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## Buchans Resources Reports Third Quarter 2022 Results

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**Toronto, November 25, 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 third quarter ended September 30, 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 nine-month period ended September 30, 2022, which are available on the Company’s website at [www.BuchansResources.com](http://www.BuchansResources.com) or under the Company’s profile at [www.sedar.com](http://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 with excellent potential for new discoveries.

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% 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**

On September 30, the Company announced termination of the Collaboration Agreement between the Company and Boliden Mineral AB covering the Buchans VMS Project. Buchans entered into the Agreement with Boliden in early 2021 which granted Boliden exclusivity rights to evaluate the project for possible future investment and participation. Prior to its termination, Boliden invested approximately \$1.1 million CAD in the project, undertook considerable technical reviews, and approved a 2022 Budget and Program totaling \$2.0 million including an initial diamond drilling program proposed for the fall of 2022.

Agreement was reached on the terms of the option and earn-in agreement, namely cumulative optional expenditure of \$8.6 million by Boliden over four years to earn a 51% interest in the Buchans project but excluding the area of the Lundberg deposit. The contemplated 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 have formed should Boliden have earned its initial interest. These unresolved terms were specifically related to

future mine financing and residual interests to be retained by a non-participating and diluting party. Buchans reluctantly concluded that the proposed terms of the joint venture would not be in the best long-term interests of Buchans and its shareholders, and further negotiations were terminated by Boliden.

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

In part, as a result of the collaboration with Boliden, technical advances were made at the Buchans VMS project on several fronts. Among these are reprocessing and modeling of historic geophysical data, various geological investigations including creation of a digital 3D geological model, and identification of several target areas for which Buchans and Boliden had approved drill testing under a provisionally approved 2022 Budget.

Encouraged by these advancements, Buchans remains committed to further application of these concepts and technologies to conduct further exploration at Buchans and will be seeking qualified joint venture partners to advance its exploration within this exceptionally high-grade, world-renowned VMS base metal mining camp.

### ***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 extensive 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 the 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.

### ***Lundberg Deposit Exploration – Two-Level Target***

In addition to exploration targets being developed for new high-grade discoveries throughout the Buchans Project, the Company has identified targets where exploration near Lundberg may further enhance development of this deposit by adding significant metal inventory. Among these targets is the Two-Level (Lucky Strike) mine area, located immediately north of the Lundberg deposit. At this locality, the Company believes potential exists to discover additional high-grade resources down plunge of previous exploration drilling that might supplement open pit mine development at Lundberg as either additional in-pit or underground resources.

The Two Level target is located on-strike to the northwest of mineralization intersected by drilling last undertaken by the Company in 2018, just north of Lundberg and beyond the reach of underground workings of the former Lucky Strike mine.

In this area, drilling completed 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).

Buchans believes the Two Level target area remains underexplored for additional fault-displaced orebodies, where historic drilling tended to be drilled either too shallow or at too wide a spacing to adequately test this concept.

Buchans continues to assess plans to undertake further exploration and pre-development activities to advance its Lundberg deposit as a potential open pit mining and milling operation. Among activities being considered for Lundberg is diamond drilling to explore for additional high-grade resources adjacent to Lundberg that may complement Lundberg's development.

### ***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.

So far in 2022, both C2C Gold Corp. ("C2C") and Quadro Resources Ltd., ("Quadro") have undertaken additional follow-up prospecting and other explorations activities. These activities have included additional prospecting on Quadro's Tulks South joint venture property, while C2C has undertaken additional prospecting, geochemical, geophysical surveys and trenching on its South Tally-Lake Douglas joint venture property. Results for the 2022 programs are pending.

Benton Resources Inc. ("Benton"), operator of the 2021 exploration program on the Long Range joint venture, expended approximately \$77,000 on the project in 2021 and early 2022. Results of their work have been made available to Buchans and include anomalous gold assays returned from several areas. In particular, resampling of subcrop from the historic Little Barachois Brook gold prospect in 2021 returned values of 49.46 and 74.44 g/t Au respectively. Previous sampling at this prospect by Teck Exploration in 1994 reported outcrop grab samples returning assays of 112 g/t Au and 363 g/t Ag. Teck described this mineralization as being comprised of structurally disrupted veins containing abundant quartz, chalcopyrite and pyrite. Benton has recommended additional soil and stream sediment geochemical surveys be undertaken in the vicinity of this prospect. These recommendations will be considered for possible future work on the Long Range JV in 2023.

### ***Exploits Properties***

Buchans retains 100% interest in several other gold projects in the central Newfoundland gold belt and in northern Labrador. Among these, are three gold properties totalling 8.25 km<sup>2</sup> near Gander known as the Exploits Properties located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project.

One of these properties, a four-claim (100 ha) property surrounded by New Found Gold's Queensway property, is located approximately 30 km southwest of New Found Gold's Keats and Lotto gold discoveries and was surveyed by a propertywide airborne geophysical survey completed by New Found Gold in 2021 for which Buchans received the Helitem® TDEM and magnetic data covering Buchans' property.

Buchans completed cursory prospecting programs on two of its three Exploits properties in 2021 and is considering additional prospecting activities for all three of its Exploits properties in 2023.

## ***Nickel-Copper-Cobalt Exploration in Newfoundland and Labrador***

Buchans holds (100%) several properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 38 claims (9.5 km<sup>2</sup>) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey's Bay, and 5 claims (1.25 km<sup>2</sup>) 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. The current property covers an area of 20.5 km<sup>2</sup>.

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.

Originally acquired by staking an initial 9 km<sup>2</sup> property in 2016, Buchans has continued to expand its property position in this area, including staking additional property as recently as June 2022. Buchans has completed reviews of past work on the property including modelling and compilation of available geophysical data by a leading consultant geophysicist in 2019. This compilation has highlighted several anomalies warranting further follow-up as potential targets for buried Voisey's Bay-style magmatic sulphide deposits.

Buchan's South Voisey's Bay Property is surrounded by Fjordland Exploration Inc.'s South Voisey's Bay Property under option to Ivanhoe Electric Inc. ("IVNE") a privately owned US corporation led by Chairman and CEO Robert Friedland. Fjordland announced IVNE earned a 75% interest in the project after having funded \$3 million in exploration expenditures on the project and retains rights to earn 100% interest by spending a further \$5 million by October 2024 (Fjordland news release dated November 15, 2021). More recently Fjordland and IVNE announced having prematurely concluded a planned 2,500 metre drilling program after drilling just 500 m, citing operational and safety issues and leaving a number of targets untested. (Fjordland news release dated September 15, 2022). The partners further state "Once assays have been received and the program has been reviewed by the partners, a plan for future work will be announced."

Buchans continues to monitor developments on this adjacent property and may pursue additional work on its South Voisey's Bay property in 2023.

## **FINANCIAL RESULTS**

Buchans recorded no revenue in the quarters or nine months ended September 30, 2022, or September 30, 2021. For the three months ended September 30, 2022, the Company recorded a loss of \$98,949. The loss included a loss in fair value of the Xtierra warrants in the amount of \$6,842. For the three-month period ended September 30, 2021, the Company recorded a loss of \$158,481.

At September 30, 2022, Buchans held \$531,524 (December 31, 2021 - \$1,070,738) in cash and cash equivalents and had a working capital surplus of \$334,266 compared to a working capital surplus of \$1,118,934 at December 31, 2021.

### ***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.*

# Buchans Resources Limited

News Release

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## 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.

### Enquiries

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## FORWARD-LOOKING STATEMENTS

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*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.*