
Buchans Reports 2022 Year End Results

Toronto, May 2 2023 – Buchans Resources Limited (the “Company” or “Buchans”), a Canadian mineral exploration and development company, reports its financial results and results of operations for the year ended December 31, 2022.

This news release should be read in conjunction with the Company’s audited financial statements and the associated management’s discussion and analysis (MD&A) for the year ended December 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, Buchans Resources remains committed to advancing this project through exploration for new high-grade orebodies as well as advancing the project’s large lower grade Lundberg stockwork base metal sulphide deposit as a possible open pit resource development.

Buchans is also exploring several gold properties in central Newfoundland, including three properties being explored as joint ventures. The Company also holds a portfolio of other base metal and gold projects throughout Newfoundland and Labrador, including Ni-Cu-Co sulphide projects near Vale’s Voisey’s Bay nickel-copper-cobalt mine in Labrador.

The Company’s projects are in keeping with its strategy of exploring districts and opportunities with demonstrated potential for exceptional mines and the Company advances its projects both on its own and in joint venture with partners who fund ongoing exploration.

In addition to its project portfolio, Buchans holds equity interests in base metal and silver projects in Mexico through its 22% shareholding in Royalties Inc. (CSE: “RI”), and in base metal exploration in Ireland through its 14.4% shareholding in Minco Exploration plc.

Buchans Base Metals Project

The Company’s 100% owned Buchans base metal project covers more than 81.5 square kilometres (8,150 hectares) including 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** derived from five separate deposits before mine closure in 1984. The Company believes the projects holds significant potential for discovery of additional high-grade orebodies through application of modern exploration technologies and geological concepts.

With the objective of identifying high-grade mineralization, Buchans has undertaken multiple initial, target-specific exploration programs throughout the property, including a variety of geophysical surveys and exploratory drilling programs. The Company has also devoted great effort to assessing the camp’s mineralized prospects and trends through systematic relogging of archived historic drill cores from previously mined orebodies and undeveloped prospects.

To date, the Company has relogged more than 190,000 metres of drill core from 935 holes as a means of identifying and delineating favourable areas for further exploration for new buried high-grade orebodies. Based on recent exploration activities, including reviews of historic geophysical and geological data, coupled with re-interpretation and generation of a 3D digital geological model for the project, Buchans has identified multiple target areas warranting further testing by diamond drilling.

During the collaboration work with Boliden in 2021 and 2022, 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 application of these concepts and technologies to conduct further exploration at Buchans and continues to seek other possible financing opportunities or a qualified joint venture partner to advance 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 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 totaling 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].

Lundberg Deposit Exploration – Two-Level Target

The Company has identified several 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 on-strike of mineralization intersected by drilling last undertaken by the Company in 2018, immediately northwest of Lundberg and beyond the reach of underground workings of the former Lucky Strike mine. Buchans believes the Two Level area remains underexplored for additional fault-displaced orebodies, where previous drilling tended to be drilled either too shallow or at too wide a spacing to adequately test this concept.

Drilling completed by the Company in this area 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 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. The timing and scope of future programs at Lundberg and the Two-Level area are currently being considered as the Company evaluates possible funding opportunities.

Gold Exploration in Newfoundland & Labrador

Buchans controls several gold projects in central Newfoundland and northern Labrador.

Among these projects are three gold exploration joint ventures 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

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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.

In 2021, Buchans entered into joint venture (“JV”) agreements on three of its central Newfoundland gold projects whereupon exploration of these properties is primarily funded by Buchans’ JV partners earning or maintaining interests on the Company’s properties. These JVs include the 5,425 ha Tulks South JV with Quadro Resources Ltd. (QRO.TSX.V, “Quadro”); the 9,100 ha Lake Douglas-South Tally JV with C2C Gold Corp. (CTOC.CSX; “C2C”) and the 8,295 ha Long Range JV with Benton Resources Inc. (BEX.TSX.V; “Benton”).

In 2022, both C2C and Quadro undertook additional follow-up prospecting and other explorations activities. These activities included prospecting on the Tulks South joint venture property, and additional prospecting, geochemical, geophysical surveys and trenching undertaken by C2C on the South Tally-Lake Douglas joint venture property.

Exploits Properties

Buchans retains 100% interest in several other gold projects in the central Newfoundland gold belt and other prospective terrains in northern Labrador. Among these, are three gold properties totalling 8.25 km² near Gander known as the Exploits Properties located within and adjacent to New Found Gold Corp.’s (TSXV-NFG) Queensway project.

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

Tasiuyak Gold Property, Labrador

Buchans holds a 100% interest in its Tasiuyak gold property in Labrador, located 10 km south of Vale’s Voisey’s Bay nickel-copper-cobalt mine, and covering the VBE-2 gold prospect discovered by previous explorers during the Voisey’s Bay exploration rush in the mid-1990s.

Exploration undertaken on this project by Buchans in 2018 returned sawn bedrock channel sample assays from the VBE-2 prospect averaging **8.51 g/t Au & 0.93 g/t Ag over 4.8 m**, including **31.91 g/t Au over 0.85 m**. Prospecting undertaken along strike of the prospect traced the host horizon over a 3-kilometre strike where additional sampling returned assays of up to 0.69 g/t Au over 0.50 m, two kilometres south of the VBE-2 prospect.

Buchans has plans to advance further exploration on this project that the Company believes may be analogous to the former Homestake gold mine in South Dakota that is reported to have produced more than 40 million ounces of gold by mining between 1876 and 2001.

Exploring for Nickel-Copper-Cobalt in Labrador

Buchans holds (100%) several properties in Labrador considered prospective for Voisey’s Bay-style nickel-copper-cobalt deposits, including 82 claims (20.5 km²) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey’s Bay, and 5 claims (1.25 km²) 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.

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 km² property in 2016, Buchans has continued to expand its property position in this area, including staking additional property in June 2022. Buchans completed reviews of past work on the property

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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.

Voisey's Bay (Luk)

Buchans holds five claims (1.25 km²) located 8 km southwest of Vale's (NYSE-VALE) Voisey's Bay nickel-copper-cobalt mine in northern Labrador. Known as the Luk Property, this property covers prospective troctolitic rocks that hosts the Voisey's Bay mine on Vale's adjacent mine property.

Buchans' property is surrounded by Vale's mine property, where Vale is nearing completion of a US\$1.7 billion mine expansion to develop two additional underground mines adjacent to the currently operating Voisey's Bay Ovoid open pit mine. Buchans continues to maintain this property and plans to review available historic data prior to determining a strategy to advance this prospective nickel-copper-cobalt property.

Qualified Person:

Paul Moore, M.Sc., P.Geo., (NL), Vice President Exploration of Buchans Resources Limited and a Qualified Person as defined by National Instrument 43-101, has approved the scientific and technical disclosure in this News Release.

FINANCIAL RESULTS

Buchans recorded no revenue in the years ended December 31, 2022 or December 31, 2021.

For the year ended December 31, 2022, the Company recorded a net loss and comprehensive loss of \$4,651,945, compared to a loss and comprehensive loss of \$1,409,121 for the year ended December 31, 2021. The loss in 2022 included impairment provisions in the aggregate amount of \$4,149,276, recognized for financial statement purposes against certain mineral properties under IFRS 6 and the Company's Accounting Policies, and a loss in fair value of the Xtierra warrants in the amount of \$72,236.

The loss in 2021 included a non cash income of \$273,648 representing the fair value of the 2021 Xtierra warrants received, a loss in fair value of the 2021 Xtierra warrants between the date of issue of April 27, 2021 and December 31, 2021 in the amount of \$199,817, a loss in fair value of the 2020 Xtierra warrants in the amount of \$103,847 and a share of the loss of associate in the amount of \$1,170,013.

At December 31, 2022, Buchans held \$562,396 (December 31, 2021- \$1,070,738) in cash and cash equivalents and had a working capital surplus of \$225,590, compared to a working capital surplus of \$1,118,934 at December 31, 2021. At

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 22% shareholding in **Royalties Inc.** (CSE-RI), in base metal and silver projects in Mexico and, through its 14% 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.

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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.