

BuchansResources

DEAR SHAREHOLDERS,

Buchans Resources Limited (the “**Company**” or “**Buchans**”) was incorporated on May 8, 2015 under the laws of the Province of Ontario, Canada to hold the mineral interests formerly held by its then parent company, Minco plc. As part of a previous reorganization in 2017, whereby Minco plc was acquired by Dalradian, the shares of Buchans were distributed to the shareholders of Minco plc.

Buchans, directly or through wholly owned subsidiaries, is currently engaged in exploring for and developing zinc and other base metals deposits in several locations in Canada and Ireland. Geographically and geologically, these projects comprise three areas of activity, namely:

- Several base metals deposits and projects in central Newfoundland near the town of Buchans, (the “**Buchans Projects**”) and in Labrador, Province of Newfoundland and Labrador, Canada, operated by Buchans’ wholly-owned subsidiary, Buchans Minerals Corporation;
- A manganese deposit (the “**Woodstock Manganese Project**”) located west of the town of Woodstock, New Brunswick, Canada, operated by Buchans’ wholly-owned subsidiary, Canadian Manganese; and
- Zinc-lead exploration licences in the Republic of Ireland operated by Buchans’ wholly-owned subsidiary, Minco Exploration, and its wholly-owned subsidiaries, either alone or in joint ventures (the “**Ireland Project**”).

As a mineral exploration and development company without any producing mines, Buchans must look to and is dependent upon the equity capital markets to secure financing of its ongoing operations.

The Board of Buchans has determined that future financing opportunities will be enhanced if the unique aspects and geographical diversity of the Buchans Projects, the Woodstock Manganese Project and the Ireland Project are held in three public companies, with focussed management teams, which can offer direct investment opportunities to shareholders and potential equity investors.

PROPOSED CORPORATE REORGANIZATION

Accordingly, on October 28, 2019 Buchans, Canadian Manganese and Minco (collectively the “**Companies**”) entered into an agreement (the “**Arrangement Agreement**”) under which they agreed to adopt and implement a group restructuring under a Court supervised Plan of Arrangement (the “**Arrangement**”) whereby the shares of two of Buchans’ wholly-owned subsidiaries will be distributed to Buchans Shareholders and both will become stand-alone, public companies.

Under the proposed Plan of Arrangement, if approved, shareholders will retain their existing shares of Buchans and Buchans will distribute to its shareholders, pro rata, (i) all of the shares of Canadian Manganese Company Inc. (“**Canadian Manganese**”), on the basis of one share of Canadian Manganese for each share of Buchans held; and (ii) non-transferrable, exchangeable warrants entitling shareholders to receive one share of Minco Exploration Limited (“**Minco Exploration**”) or 0.25 additional shares of Buchans, at their option, for each share of Buchans held. Any exchangeable warrants which remain unexercised on the first anniversary of the date that the Arrangement becomes effective will be automatically exchanged for shares of Minco Exploration.

A full description of the proposed Arrangement is contained in the attached Circular.

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EFFECT OF THE ARRANGEMENT

As a consequence, upon the Plan of Arrangement becoming effective, the mineral exploration business and projects now owned and operated by Buchans will be held by three separate public companies, namely:

1. **Buchans Resources** which will retain the base and precious metals projects in the Province of Newfoundland and Labrador and its investment in base metal and silver projects in Mexico through an approximately 22% shareholding in Xtierra Inc;
2. **Canadian Manganese** which will hold the Woodstock Manganese Project in the Province of New Brunswick; and
3. **Minco Exploration** which will hold the exploration projects in Ireland.

An overview of the assets and activities of each company is provided below and further details on the each of Canadian Manganese and Minco Exploration are provided in the Schedules included with the Circular.

A large number of Buchans' shareholders are located in Ireland and the United Kingdom, having first invested in Minco plc as a locally based mineral venture. Management believes that they will wish to continue to be direct investors in the Ireland Project. The Buchans Exchangeable Warrant structure allows all existing Buchans Shareholders, but particularly those resident in Ireland and the UK, the option to continue to participate in the development of the Ireland Project by electing to exchange their Exchangeable Warrants for shares of Minco.

Alternatively, this structure allows all shareholders, but particularly those resident in Canada, to focus their investment interest on the Buchans Projects by increasing their level of ownership in Buchans by electing to exchange their Exchangeable Warrants for additional Buchans Shares.

STOCK EXCHANGE LISTINGS

Following approval and adoption of the Arrangement, each of the Companies plans to take steps to apply for separate stock exchange listings, subject to market and trading conditions and obtaining any necessary approvals: Buchans on the TSXV or the Canadian Securities Exchange (CSE); Canadian Manganese on the CSE; and Minco Exploration on the Irish Stock Exchange.

RECOMMEDATION OF THE DIRECTORS

Completion of the Plan of Arrangement is subject to a number of conditions including, but not limited to, approval by the shareholders of Buchans by way of a special resolution passed by a two-thirds majority of the votes cast at the Annual and Special Meeting of Shareholders to be held on December 10, 2019 and approval by the Ontario Superior Court of Justice (the "**Court**").

The Board of Directors of Buchans has reviewed the terms and conditions of the proposed Arrangement and has concluded that the Arrangement is fair and reasonable to shareholders and is in the best interest of Buchans and unanimously recommends that shareholders vote for approval of the Arrangement.

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COMPANY OVERVIEW

THE BUCHANS PROJECTS

Newfoundland – Base Metals

Buchans holds an extensive mineral land package in the Buchans district of central Newfoundland with interests in four undeveloped base metal deposits, including the large, lower grade, Lundberg stockwork sulphide deposit, as well as three smaller, higher grade, volcanogenic massive sulphide (“VMS”) “satellite” deposits, each with excellent exploration potential.

Lundberg Deposit – New Mineral Resource Estimate

On March 1, 2019 Buchans announced a new updated pit-constrained Mineral Resource Estimate for the Lundberg base metal deposit, located at the former Lucky Strike mine site, and a NI 43-101 Technical Report was filed on April 15, 2019.

The new Mineral Resource Estimate, effective February 28, 2019, includes In-pit Indicated 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) [Zinc Equivalent] and In-pit Inferred 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), reported at a cut-off grade of US\$20/t NSR within an optimized pit shell, and is considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods.

Following recommendations in the Technical Report, Stantec Consulting Ltd. completed a conceptual (order of magnitude) study of the Lundberg deposit evaluating various development options based on the 2019 mineral resource estimate and evaluating various potential mining and processing scenarios. The purpose of the Stantec study was to prepare a high-level options assessment to assist with planning for future development work on the Lundberg project. The results and conclusions will now be utilised to focus Buchans’ approach towards completion of an updated preliminary economic assessment of the Lundberg project as a stand-alone open-pit mineral resource development, optimally situated on a brownfields site with excellent infrastructure.

8,000 metres of drilling in 38 holes - VMS exploration potential

Buchans is confident that its Newfoundland mineral properties hold potential for discovery of new VMS deposits comparable to historically mined orebodies in the Buchans camp, where Asarco mined more than 16.2 million tonnes from five separate deposits, with a combined average grade of 14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au, before mine closure in 1984.

In 2018, a total of 8,000 metres of drilling was completed in 38 holes exploring the Buchans and Tulks North base metal properties in central Newfoundland. Drilling in 2018 in four target areas within a radius of 3.5 kilometres of Lundberg/Lucky Strike returned favourable results warranting further exploration for additional higher-grade resources that could potentially complement Lundberg’s development or be developed as stand-alone mining projects.

Exploring for gold in Newfoundland and Labrador and nickel-copper-cobalt in Labrador

Buchans also holds several other base metal and gold properties in Newfoundland and Labrador, including the Lake Douglas gold property in Newfoundland, the Tasiuyak gold property in Labrador, and the South Voisey’s Bay nickel-copper-cobalt property in Labrador.

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THE WOODSTOCK MANGANESE PROJECT

Battery Grade Manganese in New Brunswick

In New Brunswick, Canadian Manganese holds the Woodstock manganese property containing the Plymouth manganese-iron deposit on which a positive preliminary economic assessment was completed in 2014.

Metallurgical development programs for Woodstock have focused on the production of high-grade electrolytic manganese metal and the intermediate production of purified manganese sulphate solution as an interim step, enabling the add-on production of manganese chemicals, manganese catalyst, battery grade manganese dioxide and high-purity manganese metal for electronics. Bench scale electrowinning tests consistently produced electrolytic manganese metal with a metallic manganese content of greater than 99.99% and a total manganese content ranging from 99.70% to 99.76% Mn.

Advancements in electric vehicle manufacturing are transforming the entire global automobile industry driving increased battery demand and NMC (nickel-manganese-cobalt) batteries are becoming the rechargeable battery of choice for next-generation automotive and industrial uses. Manganese is a key component in the formulations of the cathode material used in high-performance NMC lithium-ion batteries and in utility bulk energy storage facilities, which are expected to create strong demand for high-purity manganese products.

THE IRELAND PROJECT

Zinc exploration in Ireland - Joint Ventures with Boliden

In Ireland, Buchans, through Minco Exploration, is continuing exploration for zinc, both in joint venture with Boliden Tara Mines near Navan and on its own licences at Moate.

Minco is participating at 20% in a joint venture with Boliden Tara Mines at 80% on licence 1440R, which lies immediately adjacent to Boliden's large 130 million tonnes Tara zinc-lead mine at Navan. Minco is also participating in a joint venture with Boliden Tara Mines on licence 3373, contiguous to the west with licence 1440R, where Minco can earn up to a 75% interest.

Minco has also entered into a new exploration agreement with Boliden Tara Mines on twelve licences in Galway where Minco can earn up to a 50% interest.

ANNUAL AND SPRCIAL MEETING OF SHAREHOLDERDS

All shareholders are encouraged to review the attached Circular and are invited to attend the Annual and Special Meeting on December 10, 2019. If you cannot attend the Meeting, please complete and return your Proxy to ensure that your vote is counted.

John F. Kearney
Chairman of the Board

8 November 2019