BUCHANS RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

For the nine-month period ended September 30, 2019

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

BUCHANS RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

For the nine-month period ended September 30, 2019

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statements of Financial Position

Unaudited

Expressed in Canadian Dollars	**Notes**	**September 30, 2019**	**December 31, 2018**
Assets		**$**	**$**
Current assets			
Cash and cash equivalents	**10**	1,790,863	2,895,188
Trade and other receivables	**11**	119,827	217,084
Total current assets		1,910,690	3,112,272
Non-current assets			
Exploration and evaluation assets	**8**	18,480,508	17,891,595
Right-of-use asset	**7**	573,393	-
Investment in associate	**9**	1,283,113	1,451,625
Total non-current assets		20,337,014	19,343,220
Total assets		22,247,704	22,455,492
Equity and liabilities			
Current liabilities			
Trade and other payables	**4/12**	283,525	342,625
Current portion of lease obligation	**7**	240,818	-
Prepaid rent received	**12**	-	9,000
Total current liabilities		524,343	351,625
Long term liabilities			
Lease obligation	**7**	375,436	-
Total long term liabilities		375,436	-
Shareholders' Equity			
Share capital	**13**	22,319,716	22,319,716
Retained earnings (deficit)		(971,791)	(215,849)
Total shareholders' equity		21,347,925	22,103,867
Total shareholders' equity and liabilities		22,247,704	22,455,492

COMMITMENTS AND CONTINGENCIES (Notes 1, 7, 8 and 14)

The financial statements were approved by the Board of Directors on November 21, 2019 and signed on its behalf by:

Signed "John F. Kearney" , Director   Signed "Patrick Downey" , Director

See accompanying notes to the consolidated financial statements

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three and nine months periods ending September 30,

Unaudited

Expressed in Canadian Dollars		**Three months ended September 30,**		**Nine months ended September 30,**	
	Notes	**2019**	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
General and administrative expenses:					
Depreciation	**7**	(61,435)	-	(163,827)	-
Professional fees		(64,192)	(41,902)	(168,825)	(177,959)
Salaries		(15,362)	(15,681)	(65,508)	(62,539)
Investor and public relations		(8,089)	(34,500)	(12,781)	(43,039)
Severance		-	-	-	(210,000)
Office expenses		(4,937)	(119,325)	(67,735)	(205,471)
Loss before other items		(154,015)	(211,408)	(478,676)	(699,008)
Other items:					
Foreign exchange gain/(loss)		(3,107)	(46,192)	(52,814)	45,086
Interest income		-	144	161	4,506
Finance costs		(16,250)	-	(46,131)	-
Change in fair value of investments		35,531	-	(178,482)	-
Gain on disposal of marketable securities		-	156,180	-	344,037
Income taxes		-	-	-	(16,611)
Total other items		16,174	110,132	(277,266)	377,018
Total loss and comprehensive loss for the period		(137,841)	(101,276)	(755,942)	(321,990)
Earnings/(loss) per share					
Basic and diluted	**5**	(0.002)	(0.002)	(0.013)	(0.006)

See accompanying notes to the consolidated financial statements

BUCHANS RESOURCES LIMITED

Condensed Interim Statements of Changes in Equity

Unaudited

Expressed in Canadian Dollars

	Share Capital	**Shares to be issued**	**Warrants**	**Retained Earnings**	**Total**
	$	**$**	**$**	**$**	**$**
Balance as at December 31, 2017	22,069,716	250,000	43,420	(216,966)	22,146,170
Shares issued	250,000	(250,000)	-	-	-
Total comprehensive loss for the period	-	-	-	(321,990)	(321,990)
Balance as at September 30, 2018	22,319,716	-	43,420	(538,956)	21,824,180
Warrants expired	-	-	(43,420)	43,420	-
Total comprehensive income for the period	-	-	-	279,687	279,687
Balance as at December 31, 2018	22,319,716	-	-	(215,849)	22,103,867
Total comprehensive loss for the period	-	-	-	(755,942)	(755,942)
Balance as at September 30, 2019	22,319,716	-	-	(971,791)	21,347,925

See accompanying notes to the consolidated financial statements

BUCHANS RESOURCES LIMITED

Condensed Interim Consolidated Statements of Cash Flows

For the nine-month periods ended September 30,

Unaudited

Expressed in Canadian Dollars	Notes	September 30, 2019	September 30, 2018
		$	$
Cash flow from operating activities			
Loss for the period		(755,942)	(321,990)
Depreciation	7	163,827	-
Change in fair value of investments		178,482	-
(Gain)/loss on disposal of marketable securities		-	(344,037)
Finance costs		46,131	-
Interest income		(161)	(4,506)
		(367,663)	(670,533)
Movements in working capital			
Decrease/(increase) in trade and other receivables		97,257	(201,617)
(Decrease)/increase in trade and other payables		(68,100)	301,984
Cash used in operating activities		(338,506)	(570,166)
Cash flows from investing activities			
Interest income		161	4,506
Proceeds on disposal of marketable securities		-	3,487,819
Investment in financial assets		(34,075)	(124,804)
Investment in exploration and evaluation assets		(588,913)	(1,728,799)
Net cash used in investing activities		(622,827)	1,638,722
Cash flows from financing activities			
Payment of lease obligation	7	(167,097)	-
Net cash received in financing activities		(167,097)	-
Net decrease in cash and cash equivalents		(1,128,430)	1,068,556
Effect of foreign exchange rate changes on cash		24,105	-
Cash and cash equivalents at the beginning of the year		2,895,188	3,426,194
Cash and cash equivalent at the end of the period	10	1,790,863	4,494,750

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Buchans Resources Limited (the "Company" or "Buchans") was incorporated on May 8, 2015 under the laws of the Province of Ontario, Canada.

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

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

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the Company and finance for the development of the Company's projects becoming available. Based on the assumptions that such finance will become available, the Directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the assets, in particular the exploration and evaluation assets, to their realisable values. Such adjustments could be material.

For the nine-month period ended September 30, 2019, the Company recorded a loss of $755,942, which included an expense on fair value of investments (warrants) in the amount of $178,482, depreciation of $163,827 and finance costs of $46,131 in accordance with IFRS 16, Leases and, at that date, had positive cash balances of $1,790.863. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared applying principles in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018 prepared in accordance with IFRS.

These condensed interim consolidated financial statements have been prepared based upon the historical cost basis, with the exception of certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation
The condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies that are relevant to the Company will be finalized only when the annual IFRS financial statements are prepared for the year ending December 31, 2019. The accounting policies chosen by the Company have been applied consistently to all periods presented.

Accounting Changes
On January 1, 2019, the Company adopted the new and amended IFRS pronouncements, including IFRS 16, Leases ("IFRS 16"), in accordance with transitional provision outlined in the respective standards. The adoption of these standards did not have a material impact on the consolidated results and financial position of the Company with the exception of IFRS 16, See Note 7.

Expressed in Canadian dollars, unless noted and per share amounts

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Changes (continued)
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS Standards issued but not yet effective:

IAS 1	Presentation of financial statements
IFRS 3	Business combinations
IFRS 3 and IFRS 11	Joint arrangements
IFRS 10 and IAS 28	Investments in Associates and Joint Ventures

The Company has not yet determined the impact of these amendments on its financial statements.

4. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

The remuneration of Directors, who are the key management personnel of the Company, is set out below 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 periods ended September 30, 2019 and 2018.

During the nine-month period ended September 30, 2019, the Company paid or accrued $72,492 to Steenberglaw Professional Corporation, a corporation controlled by Neil Steenberg, secretary of the Company, for legal services.

Included in accounts payable and accrued liabilities at September 30, 2019 is $30,517 payable to Steenberglaw Professional Corporation for legal services.

The subsidiaries of the Company at September 30, 2019 were as follows:

Name of Company	Registered office	Effective Holding	Principal Activity
Buchans Minerals Corporation Canadian Manganese Company Inc.	55 University Ave., Suite 1805 Toronto, ON M5J 2H7, Canada	100% 100%	Exploration Exploration
Minco Exploration Limited	Ardbraccan, Navan, Co. Meath, Ireland	100%	Holding company
Norsub Limited	Box 25, Regency Court, Glategny St. Peter Port, Guernsey, GY1 3AP	100%	Holding company
Minco Ireland Limited Westland Exploration Limited	Ardbraccan, Navan, Co. Meath, Ireland Ardbraccan, Navan, Co. Meath, Ireland	100% 100%	Exploration Exploration
Minco Mining Limited	9 Little Trinity Lane, London EC4V 2AN	100%	Exploration

5. EARNINGS / (LOSS) PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the period available to ordinary shareholders by the sum of the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted loss per share is computed by dividing the loss after taxation for the period by the weighted average number of ordinary shares in issue, adjusted for the effect of all potential dilutive ordinary shares that were outstanding during the period. Basic and diluted losses per share are the same as there are no convertible instruments. The computation for basic and diluted loss per share is as follows:

	September 30, 2019	September 30, 2018
	$	$
Numerator		
Loss for the period	(755,942)	(321,990)
Denominator	**No. of Shares**	No. of Shares
Weighted average number of shares - diluted	57,920,383	56,528,717
Basic and diluted loss per share	(0.013)	(0.006)

Expressed in Canadian dollars, unless noted and per share amounts

6. SEGMENTAL ANALYSIS

Income (loss) by geographical region is as follows:

	September 30, 2019	September 30, 2018
	$	$
Canada	(718,607)	(245,975)
Ireland	(12,016)	(36,304)
U.K.	(25,319)	(23,100)
Total	(755,942)	(305,379)
Income tax expense	-	(16,611)
Consolidated loss	(755,942)	(321,990)

There was no revenue from operations earned during the nine-month periods ended September 30, 2019 or 2018.

Segment assets and liabilities by geographical segment is as follows:

	Assets		Liabilities	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	$	$	**$**	$
Canada	19,303,200	18,406,405	(805,052)	(270,043)
Ireland	1,152,318	1,153,899	(89,841)	(79,846)
U.K.	1,323	-	(4,886)	(1,736)
	20,456,841	19,560,304	(899,779)	(351,625)
Cash and cash equivalents	1,790,863	2,895,188		
Consolidated	22,247,704	22,455,492	(899,779)	(351,625)

	Additions to exploration and evaluation assets	
	September 30, 2019	September 30, 2018
	$	$
Canada	554,467	411,148
Ireland	34,446	190,493
	588,913	601,641

7. LEASES

On February 1, 2019, the Company entered into a lease for its office premises, which expires January 31, 2022. The yearly rental payments amount to approximately $286,000, approximately half of which the Company expects to recover from other corporations, some with common directors and officers, that share part of the office premises.

As a result, in accordance with IFRS 16, the Company recorded a new Right-of-use (“ROU”) asset, recognizing the Company’s office facility in the amount of $737,220 and a corresponding lease liability in the amount of $737,220. For the nine-month period ended September 30, 2019, the Company recognized a non-cash depreciation expense in the amount of $163,827 and recognized a non-cash interest expense in the amount of $46,131.

The following table reflects the lease obligations as per the initial application of IFRS 16:

	$
Lease obligations recognized at February 1, 2019	737,220

Right-of-use Asset

	$
Recognition if Right-of-use asset	737,220
Accumulated depreciation	163,827
Net book value at September 30, 2019	573,393

Lease Obligations

	$
Within one year	240,818
Between one and three years	375,436
Net lease obligations at September 30, 2019	616,254

Rental payments

	$
Payment of lease obligation	167,097

Expressed in Canadian dollars, unless noted and per share amounts

8. EXPLORATION AND EVALUATION ASSETS

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

	September 30 2019	Additions	December 31 2018	Additions	December 31 2017
			$	$	$
Buchans	12,689,915	547,610	12,142,305	2,593,004	9,549,301
Woodstock	4,644,190	6,857	4,637,333	14,447	4,622,886
Ireland	1,146,403	34,446	1,111,957	319,583	792,374
Total	18,480,508	588,913	17,891,595	2,927,034	14,964,561

All exploration and evaluation assets are carried at cost less any applicable impairment provision. No impairment provision was recognized at September 30, 2019.

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

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

Buchans – Canada
The Buchans property is located in central Newfoundland and covers the former producing Buchans Mine and the Company's undeveloped Lundberg deposit. The Buchans base metal project comprises four advanced base metal properties in the Buchans area of central Newfoundland that contain numerous exploration prospects; namely the 100% owned Buchans property (which contains the Lundberg deposit), the 100% owned Tulks North property (which contains the Daniels Pond deposit), the 100% owned Bobbys Pond property (which contains the Bobbys Pond deposit), and the Tulks Hill property (which contains the Tulks Hill deposit). Certain of the claims and portions thereof are subject to net smelter royalties ranging from 1% to 3%, certain of which are subject to buy-back agreements.

The Company through its wholly owned subsidiary, holds two mining leases near the town of Buchans in central Newfoundland, each with a 25-year term from 2013 that require total annual lease payments of $154,500. The leases cover the former producing Buchans Mine and the Company's undeveloped Lundberg deposit.

The Tulks North project is 100% owned by the Company, through its wholly owned subsidiary Buchans Minerals Corp., and is located in the Victoria Lake Mining district of west-central Newfoundland. The Tulks North project includes the Daniels Pond deposit which is subject to a 1.5% net smelter royalty as well as a 50% back-in option held by Glencore should a single deposit of 15 million tonnes or greater be discovered and deemed economic upon the completion of a feasibility study.

The Bobbys Pond deposit, adjacent to Tulks North, is 100% owned by the Company, through its wholly owned subsidiary Buchans Minerals Corp. Bobbys Pond is held under a mining lease with a 5-year term from 2019, which requires an annual lease payment of $29,000. The Bobbys Pond property is also subject to a 1% net smelter royalty and a 2% net smelter royalty.

Woodstock – Canada
The Company, through its wholly owned subsidiary Canadian Manganese Company Inc., holds a 100% interest in the Woodstock project located northwest of the town of Woodstock, New Brunswick. A portion of the project is subject to a 1% gross sales royalty upon commencement of commercial production, with the Company retaining certain rights to buy back one half of the royalty.

Ireland
The Company, through its wholly owned subsidiary Minco Ireland Limited, holds two Prospecting Licenses, 1228 and 1229, in County Westmeath, Ireland. The Company also holds a 20% interest in Prospecting License 1440R in Tatestown, Navan, Ireland, the subject of a joint venture between Buchans' wholly owned subsidiary Westland Exploration Ltd. and Boliden Tara Mines Limited.

Buchans, through its wholly owned subsidiary Minco Ireland Limited, has entered into a joint venture agreement with Boliden Tara Mines on PL 3373, near Navan, County Meath, contiguous to the west with PL 1440R. Under the terms of this agreement, Buchans can earn a 75% joint venture interest through expenditures of €250,000 (approximately $390,000) in staged programmes, by March 2024. Boliden has the right of off-take to purchase or toll process all ore that may be produced from the license area.

8. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Ireland (continued)
Buchans, through its wholly owned subsidiary Minco Ireland Limited, has entered into an agreement with Boliden Tara Mines on twelve licenses at Slieve Dart in County Galway. Buchans can earn a 50% interest through expenditure of €385,000 in staged programmes, by 31 July 2022. During 2018, the Company incurred expenditures of €108,235 with respect to the licences and earned the right to a 20% joint venture interest. Boliden has the right of off-take to purchase or toll process all ore that may be produced from the license area.

Pennines - UK
The Company, through its wholly owned subsidiary Minco Mining Limited, previously entered into various agreements, licences and options with certain owners of mineral rights in the North Pennines Orefield located in the counties of Cumbria, Northumberland and Durham in northern England.

Due to delayed renegotiation of the underlying contracts and agreements, and as no drilling had been carried out since 2015, an impairment charge in the amount of $2,842,933 was recorded at December 31, 2017 in accordance with the Company's accounting policies. The Company expects to continue the renegotiations with the objective of continuing to evaluate these properties at an appropriate time.

9. INVESTMENT IN ASSOCIATE – NOTE RECEIVABLE AND WARRANTS

At September 30, 2019, the Company held 30 million shares of Xtierra Inc. ("Xtierra"), a company listed on the TSX Venture Exchange. In accordance with the Company's accounting policies, in prior periods the carrying value of the Company's share of net assets of Xtierra Inc. was reduced to $nil as a result of losses in Xtierra. The market value of the shares in Xtierra, which represent an approximate 22% shareholding, as at September 30, 2019 based on the market price of Xtierra shares on the TSX Venture Exchange, was $1,650,000.

At September 30, 2019, the Company also had total Notes receivable from Xtierra in the amount of US$796,477 ($1,054,683) (2018 - US$766,477 ($1,044,713)).

On February 14, 2018, in consideration of the issue to Buchans of 13 million, non-transferable warrants, each warrant entitling Buchans to purchase one common share of Xtierra for $0.05 per share for a term of two years, the Company entered into a two-year Support and Standstill Agreement ("Support Agreement") to defer repayment of principal and accrued interest of the Notes, and also to provide additional financial support of up to US$100,000, on the following terms:

- The Notes, including the additional advances, remain secured by a pledge to Buchans of the shares of Orca Minerals Limited, which indirectly holds Xtierra's mineral properties in Mexico (the "Secured Property");
- Accrual of interest is suspended during the term of the Support Agreement;
- Buchans has the option at any time, upon 60 days written notice, to require the transfer of the Secured Property to Buchans in full satisfaction of the Notes, including accrued interest, unless during that 60-day period the debt is repaid in full, in cash;
- Xtierra has the right to repay the Notes, including accrued interest in cash at any time;
- Upon expiry of the term of the Support Agreement, Xtierra may discharge the debt in full by transferring the Secured Property to Buchans.

The value of the 13 million Xtierra warrants issued to the Company, included in the investment in associate, was estimated using the Black-Scholes model and the market price of Xtierra shares to be $464,377 at February 14, 2018 and was included in finance income in the Statement of Loss and Comprehensive Loss. At December 31, 2018 the fair value of the warrants was estimated to be $406,912. The change in estimated fair value in the amount of $57,465 was recorded as change in fair value of investments in the Statement of Loss and Comprehensive Loss.

At September 30, 2019, the fair value of the warrants was estimated at $228,430 using the Black-Scholes model, the market price of Xtierra shares, and the following assumptions: expected dividend yield 0%, expected volatility 118%, life 0.63 year, and a risk free interest rate 1.85%. The change in fair value in the amount of $178,482 is recorded as change in fair value of investments in the Statement of Loss and Comprehensive Loss for the period ended September 30, 2019.

Expressed in Canadian dollars, unless noted and per share amounts

10. CASH AND CASH EQUIVALENTS

	September 30, 2019	December 31, 2018
	$	$
Cash	**1,789,097**	2,895,188
Immediately available without restriction	**1,789,097**	2,895,188

The currency profile of cash and cash equivalents at the end of the period is as follows:

	September 30, 2019	December 31, 2018
	$	$
US Dollars	**84,525**	130,826
Canadian Dollars	**1,681,496**	2,740,865
Euro	**22,458**	18,393
Sterling	**618**	5,104
	1,789,097	2,895,188

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, with a maturity of three months or less from the date of investment.

11. TRADE AND OTHER RECEIVABLES

	September 30, 2019	December 31, 2018
	$	$
Trade receivables and prepayments	**101,398**	106,667
Sales taxes receivable	**18,429**	110,417
	119,827	217,084

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019	December 31, 2018
	$	$
Trade creditors and accruals	**253,008**	335,079
Amounts due to related parties (Note 5)	**30,517**	7,546
Current portion of lease obligation	**240,818**	-
Prepaid rent received	**-**	9,000
	524,343	351,625

13. CAPITAL STOCK

Authorized
Unlimited number of common shares

Issued	Shares	Amount
		$
Balance at December 31, 2017	55,027,383	22,069,716
Shares issued as compensation	833,333	250,000
Shares issued further to Investor Rights	1,336,000	-
Balance at December 31, 2018	57,196,716	22,319,716
Shares issued further to Investor Rights	1,336,000	-
Balance at September 30, 2019	58,532,716	22,319,716

In December 2017, the Board of Directors approved the issue of 833,333 shares valued at $0.30 per share, based on the value of shares subscribed for in a recent financing, to John Kearney, Chairman and Chief Executive Officer, as compensation for management services, which were recorded as to be issued at December 31, 2017, and were issued during 2018.

During the nine-month period ended September 30, 2019, 1,336,000 shares were issued pursuant to the Investor Rights Agreement.

On October 25, 2019, 1,336,000 shares were issued pursuant to the Investor Rights Agreement. See Note 14.

14. COMMITMENTS AND CONTINGENCIES

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

In connection with a private placement completed in December 2017, Buchans entered into an Investor Rights Agreement to provide certain liquidity and anti-dilution rights to the Funds which acquired the placement shares. If the Company's shares have not been listed on a recognized stock exchange by September 30, 2018, the Funds shall be issued an additional 0.10 of a share for each Placement share at no additional cost and similarly at the end of each successive quarterly interim period after September 30, 2018. A total of 1,336,000 shares were issued to the Funds pursuant to this agreement in 2018. On January 30, 2019, 668,000 shares were issued to the Funds pursuant to this agreement, and an additional 668,000 shares were issued to the Funds on April 23, 2019. See Note 13.

15. FINANCIAL INSTRUMENTS

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

Fair value
The Company has designated its short-term investments as fair value through profit or loss ("FVPL"), which are measured at fair value. Cash and receivables and other assets are measured at amortized cost. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As at September 30, 2019, 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.

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

Fair Value Hierarchy
The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). At September 30, 2019, the Company's financial instruments that are carried at fair value, consisting of marketable securities, have been classified as Level 1 within the fair value hierarchy.

Interest rate risk
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 with a credit rating of at least BBB-. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk
Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held in banks. The note receivable from Xtierra is subject to higher credit risk, however, management believes that it remains recoverable and has entered into a further agreement with Xtierra in 2018. See Note 9.

Commodity price risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of metals.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2019, the Company had cash of $1,790,863 (2018 - $2,895,188) to settle accounts payable and accrued liabilities of $524,343 (2018 - $351,625). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk with respect to its marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favorable prices.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Capital Risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain and explore its exploration assets. The capital structure of the Company consists of shareholders' equity.

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

The impact of foreign currencies has been determined based on the balances of financial assets and liabilities at September 30, 2019. The sensitivity analysis includes outstanding foreign currency denominated monetary items and largely results from payables and receivables, and adjusts their translation at the period end for a 5% change in foreign currency rates. A five percent change in the US Dollar exchange rate could result in a foreign exchange impact to the net income of approximately $4,200 based on monetary assets and liability balances existing at September 30, 2019.

16. CAPITAL MANAGEMENT

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

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

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

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

There were no significant changes to the Company's approach to capital management during the periods ended September 30, 2019 and 2018. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

17. SUBSEQUENT EVENT

On November 4, 2019, the Company announced a proposed group restructuring under a "Plan of Arrangement" whereby the shares of two wholly-owned subsidiaries will be distributed to shareholders and both will become stand-alone, public companies, Under the proposed Plan of Arrangement, if approved, the Company 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 the Company held; and (ii) exchangeable warrants entitling shareholders to receive one share of Minco Exploration Limited ("Minco Exploration") or 0.25 additional shares of the Company, at their option, for each share of the Company held. Any exchangeable warrants which remain unexercised on the first anniversary of the date that the Plan of Arrangement becomes effective will be automatically exchanged for shares of Minco Exploration. Completion Arrangement is subject to a number of conditions, including approval by the shareholders at an Annual and Special Meeting to be held on December 10, 2019 and approval by the Ontario Superior Court.

On November 15, 2019, the Company announced that it had expanded its land position in the Buchans mining camp in central Newfoundland through the purchase of the mineral claims covering the former MacLean mine and the competitive staking of the 42 (10.5 km2) Wiley property. The Company purchased a 100% interest in the six-claim (2 km2) MacLean property with the grant of a 2% net smelter royalty (NSR) to the vendors, of which half (1%) can be purchased by the Company for CDN$1.5 million, and the payment to the vendors of a total of $25,000, in cash or shares, in instalments over three years.