicted.

Factors beyond Buchans' Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of Buchans. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Environmental Risks and Hazards

Buchans' operations are subject to environmental regulations in the various jurisdictions in which it operates. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Competition

The mining industry is intensely competitive in all its phases, and Buchans competes with other mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical facilities than Buchans. Competition could adversely affect Buchans' ability to acquire suitable properties or prospects in the future. Consequently, Buchans' operations and financial condition could be materially adversely affected.

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Management

The success of Buchans is currently largely dependent on the performance of its directors and officers. There is no assurance Buchans can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on Buchans and its prospects. Some of the directors and officers also serve as directors and/or officers of other companies which are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other companies, and situations may arise where these directors and officers will be in direct competition with Buchans. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate and securities laws.

Recruiting and retaining qualified personnel is critical to Buchans' success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As Buchans' business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff will be required. Although Buchans believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If Buchans is not successful in attracting, training and retaining qualified personnel, the efficiency of operations could be affected.

FINANCIAL RISK MANAGEMENT

Fair value

The carrying amounts for cash and cash equivalents, marketable securities amounts receivable and accounts payable and accrued liabilities on the consolidated statements of financial position approximate fair value because of the limited term of these instruments.

Interest rate risk

Buchans finances its operations through the issue of equity shares and has no fixed interest rate agreements. Buchans had \$891,129 in cash and no cash equivalents at June 30, 2022 therefore, a change in interest rates would not result in a loss in interest income based on the nil cash equivalent balances existing at June 30, 2022.

Liquidity risk

Buchans' liquidity exposure is confined to meeting obligations under short term trade creditor agreements. This exposure is financed from a combination of cash, additional issues of ordinary equity shares and other financing arrangements.

Credit risk

With respect to credit risk arising from financial assets of Buchans, which comprise of cash and cash equivalents, cash deposits give risk to credit risks on the amounts due from counterparties. The Company controls and monitors the distribution of this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions and that exposure to credit risk is distributed across a number of institutions. At June 30, 2022 all cash and short-term deposits had a maturity date of 30 days or less. Credit risk is actively managed across the portfolio of institutions by ensuring that material surplus funds are placed with counterparties that have a credit rating of at least BBB.

Foreign currency risk

Buchans has exposure to currency exchange fluctuations and restrictions as Buchans' currencies are spread over Canadian Dollars (Cdn\$) and US Dollars (US\$), Buchans seeks to minimize its exposure to currency risk by closely monitoring exchange rates. Buchans does not presently utilize swaps or forward contracts to manage its currency exposures, although such facilities may be used where appropriate in the future.

Further details of Buchans' financial risk management policies are set out in Note 17 of the December 31, 2021 audited financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company has designated its exchangeable warrants and short-term investments as fair value through profit or loss, which are measured at fair value. Cash and receivables and other assets are measured at amortized cost. Trade and other payables and lease obligations are classified for accounting purposes as financial liabilities measured at amortized cost. As at June 30, 2022, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

OUTSTANDING SHARE CAPITAL

The Company has authorized an unlimited number of common shares.

At June 30, 2022 and at August 23, 2022, the Company had 64,629,386 common shares issued and outstanding.

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website at www.BuchansResources.com.

FORWARD-LOOKING STATEMENTS

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

Date: August 23, 2022