

BuchansResources

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Dated March 12, 2024

(Form 51-102F1)

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

Date: March 12, 2024

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 audited consolidated financial statements and the accompanying notes thereto for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), a copy of which is filed on the SEDAR+ website at www.sedarplus.ca. All dollar amounts are stated in Canadian dollars, unless otherwise noted.

COMPANY OVERVIEW

Buchans holds nickel, copper, cobalt and gold exploration properties in Labrador, and plans to advance exploration on these long-overlooked but promising critical minerals assets over the course of the next two years. Buchans’ South Voisey’s Bay Ni/Cu/Co project has high-priority, drill-ready targets in a confirmed Voisey Bay Deposit-style environment, while its Tasiuyak Gold Project is believed to represent an orogenic, iron formation-hosted gold environment, comparable to the renowned former Homestake gold mine in South Dakota.

In December 2023, Buchans sold certain mineral exploration properties located in central Newfoundland to **Canterra Minerals Corporation (“Canterra”)** for 24,910,000 Canterra common shares and 128,464,216 exchangeable warrants of Canterra, with a total value of \$11.5 million (equivalent to \$0.178 per common share of Buchans) based on Canterra’s quoted market price on the TSXV on that date of \$0.075 per share.

Buchans intends to distribute at least 80% of the Canterra shares underlying the exchangeable warrants (equivalent to at least 67% of the total value of the transaction) to Buchans shareholders during the second quarter of 2024. Buchans shareholders will retain their shareholding in Buchans, with funding available to advance exploration on Buchans’ nickel, copper, cobalt and gold exploration assets in Labrador, with the ultimate goal of a sale or go-public transaction in respect of those assets, and at the same time will retain indirect exposure to exploration in the world renowned Buchans camp through holding the to be distributed shares in Canterra.

In December 2023, Buchans sold 10,000,000 shares of **Royalties Inc. (“Royalties”)** for net proceeds of \$250,000.

In addition to its exploration properties in Labrador, Buchans holds mineral exploration interests in Ireland through its 14.4% shareholding in **Minco Exploration plc**. The Company also holds 33,000,003 shares of Royalties which had a fair market value on December 31, 2023, of \$1,320,000.

CANTERRA MINERALS CORPORATION

In December 2023 Buchans completed the previously announced sale of certain of the Company’s exploration projects in central Newfoundland to Canterra Minerals Corporation (TSXV:CTM) (“Canterra”), in exchange for common shares (“Consideration Shares”) and special warrants (“Consideration Warrants”) of Canterra (the “Transaction”).

Buchans intends to distribute at least 80% of the Canterra Shares underlying the Consideration Warrants (at least 67% of the total value of the Transaction) (the “Distribution”) to shareholders of Buchans during the second quarter of 2024. Further information on the Distribution will be disclosed in due course, but it is expected that a special meeting of shareholders will be held on May 9, 2024 to approve the Distribution.

The transaction with Canterra consolidates the central Newfoundland area play centered on the famous Buchans mine and former Duck Pond mine and puts the world-class potential of Buchans Newfoundland assets in the hands of a young and aggressive team with a proven ability to finance regional scale exploration programs.

Through the Transaction Buchans became a significant shareholder of Canterra. The benefits to Buchans shareholders include:

- Meaningful equity position in Canterra (TSXV:CTM; OTCQB:CTMCF), an active and growth-oriented publicly-listed junior explorer in Newfoundland;
- Consolidation of 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,

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

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, and Teck's former Duck Pond Mine, a substantial copper and zinc producer;

- Complementary and dynamic management teams and Board of Directors that should be well positioned to execute on the business and exploration plans going forward;
- High quality, supportive and concentrated shareholder base at Canterra;
- Exposure to Canterra's Clipper Brook, Wilding Lake and Noel-Paul gold assets in Newfoundland which cover ~80 km of prospective strike length of the gold bearing Valentine Lake Shear Zone adjacent to Marathon Gold Corporation;
- Exposure to the Buffalo Hills diamond asset in Alberta, a joint venture between Canterra and Star Diamonds Corporation, which hosts 38 kimberlites and has been subject to over C\$15 million in exploration, including a bulk sample; and
- Exposure to Canterra's nickel assets in the Ring of Fire, Ontario.

The Buchans Project is ripe for a modern approach with significant exploration potential for high grade VMS mineralization. With a 684 km² land position encompassing mineral rights across existing deposits, Canterra anticipates being strongly positioned to unveil the next mineral discovery in central Newfoundland. Contemporaneously with the Transaction Canterra closed an oversubscribed non-brokered private placement for gross proceeds of \$1,500,000. Canterra will now be exploring at the brownfields site of the prolific Buchans Mine.

Canterra has announced that planned exploration programs in 2024 will include Phase 1 Exploration on the Buchans Mine Property. The Phase 1 Exploration on the Buchans Mine Property is expected to be primarily desktop in nature. Field work will be limited to survey work (geophysical) or rock sampling (geochemical). The Phase 1 Exploration Expenditures are estimated to be \$100,000 and will focus on 3D modelling and drill targeting of all historical data at the Buchans Mine Property.

Total consideration received by Buchans on the Transaction comprised (a) 24,910,000 Consideration Shares, and (b) 128,464,216 Consideration Warrants exchangeable for Canterra Shares, for no additional consideration, upon the fulfillment of certain conditions, particularly that the exchange of the Consideration Warrants will not result in a Change of Control of Canterra or the creation of a new Control Person of Canterra, as defined by the TSXV policies. Canterra has provided an undertaking to the TSXV to file a new technical report on the Lundberg deposit within 90 days of closing the Transaction.

The Consideration Shares and Consideration Warrants (and underlying Canterra Shares) are subject to a statutory hold period, expiring four months and one day from the closing. Additionally, the Consideration Shares will be subject to transfer conditions for a period of 24 months post-closing. The Canterra Common Shares issuable upon exchange of the Consideration Warrants will be subject to contractual holds with 1/3 being freely tradable on the planned distribution to Buchans Shareholders, 1/3 being freely tradable on the date which is three months from distribution and 1/3 being freely tradable on the date which is six months from distribution.

EXPLORING FOR GOLD IN LABRADOR - *Tasiuyak Gold Property*

Buchans holds a 100% interest in its 54 claim (13.5 km²) Tasiuyak gold property in Labrador located 10 km south of Vale's Voisey's Bay nickel-copper-cobalt mine. The property covers the VBE-2 gold prospect discovered by previous explorers during the Voisey's Bay exploration rush in the mid-1990s. The prospect consists of a 90 m long bedrock exposure of sulphide-rich iron formation that originally returned chip samples assaying up to 18.9 g/t Au over 1 m, as well as drilled intercepts over a 275 m strike including 5.5 g/t Au over 2.1 m, 4.2 g/t Au over 3.0 m, and 4.1 g/t over 2.1 m

Exploration was last undertaken by Buchans on this project in 2018 and returned sawn bedrock channel sample assays from the VBE-2 prospect averaging **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 additional channel samples returned assays of up to 0.69 g/t Au over 0.50 m, two kilometres south of the VBE-2 prospect.

Buchans believes that the Tasiuyak gold property may be analogous to the former Homestake gold mine in South Dakota that is reported to have produced more than 40 million ounces of gold by mining between 1876 and 2001.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

EXPLORING FOR NICKEL-COPPER-COBALT IN LABRADOR

Buchans holds (100%) two properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 43 claims (10.75 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.

Buchans has completed reviews of past work on the property including compilation and modelling of available geophysical data by a leading consultant geophysicist. This compilation highlighted several anomalies as potential targets for buried Voisey's Bay-style magmatic sulphide deposits. Among these is a strongly conductive, deep geophysical anomaly detected by Audiomagnetotelluric (AMT) surveys completed in the early 2000's and located near the aforementioned high-grade intercepts drilled in the 1990's. Given its location and other characteristics, Buchans believes the untested AMT anomaly remains a high-priority target for diamond drilling.

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 the extension of the same troctolitic intrusion 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 nearing completion of a US\$2.7 billion mine expansion to develop two additional underground mines adjacent to the currently operating Voisey's Bay Ovoid open pit mine. Buchans is encouraged by recent announcements by Vale, including positive drilling results from its Reid Brook Extension zone in 2022 that returned mineralized intercept assaying 2.79% Ni and 1.31% Cu over 92.6 m core length (Vale Investors Presentation, Sept 7, 2022). In 2023, Vale announced increasing exploration activities at Voisey's Bay including plans to complete in excess of 300,000 metres of drilling per year over the next 5 years.

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 year ended December 31, 2023

	Dec. 31, 2023	Disposal	Additions	Reversal of impairment	Dec. 31, 2022	Impairment	Additions	Dec. 31, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Newfoundland projects	-	(9,890,873)	376,164	-	9,514,709	(3,904,852)	461,306	12,958,255
South Voiseys Bay	144,058	-	93,908	50,149	1	(50,149)	n/a	n/a
Tasiuyak-Voiseys Gold	-	-	(3,136)	3,136	-	(183,337)	n/a	n/a
Voiseys Bay (Luk)	77,345	-	66,407	10,938	-	(10,938)	n/a	n/a
2021	-	-	-	-	-	-	18,570	225,855
	221,403	(9,890,873)	533,343	64,223	9,514,710	(4,149,276)	479,876	13,184,110

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

All exploration and evaluation assets are carried at cost less any applicable impairment provision. During 2023 the Company sold the Newfoundland projects to Canterra. A gain on disposal of \$1,612,194 was recorded in the statement of income (loss).

MINCO EXPLORATION PLC.

At December 31, 2023, the Company held 11,227,879 shares of Minco Exploration plc, representing a 14.4% interest as an investment in associate and not held for distribution.

Minco Exploration continues to focus its exploration efforts on its Prospecting Licenses (“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 licenses in the Slieve Dart area of County Galway where drilling is planned in 2024.

RESULTS OF OPERATIONS

Buchans recorded no revenue in the years ended December 31, 2023 or December 31, 2022.

For the year ended December 31, 2023, the Company recorded income of \$5,610,921. This income included a gain on disposal of exploration and evaluation assets of \$1,612,194, a reversal of impairment on exploration and evaluation assets of \$64,223, a gain on reclassification of investment in associate to marketable securities of \$2,795,000, a gain in fair value of marketable securities of \$1,854,972, and a loss on disposal of marketable securities of (\$100,000).

For the year ended December 31, 2022, the Company recorded a net loss and comprehensive loss of (\$4,651,945). The loss in 2022 included impairment provisions in the aggregate amount of (\$4,149,276), recognized for financial statement purposes against certain mineral properties under IFRS 6 and the Company’s Accounting Policies, and a loss in fair value of the Xtierra warrants in the amount of (\$72,236).

At December 31, 2022, the Company held 43,000,003 shares in Royalties Inc. (formerly Xtierra Inc.) which represented 21.4% interest. This investment was recorded as an investment in associate and carried at \$nil as at December 31, 2022. During the year ended December 31, 2023, Royalties Inc. issued shares throughout the year which diluted the Company’s interest. On June 20, 2023, the Company’s shareholding in Royalties Inc. decreased below 20% to 19.91%. As of that date, the investment was no longer considered to be an investment in associate but rather marketable securities, measured at fair value through profit and loss. On June 20, 2023, the value of the Royalties Inc. investment was \$2,795,000; valued using the market price on June 20, 2023 of \$0.065. This resulted in a gain on reclassification from associate to marketable securities of \$2,795,000 reported in the statement of income/loss for the year ended December 31, 2023 (2022 - \$nil).

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. During the year ended December 31, 2023, the Company recognized a non-cash depreciation expense in the amount of \$135,868 (2022 - \$145,024). The Company also recognized non-cash interest expense on its lease obligation in the amount of \$31,996 during the year ended December 31, 2023 (2022 - \$43,502). Effective on the same date, February 1, 2022, the Company also 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 year ended December 31, 2023, \$233,975 (2022 - \$227,629) was recovered from related corporations. 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.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

During the year ended December 31, 2023, Buchans invested \$533,343 (2022 - \$459,876) on exploration expenditures on its mineral properties.

SELECTED ANNUAL INFORMATION

The following selected annual information has been derived from the financial statements of the Company, which have been prepared in accordance with International Financial Reporting Standards.

Expressed in \$000's, Except for per share amounts	Year ended Dec. 31, 2023 \$	Year ended Dec. 31, 2022 \$	Year ended Dec. 31, 2021 \$
Net gain/(loss) for the year	5,611	(4,652)	(1,409)
Total gain/(loss) before taxation	5,611	(4,652)	(1,409)
Net gain/(loss) for the year	5,611	(4,652)	(1,409)
Net gain/(loss) per common share	0.087	(0.072)	(0.022)
Total assets	17,004	11,682	15,561
Cash and cash equivalents	171	562	1,071
Shareholders equity	16,360	10,749	15,381

SUMMARY OF QUARTERLY RESULTS

Expressed in \$000's, Except for per share amounts	Dec. 31 2023 \$	Sept. 30 2023 \$	June 30 2023 \$	March 31 2023 \$	Dec. 31 2022 \$	Sept. 30 2022 \$	June 30 2022 \$	March 31 2022 \$
Net (loss) gain	4,135	(1,156)	2,711	(79)	(4,259)	(91)	(167)	(135)
Net (loss) gain per share - basic and diluted	0.064	(0.018)	0.042	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)
Total assets	17,004	13,148	14,116	11,495	11,682	15,716	15,860	16,376
Working capital	15,202	1,196	2,632	(5)	226	342	672	1,051

- 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.
- The loss for the quarter ended September 30, 2022 included a loss in fair value of the 2021 Xtierra warrants in the amount of \$6,842.
- The loss for the quarter ended December 31, 2022 included impairment provisions in the aggregate amount of \$4,149,276.
- The gain for the quarter ended June 30, 2023 included a gain on reclassification of investment in associate to marketable securities of \$2,795,000.
- The loss for the quarter ended September 30, 2023 included a loss in fair value of the marketable securities in the amount of \$1,077,000.
- The gain for the quarter ended December 31, 2023 included a gain on disposal of exploration and evaluation assets of \$1,612,194, a reversal of impairment on exploration and evaluation assets of \$64,223, a gain in fair value of marketable securities of \$2,467,634, and a loss on disposal of marketable securities of (\$100,000).

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2023, Buchans held \$171,030 (2022- \$562,396) in cash and cash equivalents, and \$15,456,067 in marketable securities, and had a working capital surplus of \$15,201,710, compared to a working capital surplus of \$225,590 at December 31, 2022.

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

At December 31, 2023, Buchans held mineral properties with a combined book value of \$221,403. 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.

RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiary have been eliminated on consolidation and are not disclosed. At December 31, 2023, the Company had only one subsidiary, Buchans Minerals Corporation.

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 years ended December 31, 2023 and 2022.

During the year ended December 31, 2023, the Company charged \$123,000 to related parties for office services, including \$60,000 (2022 - \$57,000) to Canadian Manganese Co. Inc., \$45,000 (2022 - \$43,250) to Labrador Iron Mines and \$18,000 (2022 - \$Nil) to Energold Minerals Inc. These companies are related through John F. Kearney, Chairman of the Company, and certain other directors being directors of some or all companies mentioned.

In December 2023, the Company transferred 3,054,216 Canterra shares to Energold Minerals Inc, a company controlled by John F. Kearney, Chairman of the Company, in reimbursement for the payment of mining lease rentals in the amount of \$183,253, a precondition to closing the Canterra Transaction, and 1,666,667 Canterra shares to Seanchaidh Consulting Inc, a company controlled by an individual personally related to the Chairman, in payment for advisory services provided in connection with the Canterra Transaction.

Included in receivable at December 31, 2023 is \$79,955 (2022 - \$32,615) receivable from related parties, including \$16,205 (2022 - \$13,865) from Minco Exploration Plc covering administration services, \$63,750 (2022 - \$18,750) receivable from Labrador Iron Mines.

Included in accounts payable and accrued liabilities at December 31, 2023 is \$43,306 payable to related parties, including \$8,306 payable to SPC Consulting, a company owned by the Secretary of the Company, for consulting services (2022 - \$8,306) and \$35,000 payable to Energold Minerals Inc in respect of advances made by Energold to the Company.

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

CRITICAL ACCOUNTING ESTIMATES

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

Adoption of New Accounting Standards

The standards and interpretations within IFRS are subject to change. For further details, please refer to Note 3 to the December 31, 2023 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:

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

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 scheduled activities, there can be no assurance that Buchans will be successful in obtaining any additional required funding necessary to conduct additional planned exploration or evaluation 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.

Geopolitical tensions and some uncertainty about the lingering economic impacts of the COVID-19 pandemic continue to pose risks to the global economic outlook. The economic outlook remains subject to ongoing uncertainty due to higher energy prices and inflation. In addition, financial markets and commodity prices remain vulnerable to geopolitical tensions, such as those between Russia and Ukraine as well as those between the U.S. and China, which mainly centers around trade and technology, and between Canada and China, and the political uncertainty surrounding the 2024 Presidential election in the United States.

The Company has historically relied on equity financing to generate additional financial resources to fund its working capital requirements and to fund its planned exploration programs. The uncertain economic outlook, higher energy prices and escalating inflation, 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

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

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 outlook remains uncertain: 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 the potential to reduce the profitability of operations.

Competition

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

Management

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

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

BUCHANS RESOURCES LIMITED
Management Discussion and Analysis
For the year ended December 31, 2023

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 \$171,030 in cash and no cash equivalents at December 31, 2023 therefore, a change in interest rates would not result in a loss in interest income based on no cash equivalent balances existing at December 31, 2023.

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 December 31, 2023 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.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company has cash balances and no variable interest-bearing debt held at a major Canadian bank for purposes of meeting short-term cash commitments. 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 ("FVPL"), which are measured at fair value. Cash and cash equivalents, and receivables and other assets are measured at amortized cost. Trade and other payables, CEBA loans payable and lease obligations are classified for accounting purposes as financial liabilities measured at amortized cost. As at December 31, 2023, 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 December 31, 2023 and at March 12, 2024, the Company had 64,729,386 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.