
Buchans Reports Third Quarter 2020 Results

Update on 2020 Exploration Programs

Toronto, November 25, 2020 – Buchans Resources Limited (the “Company” or “Buchans”), a Canadian mineral exploration and development company, reports its interim financial results and results of operations for the three and nine month periods ended September 30, 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 and nine month periods ended September 30, 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 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. The Company’s land position within the Buchans mining camp itself 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.

This extensive land package hosts several undeveloped deposits including the Company’s large Lundberg stockwork sulphide 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. Lundberg represents the largest and most advanced base metal deposit in the district, having been the subject of multiple resource estimates, metallurgical test programs and other technical activities designed to advance the deposit towards development as a large, polymetallic, open pit mining project.

2020 exploration programs

The Company’s planned 2020 exploration programs had included 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 has been delayed because of the COVID-19 pandemic and associated developments. Nevertheless, Buchans has undertaken ongoing assessment activities that will continue through the remainder of 2020 as the Company continues to develop and identify additional targets for exploration for new high-grade orebodies at Buchans.

These activities include additional work at Buchans, including ongoing compilation and relogging activities focused on base metal exploration at Buchans, as well as other activities focused on gold exploration opportunities throughout Newfoundland and Labrador. The latter has been spurred on by recent events that have led to significantly heightened investment interest and media attention focused on gold exploration in central Newfoundland.

The Company's gold exploration-related activities undertaken during the quarter have included reviews of the Company's existing gold projects as well as reviews of other potential target areas. To date these activities have resulted in new property acquisitions to either augment existing projects, or in some cases, gain entry into new high-profile gold exploration areas, including within and adjacent to New Found Gold's Queensway Gold project in central Newfoundland.

Exploring for gold in Newfoundland and Labrador

Buchans controls several gold projects in central Newfoundland and northern Labrador, including its 21.75 km² Lake Douglas and its 46 km² Long Range gold projects in Central Newfoundland. Several of these properties have recently garnered increased attention by Buchans as exploration activities in central Newfoundland have seen a dramatic increase in 2020 leading to significantly heightened investment interest and media attention. This increased profile of the Province's gold sector has been primarily driven by two key exploration and development events led by Marathon Gold Corporation's (MOZ.TSX) recently announced positive pre-feasibility study for its Valentine gold project (Marathon news release dated April 6, 2020), and positive exploration results recently announced by New Found Gold Corp. (NFG.TSX.V) who continue to announced high-grade gold drill intersections from its Queensway Gold project.

Marathon's Valentine project is located less than 15 km on strike of Buchans' 100% owned Lake Douglas gold project and less than 50 km east of the Company's Long Range area gold projects. The latter includes claims owned 100% by Buchans as well as claims held 51.5% in Joint Venture with Benton Resources Inc (BEX-TSX.V).

In October, Buchans competitively staked 3 new properties totalling 8.25 km² (Exploits Properties) within and adjacent to New Found Gold's Queensway project. New Found Gold is currently undertaking a 100,000 m drill campaign within its Queensway gold project in central Newfoundland, located approximately 150 km northeast of Buchans, 15 km west of the town of Gander. Earlier this year, New Found Gold announced initial high-grade drilling results that included intercepts of 93 g/t Au over 19 m (core length) from their Keats Zone (New Found Gold news release dated January 28, 2020), and 41.2 g/t Au over 4.75 m (core length) from the nearby Lotto Zone (New Found Gold news release dated October 2, 2020). Buchans Exploits properties include mineral claims located less than 35 km northeast of New Found Gold's high-grade drilling results.

Elsewhere, in north-central Labrador, Buchans owns a 100% interest in its Tasiuyak gold property, located 10 km south of Vale's Voisey's Bay nickel-copper-cobalt mine. The Tasiuyak property represents a frontier gold exploration project acquired by Buchans to explored for large, Homestake-style, iron formation-hosted orogenic gold deposits.

FINANCIAL RESULTS

Buchans recorded no revenue in the periods ended September 30, 2020 or September 30, 2019.

For the three-month period ended September 30, 2020, the Company recorded a gain of \$709,048, which included a gain in fair value of Xtierra warrants in the amount of \$945,331, a loss in the amount of \$93,204 arising on an increase in the estimated fair value of Minco exchangeable warrants, and a loss in the amount of \$13,192 attributable to discontinued operations.

For the nine-month period ended September 30, 2020, the Company recorded a gain of \$643,646., which included a non-cash finance income from the issue of Xtierra warrants in the amount of \$259,234, a gain in fair value of the Xtierra warrants in the amount of \$1,096,143, a loss in the amount of \$307,778 arising on an increase in the estimated fair value of the Minco exchangeable warrants, and a loss in the amount of \$66,113 attributable to discontinued operations.

Buchans Resources Limited

News Release

During the nine-month period ended September 30, 2020, Buchans invested \$267,565 (2019 - \$588,913) on exploration of its mineral properties.

At September 30, 2020, Buchans held \$883,377 (December 31, 2019- \$1,443,246) in cash and cash equivalents and had a working capital surplus of \$560,107, compared to a working capital surplus of \$1,238,704 at December 31, 2019.

Buchans also owns 30,000,000 shares of Xtierra Inc, the market value of which at September 30, 2020 was \$4,650,000 based on the market price of Xtierra shares on the TSX Venture Exchange.

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 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.