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BUCHANS AND MINCO ANNOUNCE OPTION AGREEMENT ON WOODSTOCK MANGANESE PROPERTY

Buchans Minerals Corporation (TSXV: BMC) ("Buchans Minerals" or the "Company"), together with **Minco plc (AIM Market: MIO)** ("Minco") are pleased to announce the signing of an agreement to further develop the Woodstock manganese property located in New Brunswick, Canada.

Under the terms of the option agreement Minco has the right to earn up to a 50% interest in the Canadian Manganese Company Inc. ("CMC"), a wholly owned subsidiary of Buchans Minerals that owns 100% of the Woodstock manganese property.

The Option Agreement:

Minco will initially make a firm commitment to earn a 10% interest in CMC by spending phase one expenditures of \$1.250 million by drilling an inferred resource on the Plymouth deposit within 12 months.

Following phase one expenditures, Minco will have 30 days to elect to continue with phase two expenditures of \$750,000 over a period of six months to complete a preliminary economic assessment ("PEA") on the Plymouth deposit to earn a further 10% interest in CMC. In the event that Minco elects not to proceed to the second phase of expenditures, Buchans will have a 90 day option to buy back Minco's 10% interest in CMC back for \$1.250 million.

Upon completion of the PEA, Minco will have an exclusive 3 month option to elect to earn a further 30% interest in CMC by completing an NI 43-101 compliant pre-feasibility report on the Plymouth deposit within two years (the budget to be determined at that time).

Buchans Minerals will be the operator for all work programs performed under the option agreement.

Warren MacLeod, President & CEO of Buchans Minerals stated that "***Buchans Minerals now has agreements and funding in place to continue advancing the development of our exciting Woodstock manganese project and our Newfoundland base metal assets. Buchans Minerals has established and achieved its goals consistently over the past two years and I believe that it is now time for the market to revalue this exciting company.***"

John Kearney, Chairman of Minco stated that "***Following Minco's six month review and detailed analysis of the Woodstock manganese project, we believe that the project has the potential to be developed into a significant long-term, mine and processing facility capable of producing high purity Electrolytic Manganese Metal ("EMM"). The work to date provides a***"

sound foundation upon which to advance the project towards the demonstration of an inferred resource and thereafter the completion of a preliminary economic assessment “PEA”.”

Opportunity for new Electrolytic Manganese Metal (“EMM”) Producers:

Buchans Minerals is currently evaluating the continued development of its Plymouth manganese deposit (located within its Woodstock property) with a view to develop an EMM and/or electrolytic manganese dioxide (EMD) production facility with production capacity of either 50,000 TPY or 100,000 TPY of EMM, with target operating costs amongst the lowest in the industry. Management anticipates the Buchans Minerals Plymouth project to be able to match or improve on operating costs for the lowest cost Chinese producers, thus positioning the project to significantly undercut Chinese producers in supplying both the Chinese and the international EMM markets. The historical resource for the Plymouth deposit is based on work completed in 1957 by Strategic Manganese Corporation that reported the deposit extends from surface to depths of at least 500 feet (152 metres) and reported a non-43-101 compliant, historic, unclassified resource estimate of 151.2 million tons (46.5 million tonnes) averaging 10.9% Mn (manganese) and 13.3% Fe (iron).

China produces over 97% of the world’s Electrolytic Manganese Metal (“EMM”)³, but its industry is highly fragmented with high operating costs, increasing electrical tariffs, increasing labour rates, depleting resources and grades, reducing capacity, relatively higher inflation and tightening environmental regulations. China has 188 EMM plants with average production capacity of only 7,000 tonnes per year (“TPY”)². Only five of the Chinese plants have capacity over 50,000 TPY representing only 22% of current Chinese capacity³.

In addition to forecast growth in the EMM industry by CPM Group from the current 1.532 million TPY in 2011 to 2,839 million TPY in 2021³, the Chinese government have committed in their 12th five year plan to close down all their small inefficient EMM plants and are anticipated to be reducing their total EMM production capacity from 2.2 million TPY down to about 1.3 million to 1.5 million TPY². When reviewing the above increase in future EMM demand in comparison to the significant forecast reduction in Chinese EMM capacity, a scenario may arise whereby Chinese EMM production may not be able to cover the existing world EMM demand, let alone the anticipated increasing demand in years to come.

Warren MacLeod, President & CEO of Buchans Minerals stated that *“When viewing the Buchans Minerals Woodstock Manganese project in relation to increasing Chinese operating costs and our relatively lower anticipated operating costs, the prospect of advancing the development of the Woodstock Manganese project looks very attractive. It becomes even more attractive when you consider that Chinese output is anticipated to be reduced such that it may only have enough capacity to cover existing EMM demand of approximately 1.5 million TPY EMM in the shadow of an EMM market that is forecast to potentially grow to about 2.8 million TPY EMM by 2021. Although our primary focus at this time is on the production of EMM our proposed Woodstock process can also produce electrolytic manganese dioxide (“EMD”). The EMD market is primarily driven by the increasing demand for electric batteries and is forecast to potentially expand from about 364,000 TYP in 2011 to about 580,000 TPY by 2021³.”*

Understanding Manganese:

When reviewing the global manganese market, it is important to understand that there are primarily two types of manganese ores; manganese oxide ores that generally grade 35%-44% Mn and manganese carbonate ores that grade 10%-20% Mn. The Buchans Minerals Plymouth deposit is primarily a manganese carbonate deposit with an average grade of about 11%.

The important characteristic of these two different ores is that they produce entirely different products. Oxide ores are processed by physical concentration techniques to produce manganese concentrates that grade about 50% Mn. These concentrates are sold for about \$4-\$6/dmtu (ie. \$4-\$6 per each 1% Mn grade) and are sold primarily to produce 60–77% silicomanganese and 65-80% ferromanganese for production of flat and long steel.

Carbonate ores on the other hand are processed using hydrometallurgical leaching and electrowinning techniques to produce high purity > 99% electrolytic manganese metal (EMM) which sells for about \$1.30/lb-\$1.60/lb. EMM is primarily used in the production of stainless steel, specialty steels and high purity alloys.

Although it is technically possible to produce EMM and EMD from oxide ores, the process is more complex, has higher capital costs than to process manganese carbonate ores and has higher operating costs³. Manganese carbonate deposits utilize less complex hydrometallurgy with a single stage acid leach to produce EMM and EMD. About 88% of the world's EMM produced in 2010 originating from manganese carbonate deposits³.

Qualified Persons:

Paul Moore, MSc, P.Geo., (NL), Vice-President Exploration for Buchans Minerals Corporation, is acting as a Qualified Person in compliance with National Instrument 43-101 with respect to the geological technical information contained in this release and has reviewed and approved those contents for accuracy. Quoted historical resource estimates for the ¹Plymouth deposit are based on data obtained and prepared by previous operators and Buchans Minerals has not located original assay sheets or details of the estimation methodology completed, nor has Buchans Minerals undertaken the work necessary to verify or classify the mineral resource estimate. **Buchans Minerals is not treating the mineral resource estimate as a NI 43-101 defined resource verified by a qualified person, and the estimate should not be relied upon.** Verification and classification of the resource will require considerable further evaluation.

References:

¹ Historic resource estimate from an article written by K.O.J. Sidwell, 1957: The Woodstock, N.B., Iron-Manganese Deposits. Transactions of the Canadian Institute of Mining and Metallurgy, Volume LX, 1957, p.231-236. The article reports the resource is compiled from data acquired from a total of 17,388 feet (5,300 metres) of drilling

² “A study of Electrolytic Manganese Metal (EMM) Industry and China’s Dominating Effects to the Global Market” by JF Zhang Associates, Nov 2011

³ “Manganese Market Outlook” by the CPM Group, Feb 2012

About Minco plc

Minco plc, registered in the Republic of Ireland and listed on the AIM Market of the London Stock Exchange (AIM: MIO) is involved in exploration and development activities in Canada at its Buchans, zinc-copper-lead-silver, volcanogenic massive sulphide (“VMS”) properties under joint venture with Buchans Minerals Corporation, and indirectly in exploring and developing silver-zinc properties in Central Mexico through its 29% shareholding in Xtierra Inc., a company listed on the TSX Venture Exchange.

Minco holds 30 million shares (approximately 29%) in Xtierra Inc. listed on the TSX Venture Exchange (TSX.V: XAG). Minco also holds 15 million shares (approximately 10%) in Buchans Minerals listed on the TSX Venture Exchange (TSX.V: BMC).

Minco currently holds approximately US\$16 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.minco.ie.

About Buchans Minerals

Buchans Minerals is an Atlantic Canada based resource company that has three main assets that include its 100% owned base metal properties near Buchans in Central Newfoundland (Optioned to Minco plc.), its 100% owned manganese property located near Woodstock (Optioned to Minco) in New Brunswick and its 50% owned gold & copper Long Range Property in central Newfoundland.

Forward Looking Statements & Disclaimer

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 Buchans Minerals projects, are forward-looking statements. 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 TSXV 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.

This release contains market and industry data and statements that have been obtained from independent third-party sources, including the February 2012 report prepared by the CPM Group and the November 2011 study of Electrolytic Manganese Metal Industry and China's Dominating Effects to the Global Market by JF Zhang Associates. While Buchans believes the data and statements derived from these sources to be reliable, Buchans has not independently verified such data and statements. Buchans cannot guarantee the accuracy or completeness of the market and industry data and statements contained in this release and does not independently endorse such data or statements. As a result, undue reliance should not be placed on the market and industry data and statements in this release.

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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