
Buchans Collaboration Agreement with Boliden AB Terminated

Toronto, September 30, 2022 – Buchans Resources Limited (the “**Company**” or “**Buchans**”), a Canadian mineral exploration and development company, reports that the Collaboration Agreement between the Company and Boliden AB covering the Buchans VMS Project, at Buchans, central Newfoundland has terminated.

Buchans entered into the Collaboration Agreement on its Buchans Project with Boliden in early 2021. Boliden was granted exclusivity rights to evaluate the project for possible future investment and participation. Under the Collaboration Boliden invested approximately \$1.1 million in the Buchans project and undertook considerable technical reviews.

The evaluation period was originally scheduled to end at the end of 2021 but was extended by subsequent amendments to August 31, 2022 as Boliden requested additional time to complete its due diligence and negotiate the terms of option and joint venture agreements.

Agreement was reached on the terms of the option and earn-in agreement, namely the cumulative optional expenditure of \$8.6 million by Boliden over four years to earn a 51% interest in the Buchans camp property, but excluding the area of the Lundberg Deposit. The option and earn-in agreement also included an option for Boliden to increase its interest to 75% by incurring further expenditures of \$10 million over an additional three years, for a cumulative expenditure of \$18.6 million.

Buchans and Boliden were, however, unable to reach agreement on terms for the subsequent joint venture agreement that would be formed when Boliden would have earned its interest. These unresolved terms were specifically related to the future financing of any mine that might be developed on the property, the terms of any off-take rights, and residual interests to be retained by a non-participating and diluting party.

Buchans reluctantly concluded that, although the agreed expenditure terms were attractive and reflected the Company’s investment to date and the potential of the property, the proposed terms of the potential future joint venture would not be in the best long term interests of Buchans and its shareholders and further negotiations were terminated by Boliden.

Accordingly, the Collaboration Agreement has terminated in accordance with its terms and the exclusivity granted to Boliden has ended. Boliden retains no interest in the property and all technical information developed by Boliden is to be delivered to Buchans. Boliden has been granted a right of first refusal for a period of six months ending March 1, 2023 if Buchans receives a bona fide offer from a proposed buyer to purchase the project or any part thereof.

Work completed in collaboration with Boliden

As a result of the collaboration with Boliden, advances were made at the Buchans VMS project on several fronts. Technical work on the Buchans Project was primarily focused on investigations of the project’s volcanic stratigraphy and included reprocessing and modeling of historic geophysical data and various geological investigations including creation of a digital 3D geological model.

Among the outcomes of this work are the recognition of potentially more effective and technologically advanced exploration methods, including geophysics and geophysical applications that should be applied towards future exploration. These

applications have already generated multiple targets considered prospective for the discovery of new buried high-grade ore bodies at Buchans and will continue to be applied by the Company.

Buchans Base Metals Project

The Company's 100% owned Buchans base metal project measures more than 79 square kilometres (7,900 hectares) and covers all of the camp's past producing orebodies and key undeveloped prospects. Historic mining by ASARCO within the current property produced more than **16.2 million tonnes** of ore with a combined average grade of **14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au** from five separate deposits before ore exhaustion and mine closure in 1984.

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

With the objective of identifying high-grade mineralization, Buchans has undertaken multiple initial, target specific exploration programs throughout the Project including a variety of geophysical surveys and local exploration drilling programs. The Company has also devoted great efforts to assessing the camp's mineralized prospects and trends through systematic relogging of archived historic drill cores from the Project's previously mined orebodies and key undeveloped prospects. To date, the Company has relogged more than 181,000 metres of drill core from more than 900 holes as a means of identifying and delineating favourable areas for further exploration for new buried high-grade orebodies.

Seeking to benefit from this considerable knowledge of the Buchans Project, the Company entered into the Collaboration Agreement with Boliden, a leading European mining and metals producer of zinc, copper, lead, and nickel. The Boliden collaboration was 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.

Lundberg Deposit Open Pit Project and Two Level Target

The collaboration program with Boliden 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.

Among these is the Two Level Target area where diamond drilling last undertaken by the Company in 2018 returned 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). The Two-Level target is located on-strike to the northwest of mineralization intersected by the Company's 2018 drilling campaign just north of Lundberg and beyond the reach of underground workings of the former Lucky Strike mine.

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

The Resource Estimate includes **Indicated In-pit Mineral Resources of 16,790,000 tonnes grading 1.53% Zn, 0.64% Pb, 0.42% Cu, 5.69 g/t Ag and 0.07 g/t Au (3.38% Zn Eq)** and **Inferred In-pit Mineral Resources of 380,000 tonnes grading 2.03% Zn, 1.01% Pb, 0.36% Cu, 22.35 g/t Ag and 0.31 g/t Au (4.46% Zn Eq)**. These resources were estimated within an

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optimized pit shell at a cut-off grade of US\$20/t NSR and are considered to possess reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods. Notably, the 2019 resource estimate applied metal price assumptions of US \$1.20/lb Zn, \$1.00/lb Pb, \$3.00/lb Cu, \$1,250/oz Au, and \$17/oz Ag.

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

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

In addition to the Buchans Project, Buchans Resources holds other 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 22% shareholding in **Xtierra Inc.** (TSXV-XAG), in base metal and silver projects in Mexico and, through its 14% shareholding in **Minco Exploration plc**, in base metal exploration licences in Ireland.

Enquiries

John F. Kearney: Chairman & Chief Executive	+1 416 362 6686
Paul Moore: V.P. Exploration	+1 709 738 7384
Steve Dawson: V.P. Corporate	+1 647 998 9495
Peter McParland: Director - Ireland	+353 (0) 46 907 3709

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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.