
Buchans Resources - 2018 Exploration Highlights from Newfoundland

Toronto, January 23, 2019 – Buchans Resources Limited, a Canadian company primarily focused on mineral exploration and development, reported a busy and successful 2018 exploration program on its base metal projects within the historic, world-renowned, Buchans mining district of central Newfoundland.

Throughout 2018, Buchans undertook its most aggressive exploration program in the past five years, completing 34 drill holes for a total of about 8,000 metres of drilling, more than 1,000 line-kilometres of airborne geophysical surveys and fourteen borehole pulse surveys over its Buchans and Tulks North properties in Newfoundland.

In summary, the 2018 results are considered very encouraging for advancing the large, lower-grade, Lundberg zinc lead copper deposit towards open pit development and also for the discovery of other nearby volcanogenic massive sulphide (“VMS”) resources that might complement Lundberg’s development or emerge as additional stand-alone mine development projects.

Of the 34 holes drilled, 27 encountered reportable mineralisation while only 3 are considered blank holes and 4 were abandoned before reaching target depth.

In addition to the major drilling activity in Newfoundland, during 2018 Buchans also completed exploration programs on its Lake Douglas gold project in Newfoundland, its Tasiuyak gold project near Voisey’s Bay in Labrador and on its lead-zinc exploration projects in Ireland which are held in joint venture with Boliden.

2018 Exploration Programs in central Newfoundland

In 2018, the Company completed 7,950 m of drilling in 34 holes within its Buchans district properties, including:

- 17 holes (2,205 m) drilled at the Lundberg stockwork sulphide deposit;
- 11 holes (2,906 m) exploring higher-grade VMS targets within 3.5 km of the Lundberg deposit;
- 5 holes (2,839 m) on the Daniels and Bobbys deposits on the Tulks North properties.

Drilling at Lundberg included both in-fill and step-out holes in preparation for a new resource estimate expected to be completed during the first quarter of 2019.

Sixteen holes were drilled on four other Buchans area targets exploring for additional higher-grade resources. These other target areas included the Lucky Strike North (3 holes, 1,098 m), Oriental East (5 holes; 262 m), Sandfill (2 holes, 905 m) and Middle Branch areas (1 hole, 641 m), all of which have been identified as having potential to host high-grade massive to breccia sulphide deposits comparable to deposits mined historically at Buchans that established it as one of the world’s highest grade VMS mining camps.

At the Company’s Tulks North property, located approximately 20 km south of Buchans on the opposite side of Red Indian Lake, deep drilling was undertaken below the Daniels and Bobbys smaller massive sulphide deposits, both of which have National Instrument 43-101 compliant resource estimates, and intersected semi-massive to massive sulphide mineralization down plunge at both deposits.

In addition to drilling, the Company also completed state-of-the-art, property-wide, SkyTEM airborne geophysical surveys over its Buchans and Tulks North properties with the objective to further enhance understanding of several key exploration target areas. The surveys included more than 1,000-line kilometres, providing coverage over the Company's key exploration prospects, deposits, and historic mine sites.

Lastly, the Company completed borehole geophysical surveys over select target areas at both Buchans and Tulks North properties, including surveying seven holes at the Clementine, Sandfill and Middle Branch prospects and an additional seven holes at the Daniels and Bobbys deposits within the Tulks North property.

Drilling Results Highlights 2018

The Company is very encouraged with the results from its drilling program at its Buchans and Tulks North properties and key findings of the program are summarized below by target area:

Lundberg Deposit

The results from Lundberg in-fill and step-out drilling further confirm the resource and its extents, while also highlighting potential from newly recognized, remnant high-grade mineralization associated with the former Lucky Strike massive sulphide orebody that was mined immediately above the Lundberg resource. These Lundberg drilling results are currently being incorporated into a revised resource estimate for the Lundberg deposit by Mercator Geological Services which is expected to be available during the first quarter of 2019.

Highlights related to intersections of remnant high-grade massive sulphides include:

- intersections encountered near the northern limits of historic underground workings, including **23.8 m of 9.11% combined base metals ("CBM")** averaging 0.35% Cu, 3.01% Pb, 5.75% Zn, 94.04 g/t Ag and 0.999 g/t Au, **including 8.0 m of 20.38% CBM** as 0.69% Cu, 6.81% Pb, 12.88% Zn, 159.94 g/t Ag and 1.254 g/t Au in hole H-18-3515; and **4.80 m grading 15.48% CBM**, as 0.50% Cu, 5.01% Pb, 9.98% Zn, 149.06 g/t Ag and 0.686 g/t Au in hole H-18-3516b (See *Buchans News Release October 17, 2018*); as well as,
- Intersections encountered near the western limits of historic underground workings, including **1.0 m of 21.99% CBM** as 0.59% Cu, 7.90% Pb, 13.50% Zn, 109.9 g/t Ag & 1.93 g/t Au, as well as **1.8 m assaying 32.22% CBM** as 4.29% Cu, 11.62% Pb, 16.30% Zn, 85.4 g/t Ag & 1.39 g/t Au in hole H-18-3500 (See *Buchans News Release July 31, 2018*).

Highlight intercepts from the 2018 stockwork drilling include:

- drilling on the northeast margin of the resource that extends stockwork mineralization northeast of the previous resource, as hole H-18-3501 cut **28.0 m of 2.63% CBM** averaging 0.34% Cu, 0.83% Pb, 1.47% Zn, 3.0 g/t Ag & 0.05 g/t Au (See *Buchans News Release July 31, 2018*), while hole H-18-3519 intersected **29.0 m of 1.86% CBM** averaging 0.14% Cu, 0.57% Pb, 1.15% Zn, 2.12 g/t Ag & 0.043 g/t Au (See *Buchans News Release October 17, 2018*).
 - Drilling within the north-central part of the deposit also returned positive assay results, as hole H-18-3505 intersected **152 m of stockwork mineralization averaging 2.49% CBM** as 0.27% Cu, 0.71% Pb, 1.50% Zn, 4.20 g/t Ag & 0.05 g/t Au (See *Buchans News Release July 31, 2018*).
 - Other positive confirmatory results from the central portion of the Lundberg stockwork zone include hole H-18-3518 that intersected **35.7 m of 2.57% CBM** averaging 0.53% Cu, 0.71% Pb, 1.34% Zn, 11.54 g/t Ag, and 0.065 g/t Au (See *Buchans News Release October 17, 2018*).
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Buchans plans to issue a new resource estimate for the Lundberg deposit in the first quarter of 2019 and expects that the new estimate will provide a more robust resource to be assessed by an updated scoping study that will build upon and improve the positive Preliminary Economic Assessment (“PEA”) completed on the Lundberg deposit in 2011.

VMS Exploration - Buchans Area

Drilling during 2018 in four target areas within a radius of 3.5 kilometres of Lundberg/Lucky Strike returned favourable results warranting further exploration to identify additional higher-grade resources that could potentially complement Lundberg’s development or could be developed as stand-alone mining projects. The Company remains optimistic that this immediate area still holds potential for discovery of new VMS deposits comparable to historically mined orebodies in the Buchans camp, where Asarco mined more than 16.2 million tonnes of ore from five separate deposits, with a combined average grade of 14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au, before mine closure in 1984.

The priority targets areas highlighted by the 2018 drill program include:

- The **Two Level (Lucky Strike)** area, where hole H-18-3524 intersected **1.8 m averaging 9.48% CBM** as 0.76% Cu, 3.15% Pb, 5.57% Zn, 90.5 g/t Ag and 0.37 g/t Au, including **1.0 m assaying 14.83% CBM** as 1.26% Cu, 4.87% Pb, 8.70% Zn, 133.2 g/t Ag and 0.47 g/t Au (See *Buchans News Release November 19, 2018*). This hole was drilled near the end of the 2018 program and extends mineralization 70 m north of historic underground workings at the Two Level (Lucky Strike) deposit. This intercept indicates the deposit extends northwards, where potential remains to identify additional higher-grade mineralization.
- The **Sandfill** prospect, where hole H-18-3513 intersected multiple sections of transported breccia mineralization, including: **7.0 m averaging 7.4% CBM** (including 1.0 m of 23.6% CBM), as well as a lower section of **3.10 m averaging 6.4% CBM** (including 1.0 m assaying 17.5% CBM) (See *Buchans News Release September 17, 2018*). A subsequent hole, H-18-3525, drilled 170 m west of H-18-3513, returned a best assay of **0.30 m of 2.31% CBM** as 0.04% Cu, 0.34% Pb, 1.93% Zn, 75.8 g/t Ag and 0.242 g/t Au at a depth of 420 m. Buchans believes that this area holds potential for discovery of transported-breccia sulphide deposits comparable to several of Buchans historically mined orebodies.
- The **Middle Branch** prospect, where hole H-18-3522 was drilled to test this transported breccia sulphide target and intersected approximately 33 m of ore-horizon rocks starting 533 m down the hole, including a **0.30 m section assaying 0.07% Pb, 0.16% Zn, 162.80 g/t Ag and 0.054 g/t Au** (See *Buchans News Release December 21, 2018*).

Tulks North - Bobbys and Daniels Deposits

Drilling on the Bobbys and Daniels deposits within the Tulks North property returned encouraging results highlighted by the intersection of semi-massive to massive sulphide mineralization down plunge at both deposits. Drilling at the Bobbys deposit extended semi-massive to massive sulphide mineralization down plunge to a vertical depth of 475 m, where one hole averaged 17.02% combined base metals over 0.85 m, and the lens remains open at depth, while the 2018 drilling at the Daniels deposit extended mineralization below the known resource to vertical depths of 472 m.

Highlights from the Tulks North drilling are discussed below.

At the **Bobbys** deposit, hole BP-18-41B intersected **0.85 m of 17.02% CBM as 0.50% Cu, 0.02% Pb, 16.50% Zn, 28.4 g/t Ag and 0.306 g/t Au** (See *Buchans News Release December 21, 2018*). This mineralization remains open at depth below 475 m, and is correlated with other historic high-grade

intersections nearby, including **1.75 m assaying 29.09% CBM** as 3.25% Cu, 2.51% Pb, 23.33% Zn, 88.1 g/t Ag and 0.153 g/t Au (hole MOA-08-34) and two closely spaced zones in hole MOA-08-35 that intersected **14.1% CBM over 1.0 m** assaying 2.31% Cu, 2.70% Pb, 9.10% Zn, 53.8 g/t Ag and 0.049 g/t Au; and **20.34% CBM over 1.35 m** assaying 3.52% Cu, 3.09% Pb, 13.73% Zn, 72.8 g/t Ag and 0.100 g/t Au.

At the **Daniels** deposit, 2018 drilling extended mineralization below the known resource to vertical depths of 472 m. Highlights include hole DN-18-131 that intersected **8.80 m of pyritic massive sulphides averaging 1.96% CBM as 0.23% Cu, 0.18% Pb, 1.55% Zn, 12.09 g/t Ag and 0.658 g/t Au** (See *Buchans News Release December 21, 2018*). This lobe of massive sulphides remains open at depth, where potential remains for discovery of additional accumulations of higher-grade massive sulphides.

CENTRAL NEWFOUNDLAND ZINC LEAD PROJECTS

Buchans controls mineral rights covering 116 km² (11,600 hectares) considered prospective for VMS Zn-Pb-Cu-Ag-Au base metal deposits within the Buchans district of central Newfoundland.

Buchans' extensive land package includes several undeveloped deposits including the large, lower grade, Lundberg stockwork deposit located beneath the former Lucky Strike massive sulphide orebody, as well as several smaller "satellite deposits", composed of higher-grade, massive sulphide mineralization, including the Daniels and Bobbys deposits located within the Company's Tulks North property, 20 km south of Buchans.

Buchans' exploration strategy in Newfoundland is to continue to build on its existing resource base with the aim of developing either a stand-alone open pit mine centred on the larger lower grade Lundberg stockwork deposit, or a number of smaller higher grade VMS deposits that could be developed simultaneously and processed in a central milling facility, similar to the past-producing mines at Buchans or Duck Pond.

ACKNOWLEDGMENTS

Buchans acknowledges anticipated financial support for its 2018 exploration program at Buchans from the Junior Exploration Assistance Program, Department of Natural Resources, Government of Newfoundland and Labrador.

QUALIFIED PERSON

Paul Moore, M.Sc., P.Geo., (NL), Vice President of Exploration of Buchans, a Qualified Person within the meaning of National Instrument 43-101, has reviewed the technical contents of this release for accuracy.

ABOUT BUCHANS RESOURCES

Buchans Resources Limited is incorporated under the laws of the Province of Ontario, Canada and is a "reporting issuer" in the Provinces of Alberta, British Columbia, Nova Scotia and Newfoundland and Labrador. The Company was a wholly-owned subsidiary of Minco plc until August 30, 2017, at which time all the shares in the Company were transferred to Minco shareholders.

Buchans Resources has interests in zinc, lead, silver properties located in Canada, Ireland and the United Kingdom, gold properties in Newfoundland and in Labrador, copper cobalt in Labrador and manganese in New Brunswick and, indirectly through its 22% shareholding in Xtierra Inc. (TSXV: "XAG"), in base metal and silver projects in Mexico.

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Additional information is available on the Company's website at www.BuchansResources.com.

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