
Buchans Report First Quarter 2020 Results

Toronto, May 11, 2020 – 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 three-month period ended March 31, 2020.

This news release should be read in conjunction with the Company’s unaudited condensed interim financial statements and the associated management’s discussion and analysis (MD&A) for the three month period ended March 31, 2020 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 Newfoundland, gold properties in Newfoundland and Labrador; nickel-copper-cobalt properties in Labrador, and, indirectly through its 21% shareholding in Xtierra Inc. (TSXV: “XAG”), in base metal and silver projects in Mexico.

The Company’s core holding within the Buchans mining district of central Newfoundland includes mineral rights covering approximately 252 km² (25,200 hectares) considered prospective for VMS Zn-Pb-Cu-Ag-Au base metal deposits. This extensive land package includes several undeveloped deposits including the large, lower grade, Lundberg stockwork deposit located beneath the former Lucky Strike massive sulphide orebody at Buchans, as well as several smaller “satellite deposits”, composed of higher-grade, volcanogenic massive sulphide mineralization. The latter include the Company’s Daniels, Bobbys and Tulks Hill deposits, each with excellent exploration potential and located within the Company’s Tulks North and Tulks Hill properties, all located less than 45 km south of Lundberg.

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. As part of these exploration efforts, during 2019 Buchans expanded its land position through the purchase of mineral claims covering the former MacLean mine, a significant past producer of Zn-Pb-Cu-Ag-Au, and competitive staking of the Wiley claims. With the addition of these two properties, Buchans’ land position now exceeds 72 km², and includes mineral rights covering essentially all previously mined orebodies, undeveloped deposits and prospects, as well as most of the favourable stratigraphy within the Buchans mining 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.

Buchans also controls several projects outside of its central Newfoundland VMS properties as additional exploration opportunities with potential to generate significant shareholder value. These typically earlier stage opportunities have been generated and acquired by the Company and are held 100% without underlying interests or royalties. These properties include nickel-copper-cobalt projects in the Voisey’s Bay area of Labrador as well as gold projects in Newfoundland and Labrador. Several of these properties were worked in 2019 and continue to be maintained as highly prospective exploration projects.

In 2019, Buchans undertook work to incorporate its extensive relogging data into an expanded digital database that the Company intends to use to create a new, digital, 3-dimensional geological model extending out from previously mined orebodies to key undeveloped prospects and exploration targets. The database is currently being developed in cooperation with Mercator Geological Services, who previously constructed a deposit-scale model for the Lundberg deposit. Buchans believes creation of a digital 3-dimensional geologic model will greatly enhance the Company’s

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ability to successfully target and explore for new, buried, high-grade deposits and the model's construction is a priority for 2020

It is anticipated that Buchans will proceed with assessment activities in 2020 to develop and identify additional targets for exploration for new high-grade orebodies at Buchans, as well as continue to evaluate development options for its Lundberg deposit as a stand-alone open pit mine and processing complex.

The Company's planned 2020 exploration programs include drill testing high priority targets, upgrading existing targets and continuing to develop new targets through field work and data interpretation. The schedule and timelines for these programs will depend on the stabilization of the COVID-19 pandemic and associated developments. With the evolving COVID-19 pandemic the Company is following the instructions and advice of Provincial and Federal health professionals and government officials, as well as industry-wide best practice guidelines, to help limit the spread of COVID-19.

PLAN OF ARRANGEMENT – Group restructuring

On December 31, 2019, the Company filed Articles of Arrangement to implement a group reorganization whereby the shares of two wholly-owned subsidiaries were distributed to shareholders pursuant to a Plan of Arrangement, which was approved by shareholders on December 10, 2019, and sanctioned by the Ontario Superior Court of Justice on December 19, 2019.

Under the Plan of Arrangement, shareholders retain their existing shares of Buchans, and the Company distributed to its shareholders, pro rata, all of the shares of Canadian Manganese Company Inc. ("Canadian Manganese") on the basis of one share of Canadian Manganese for each share of Buchans held; and exchangeable warrants entitling shareholders to receive either one share of Minco Exploration Limited ("Minco Exploration") or 0.25 additional shares of the Company, at their option, for each share of Buchans held. Any exchangeable warrants which remain unexercised on the expiry date will be automatically exchanged for shares of Minco Exploration.

FINANCIAL RESULTS

Buchans recorded no revenue in the periods ended March 31, 2020 or March 31, 2019.

For the three-month period ended March 31, 2020, the Company recorded a loss of \$488,125. The loss included a non cash loss in fair value of the exchangeable warrants in the amount of \$296,569, a non cash loss in fair value of the Xtierra warrants in the amount of \$72,450 and a loss in the amount of \$46,415 attributable to discontinued operations, partially offset by a foreign exchange gain in the amount of \$86,015.

For the three-month period ended March 31, 2019, the Company recorded a loss of \$332,728. The loss included a loss in fair value of the Xtierra warrants in the amount of \$131,476 and a loss in the amount of \$16,736 attributable to discontinued operations

During the three-month period ended March 31, 2020, Buchans invested \$128,535 (2019 - \$116,576) on exploration of its mineral properties.

At March 31, 2020, Buchans held \$1,054,159 (December 31, 2019- \$1,443,246) in cash and cash equivalents and had a working capital surplus of \$932,687, compared to a working capital surplus of \$1,238,704 at December 31, 2019.

At March 31, 2020, Buchans held mineral properties with a combined book value of \$12,925,658. The balance sheet values for these assets may not represent that which could be obtained if the assets were to be offered for sale.

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ABOUT BUCHANS

Buchans Resources currently 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 Xtierra Inc. (TSXV: "XAG"), in base metal and silver projects in Mexico.

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Additional information is available on the Buchans website at www.BuchansReosources.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.