
Buchans Reports First Quarter Results

Toronto, May 27, 2019 – Buchans Resources Limited (the “Company” or “Buchans”), a Canadian base metal mineral exploration and development company, reports its interim financial results and results of operations for the first quarter ended March 31, 2019.

This news release should be read in conjunction with the Company’s condensed interim consolidated financial statements and the notes thereto for the three-month period ended March 31, 2019, 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 has interests in zinc-lead-silver properties located in Canada, Ireland and the United Kingdom; gold properties in Newfoundland and Labrador; nickel-copper-cobalt properties in Labrador; a battery metal manganese project in New Brunswick; and, indirectly through its 22% shareholding in Xtierra Inc. (TSXV: “XAG”), in base metal and silver projects in Mexico.

Lundberg Deposit – New Mineral Resource Estimate

On March 1, 2019 Buchans announced a new updated pit-constrained Mineral Resource Estimate for the Lundberg base metal deposit, located at the former Lucky Strike mine site, prepared by Mercator Geological Services and a NI 43-101 Technical Report was filed on April 15, 2019.

The Lundberg deposit is now estimated to host **In-pit Indicated Mineral Resources containing 1.25 billion pounds Zinc Equivalent** as well as In-pit Inferred Mineral Resources containing 0.037 billion pounds Zinc Equivalent using an NSR cut-off at US\$20 per tonne. These resources are contained within an optimized model pit shell measuring 860 metres by 650 metres and extends to a maximum depth of 240 metres. The In-Pit constrained resource has a strip ratio of 2.9 of which approximately 98.7% of the resources are assigned to the Indicated category resources.

The new 2019 Mineral Resource Estimate demonstrates a significantly more robust project and, coupled with enhanced parameters determined by the Company’s continued assessments, including updated costs, metallurgical and metal pricing parameters, and significantly improved prevailing currency exchange rates (compared to rates used by the 2011 PEA), could result in significantly improved outcomes in future economic analyses of the Lundberg project as a stand-alone open-pit mineral resource development with a low strip ratio, optimally situated on a brownfields site with excellent infrastructure.

Based on work carried out for the 2019 Mineral Resource estimation, Mercator is of the opinion that the Lundberg deposit has been sufficiently delineated by drilling to support Pre-feasibility or Feasibility level studies, and that additional infill resource delineation drilling is not required for this purpose. Mercator’s primary recommendation arising from the current Mineral Resource Estimate program is that an updated assessment of the Lundberg deposit’s economic potential be completed as the next phase of project evaluation.

Buchans has contracted Stantec Consulting Ltd., to generate an updated conceptual economic model for internal company use. The goal of the study is to develop a mine plan for the 2019 Mineral Resource Estimate, review and update project costs, and prepare an updated economic model. It is expected that the study will be completed during the third quarter of 2019 and will assist in formulating the Company’s strategy to advance Lundberg toward development.

VMS exploration potential – Additional Properties Staked

Buchans is confident that its Newfoundland mineral properties hold 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** 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.

In 2018, a total of 8,000 metres of drilling was completed in 38 holes exploring the Buchans and Tulks North base metal properties in central Newfoundland. Drilling in 2018 in four target areas within a radius of 3.5 kilometres of Lundberg/Lucky Strike returned favourable results warranting further exploration for additional higher-grade resources that could potentially complement Lundberg's development or be developed as stand-alone mining projects.

At Tulks North, located 20 km south of Lundberg, drilling in 2018 returned encouraging results highlighted by the intersection of semi-massive to massive sulphide mineralized intercepts down plunge of the Bobbys and Daniels deposits that indicate the zones remain open at depth. Both deposits have mineral resource estimates supported by NI 43-101 technical reports.

In the first quarter of 2019 Buchans competitively staked two additional properties totalling 494 claims (123.5 km²) near its Tulks North property. The newly staked properties, known as Tulks South and South Tally, cover favourable geology along strike of NorZinc's Lemarchant and Boomerang deposits and occur within the same geological terrane that hosts the former Duck Pond mine where Teck Resources recently mined approximately 5 million tonnes averaging 4.4% Zn, 2.7% Cu, 53 g/t Ag, and 0.6 g/t Au between 2007 and 2015.

Exploring for gold in Newfoundland and Labrador and nickel-copper-cobalt in Labrador

Buchans owns 100% interest in the 2,075-hectare Lake Douglas gold project in central Newfoundland. This property is located 40 km south-southeast of Buchans, 20 km southeast of the Company's Daniels and Bobbys deposits and adjacent to the newly staked South Tally property. Buchans' Lake Douglas property is located 15 km northeast along strike of Marathon Gold Corporation's Valentine Lake project that covers a 20-kilometre long system of gold bearing veins.

In Labrador Buchans holds a 100% interest in the Tasiuyak gold property, located 10 km south of Vale's Voisey's Bay nickel-copper-cobalt mine, and includes mineral rights to 11.5 km² covering a historic gold prospect discovered by previous explorers during the Voisey's Bay exploration rush in the mid-1990s.

The prospect, known as the VBE2 gold prospect, consists of a 90 m long bedrock exposure of sulphide-rich iron formation and returned historic sampling results that include chip samples assaying up to 18.9 grams per tonne gold over 1 metre, as well as drilled intercepts over a 275 metre strike that include 5.5 g/t Au over 2.1 m, 4.2 g/t Au over 3.0 m, and 4.1 g/t over 2.1 m.

Buchans also holds several properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 38 claims (9.5 km²) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey's Bay, and the 5 claim (1.25 km²) Luk nickel property covering mineralized troctolite at Voisey's Bay itself.

Zinc exploration in Ireland - Joint Ventures with Boliden

In Ireland, Buchans is continuing exploration for zinc, both in joint venture with Boliden Tara Mines near Nava n and on its own licences at Moate. Buchans has also entered into a new exploration agreement with Boliden Tara Mines on six Prospecting Licences in Galway.

During 2018, Boliden Tara drilled one-hole of 1,225 m on Licence 1440R, two kilometres to the north of the existing small Tatestown-Scallanstown deposit, and also completed an updated internal resource estimate for the Tatestown-Scallanstown deposit. On Licence 3373 Buchans completed two drill holes for a total of 636 metres.

Four structurally defined drill targets with potential for late epigenetic mineralisation, comparable to Tatestown-Scallanstown, have been identified, located eight to fifteen kilometres west of the Tara Mine, at depths of 550 to 800 metres below surface.

These new target areas will provide focus for continued exploration in 2019. Proposed work programs on the four target areas include re-interpretation of previous seismic survey data based on 2018 drilling, soil geochemistry and diamond drilling. A follow-up drill hole is planned and permitted to test one of the four identified target areas in spring/summer 2019.

Battery Grade Manganese in New Brunswick

In New Brunswick, Canadian Manganese Company Inc., a wholly owned subsidiary of Buchans Resources, holds the Woodstock manganese property containing the Plymouth manganese-iron deposit that hosts a NI 43-101 Inferred Resource and on which a positive preliminary economic assessment (“PEA”) technical report was completed in 2014.

Metallurgical development programs for Woodstock have focused on the production of high-grade electrolytic manganese metal and the intermediate production of purified manganese sulphate solution as an interim step, enabling the add-on production of manganese chemicals, manganese catalyst, battery grade manganese dioxide and high-purity manganese metal for electronics. Electrowinning tests consistently produced electrolytic manganese metal with a metallic manganese content of greater than 99.99% and a total manganese content ranging from 99.70% to 99.76% Mn.

Advancements in electric vehicle manufacturing are transforming the entire global automobile industry driving increased battery demand and NMC (nickel-manganese-cobalt) batteries are becoming the rechargeable battery of choice for next-generation automotive and industrial uses. Manganese is a key component in the formulations of the cathode material used in high-performance lithium-ion batteries and in utility bulk energy storage facilities that are expected to create strong demand for high-purity manganese products.

QUALIFIED PERSON

Paul Moore, P. Geo. is Buchans’ Non-Independent Qualified Person for the purposes of National Instrument 43-101, Standards of Disclosure for Mineral Projects and has approved the technical disclosures on mineral projects in Canada in this MD&A. Historic mine production figures are derived from historic archived documents of the former operator, Asarco, and have not been independently verified.

Information on base metal properties in Ireland is derived from the Company’s communication with Boliden Tara Mines Limited, Operator of the Tatestown-Scallanstown (Licence 1440R) and Kells (Licence 3373) joint ventures.

FINANCIAL RESULTS

Buchans recorded no revenue in the periods ended March 31, 2019 or March 31, 2018.

For the three-month period ended March 31, 2019, the Company recorded a loss of \$332,728, compared to a loss of \$1,162,649 for the three-month period ended March 31, 2018.

The loss for the three-month period ended March 31, 2019 included a loss in fair value of the Xtierra warrants in the amount of \$131,476, \$40,957 depreciation and \$12,276 finance costs in accordance with IFRS 16, Leases. The loss for the three-month period ended March 31, 2018 included a loss in market value of marketable securities in the amount of \$866,023. Administrative expenses, excluding foreign exchange, for the three-month period ended March 31, 2019 amounted to \$180,523 compared to \$353,852 for the three-month period ended March 31, 2018.

During the period ended March 31, 2019, Buchans invested \$116,576 (2018 - \$285,720) on exploration of its mineral properties, of which the largest amounts were expended on the Buchans zinc lead project in central Newfoundland.

Buchans Resources Limited

News Release

At March 31, 2019, Buchans held \$2,582,997 (December 31, 2018- \$2,895,188) in cash and cash equivalents and had a working capital surplus of \$2,234,438, net of a \$225,548 lease obligation liability, compared to a working capital surplus of \$2,760,648 at December 31, 2018.

At March 31, 2019, Buchans held mineral properties with a combined book value of \$18,008,171. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

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.

Buchans Resources has interests in zinc, lead, silver properties located in Canada, Ireland and the United Kingdom; gold properties in Newfoundland and in Labrador; nickel, copper, cobalt properties in Labrador and a manganese project 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.

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.