



Trading Symbol: TSXV: BMC
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BUCHANS AND MINCO COMMENCE DRILLING LUNDBERG RESOURCE, BUCHANS, NEWFOUNDLAND

Buchans Minerals Corporation (TSXV: BMC) ("Buchans Minerals" or the "Company"), together with **Minco plc (AIM Market: MIO)** ("Minco") are pleased to announce the commencement of a major new drilling program on the Lundberg base metal deposit in Buchans, central Newfoundland, Canada. The drilling program is scheduled to comprise approximately 7,300 metres of new drilling in approximately 50 holes.

The drilling program has a number of objectives, including upgrading the current Inferred Resources (November 7, 2008 press release) to the Indicated category, seeking to expand a number of higher grade areas within the conceptual open pit and seeking to expand the size of the Lundberg deposit. The program is expected to continue for about 4 months and results will be released as drilling progresses.

Buchans Minerals and Minco announced an agreement on April 30th, 2012 which provides Minco with the right to earn an effective 51% interest in the Company's base metal properties in central Newfoundland, Canada. Minco can earn such interest by spending \$8 million to advance the Lundberg deposit to final feasibility over 4 years and to further explore the Company's extensive mineral properties in the Buchans camp.

Minco is required to spend \$3.5 million over the next two years to advance the project to the pre-feasibility stage. During this period Minco also plans to undertake a range of development activities that will include drilling, resource estimation, geotechnical engineering, open-pit mine plan, metallurgy, plant design, engineering and environmental studies and economic evaluation. Following the expenditure of \$3.5 million, Minco will have the option to proceed to complete a final feasibility study by spending a further \$4.5 million over the following two years.

The current Inferred Resource estimate was assessed by a positive Preliminary Economic Assessment ("PEA") completed by Wardrop Engineering, a Tetra Tech Company ("Wardrop") in 2011 (August 12, 2011 press release). The PEA identified that the deposit has the potential to become a stand alone 5,000 tonne per day mine with a pre-tax internal rate of return of 43.94%, a net present value of \$217.8 million (at a 6% discount rate) and a 10 year mine life.

Wardrop based its assessment on an Inferred Resource within the conceptual open pit mine design of 17.28 million tonnes with average grades of 1.63% zinc (Zn), 0.69% lead (Pb), 0.40% copper (Cu), and 5.96 g/t silver (Ag) at the same cutoff value, for a combined base metal grade of 2.72% (Zn-Pb-Cu). One of the objectives of the new drill program is to upgrade a substantial portion of this inferred resource to an indicated category.

These properties are owned by the Company's wholly owned subsidiary, 7980736 Canada Inc., which is the registered owner and legal and beneficial holder of the mining claims known as the Buchans property (inclusive of the Lundberg deposit), the Tulks North property (inclusive of Daniels Pond deposit), and a 49% interest in the Tulks Hill joint venture with Prominex Resources Inc., all of which are located near Buchans, Newfoundland.

In addition to entering into an option agreement to develop the Lundberg project, Minco completed a private placement for \$1 million in Buchans Minerals on May 16, 2012 to take a strategic investment position in the Company. Furthermore, Minco paid Buchans \$1 million for an exclusive 6 month option to evaluate the Company's Woodstock manganese property in New Brunswick, Canada with a view to potentially entering into a joint-venture agreement to develop the property.

Technical Report & Original News Release

The full PEA has been filed under the Company's profile on SEDAR at www.sedar.com and can also be downloaded on the Company's website at <http://www.buchansminerals.com>. The news release announcing the final PEA results was issued on August 12, 2011 as an update to an earlier press release dated June 29th, 2011. Both releases can be viewed on both SEDAR and the Company's website, as can the final technical report entitled: ***Preliminary Economic Assessment on the Lundberg and Engine House Deposits, Newfoundland, Canada.*** Effective Date: August 11, 2011.

Economics

The PEA is based on Inferred Mineral Resources, which are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is therefore no certainty that the conclusions of the PEA will be realized.

Qualified Person

Paul Moore, M.Sc., P.Geo., (NL), the Company's Vice President of Exploration, is a Qualified Person in compliance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* and has reviewed and approved the technical disclosure in this news release.

About Minco plc

Minco plc, registered in the Republic of Ireland and listed on the AIM Market of the London Stock Exchange ("MIO"), is a mineral exploration and development company, currently engaged in lead-zinc and manganese development projects in Canada and in zinc-lead exploration in Ireland. Minco holds 30 million shares (~29%) in Xtierra Inc. listed on the TSX Venture Exchange (TSXV-"XAG"), advancing zinc-silver projects in Mexico, and also holds 15 million shares (~10%) in Buchans Minerals Corp. listed on the TSX Venture Exchange (TSXV-"BMC"). Minco also holds a 2% NSR royalty on the Curraghinalt gold property in Northern Ireland currently being explored by Dalradian Resources Inc. (TSX-"DNA").

Minco continues to explore two base metal prospecting licenses in Ireland, one located adjacent to the currently operating Lisheen zinc/lead mine (Vedanta) and the recently producing Galmoy mine (Lundin), and the second held in joint venture with Boliden, adjacent to Boliden's Tara zinc/lead mine at Navan.

Minco currently holds approximately US\$17.5 million in cash and is also evaluating a number of other investment opportunities in the minerals industry in North America and Europe.

For further information of Minco refer to Minco's website at www.mincopl.com.

About Buchans Minerals

Buchans Minerals is an Atlantic Canada based resource company that has three main assets that include its base metal properties near Buchans in Central Newfoundland, its manganese property located near Woodstock in New Brunswick and its 50% owned gold & copper Long Range Property in central Newfoundland.

Forward Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements about the potential of the Lundberg project and the Woodstock project, are forward-looking statements. In addition, all statements in this news release that address estimated resource quantities, grades and contained metals, possible future mining, and exploration and development activities are forward-looking statements. By its very nature, the PEA is preliminary. The PEA includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the findings of the PEA will be realized. Wardrop's assumptions, estimates, expectations, analysis and opinions used in the PEA are based on the information available to Buchans Minerals and Wardrop as of the date of this news release. Wardrop's assumptions and estimates are based on experience and perceptions of trends, current conditions and expected development as well as other factors that Wardrop believes are relevant and reasonable in the circumstances, but which may prove to be incorrect. In particular, assumptions have been made regarding a number of variables that impact the Lundberg project and include, among other things, market prices for metals, exchange rates, inferred resource tonnages & grades, stripping ratios, processing techniques, through-put rates, flotation recoveries, concentrate grades, smelter charges, transportation charges, tailings disposal, waste rock disposal, site reclamation, equipment salvage, operating costs (including mining, processing & general administrative costs), capital costs and assumptions that all the necessary regulatory (including environmental) permits will be issued in respect of the project.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified

the management discussion and analysis section of our interim and most recent annual financial statement or other reports and filings with the TSX Venture Exchange (the "Exchange") and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and Buchans Minerals undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release, and no securities regulatory authority has either approved or disapproved of the contents of this release

FOR FURTHER INFORMATION, PLEASE CONTACT:

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