
Buchans Resources Reports First Quarter 2022 Results

Toronto, May 27, 2022 – Buchans Resources Limited (the “**Company**” or “**Buchans**”), a Canadian mineral exploration and development company, reports its financial results and results of operations for the first quarter ended March 31, 2022.

This news release should be read in conjunction with the Company’s interim financial statements and the associated management’s discussion and analysis (MD&A) for the three-month period ended March 31, 2022 which are available on the Company’s website at www.BuchansResources.com or under the Company’s profile at www.sedar.com.

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 22.1% 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 \$630,000 towards evaluation programs undertaken on the Buchans project and contributed a further \$320,000 to date in 2022.

In the amendments to the Collaboration Agreement, Boliden and Buchans confirmed their intention 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 to the 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.

The evaluation period was originally meant to end at the end of 2021 but has been extended by subsequent amendments (December 21, 2021, and March 21, 2022) as Boliden requested additional time to negotiate terms for option and joint ventures agreements, as well as complete its due diligence investigations.

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.

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 recent increases in and 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.

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, where 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 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 the open pit development of the Lundberg deposit, or perhaps extend down plunge into areas capable of hosting additional high-grade resources that may be developed 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.

Gold Exploration in Newfoundland

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. While specific results have not yet been provided to Buchans, the Company has been informally advised by both C2C Gold Corp. and Quadro Resources Ltd., that these companies have met their expenditure commitments for 2021 under their respective joint venture agreements and that both partners intend to undertake additional exploration programs on their respective Lake Douglas-South Tally and Tulks South joint venture properties in 2022.

Exploits Properties

Buchans also retains 100% interest in three gold properties totalling 8.25 km² near Gander known as the Exploits Properties that are located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project. One of these Exploits properties is a four-claim (100 ha) property surrounded by New Found Gold's Queensway property approximately 30 kilometres 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' Exploits property. Buchans completed an initial prospecting program on two of its three Exploits properties in October of 2021. This work was limited in scope and the Company is considering undertaking additional prospecting of these properties in 2022.

FINANCIAL RESULTS

Buchans recorded no revenue in the quarters ended March 31, 2022, or March 31, 2021. For the three months ended March 31, 2022, the Company recorded a loss of \$134,814. The loss included a loss in fair value of the Xtierra warrants in the amount of \$21,905.

For the three-month period ended March 31, 2021, the Company recorded a loss of \$80,393.

During the three months ended March 31, 2022, Buchans invested \$26,471 on exploration expenditures on its mineral properties.

At March 31, 2022, Buchans held \$1,247,114 (December 31, 2021 - \$1,070,738) in cash and cash equivalents and had a working capital surplus of \$1,051,059, compared to a working capital surplus of \$1,118,934 at December 31, 2021.

Buchans Resources Limited

News Release

Qualified Person:

Paul Moore, M.Sc., P.Geo., (NL), Buchans Resources' Vice President of Exploration, is acting as Qualified Person in compliance with National Instrument 43-101 with respect to this release and has reviewed the technical contents for accuracy.

ABOUT BUCHANS RESOURCES

Buchans Resources holds interests in zinc, lead, silver properties located in Newfoundland; gold properties in Newfoundland and in Labrador; nickel, copper, cobalt properties in Labrador, and indirectly through its shareholding in **Xtierra Inc.** (TSXV-XAG), in base metal and silver projects in Mexico and, through its shareholding in **Minco Exploration plc**, in base metal exploration licences in Ireland.

The Company's Buchans project covers the historic, world-renowned, high-grade base metal mining camp with excellent potential for new discoveries, currently being evaluated by Boliden AB, Europe's leading mining and metals producer of zinc, copper, lead, and nickel. Boliden's review is being undertaken under an exclusive Collaboration Agreement in anticipation of negotiation of an Earn-in and JV Option Agreement (See *Buchans news release January 5, 2021 and December 21, 2021*).

Enquiries

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FORWARD-LOOKING STATEMENTS

This news release 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.