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## Buchans Resources Announces Collaboration Agreement with Boliden on Buchans VMS Camp

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**Toronto, January 5, 2021** – Buchans Resources Limited (the “**Company**” or “**Buchans**”), announces that it has entered into a Collaboration Agreement with Boliden Mineral AB under which Boliden will evaluate the Company’s Buchans VMS base metals property in Newfoundland for possible future investment and participation.

**Boliden Mineral AB**, (“**Boliden**”) a Swedish public limited company, is part of the Boliden Group and is a wholly owned subsidiary of Boliden AB (publ), a leading European mining and metals producer of the metals zinc, copper, lead and nickel.

Subject to the outcome of Boliden’s evaluation, it is the intention of the Parties to discuss and negotiate in good faith, during the Exclusivity Period, an earn-in and option agreement pursuant to which Boliden shall be given a right to earn an interest in the Project against contributing to the funding of the development of the Project during a certain period of time (the “**Earn-in and Option Agreement**”) and a joint venture agreement which shall govern the Parties’ interest in the Project in the event Boliden exercises its right to earn an interest in the Project (the “**JV Agreement**”).

The Collaboration Agreement outlines the terms and conditions under which Buchans will provide information about, and access to, the property for the purpose of facilitating Boliden’s evaluation of the Project and Boliden will share with Buchans technical data from its geology/geophysical review and deliver to Buchans relevant technical data compiled by Boliden with respect to the Project.

Boliden will contribute \$600,000 to Buchans towards the costs of maintaining the Property and approved ongoing exploration and evaluation programs to be undertaken by Buchans on the Property during the Exclusivity Period.

Buchans has agreed to grant Boliden exclusivity for a period of one year to December 31, 2021 to complete its evaluation and negotiate the Earn-in and Option Agreement and the JV Agreement during which period Buchans has agreed not to provide information to or negotiate with any third party on the Buchans Project, and, assuming Boliden submits a proposal, a right of first refusal for a further six-month period.

John Kearney, Chairman and CEO of Buchans commented: “***We are very pleased to sign this collaboration agreement with Boliden that will combine our Company’s in-depth, hands-on, knowledge of the historic Buchans camp with Boliden’s experience and technological expertise in near-mine exploration for VMS base metal deposits.***”

“***We believe this collaboration between Boliden and Buchans can lead to future discoveries of new buried, high-grade, orebodies that could lead to revitalization of this world-renowned historic VMS mining camp. Boliden has achieved considerable exploration success near established historic mine sites, including at its world-class Garpenberg VMS mine located in one of Sweden’s oldest mining areas, and at its world-class Tara Zn/Pb mine in Ireland***”, added Mr. Kearney.

*“At Garpenberg in Sweden, Boliden’s exploration team discovered an additional major deposit near its established mine site at the end of the 1990’s. Garpenberg currently represents one of the world’s most productive underground zinc mines; a modern, industry-leading operation utilizing largely automated technology that has transformed the operation into a more operationally reliable, eco-friendly, and cost-effective operation”,* said John Kearney.

*“In Ireland, near the established 130 million tonne Tara Mine, Europe’s largest zinc mine that has been in operation since 1977, Boliden’s exploration team discovered the new Tara Deep deposit in 2017 southeast of the main orebody following exploration drilling of a seismic anomaly. Ongoing exploration since initial discovery has extended this deposit to a reported inferred resource of 22.4 million tonnes grading 7.8% Zn and 1.6% Pb”* Mr. Kearney added.

## ABOUT BOLIDEN

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Boliden AB is a Swedish public limited company and a high-tech metal producer with a commitment to sustainable development. Boliden’s core competences include exploration, mining, smelting, and metals recycling. Boliden operates six mining units and five smelters in Sweden, Finland, Norway, and Ireland. Its shares are listed on NASDAQ OMX Stockholm.

For further information about Boliden, please visit: [www.boliden.com](http://www.boliden.com)

## BACKGROUND

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Buchans Resources’ 100%-owned Buchans property includes mineral rights covering 73.5 km<sup>2</sup>, including all of the Camp’s previously mined orebodies, undeveloped deposits, and prospects, where historical operator, ASARCO, mined **16.2 million tonnes** of high-grade ore from five separate deposits (including Lucky Strike) with a cumulative average grade of **14.51% Zn, 7.65% Pb, 1.33% Cu, 126 g/t Ag, and 1.37g/t Au** before operations ceased in 1984 due to exhaustion of the known orebodies.

Buchans has invested significant effort and resources on exploration for new buried high-grade deposits. These programs include an ongoing relogging, where to date the Company has relogged more than 154,000 metres of archived drill core from approximately 850 drill holes throughout the property, including within several target areas adjacent to several of the project’s historic, undeveloped deposits and prospects.

The Buchans property also hosts the Company’s Lundberg stockwork sulphide deposit, a potential open pit mine development comprised of near-surface lower grade stockwork mineralization situated immediately beneath the former Lucky Strike high-grade massive sulphide orebody.

The Lundberg deposit is 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 a net smelter return (“NSR”) cut-off at US\$20 per tonne (see Buchans news release dated March 1, 2019 for further details). These resources are contained within an optimized model pit shell measuring 860 metres by 650 metres that extends to a maximum depth of 240 metres. The In-pit resource has a strip ratio of 2.9 and approximately 97.8% of the resources are assigned to the Indicated category.

Buchans has completed extensive exploration and pre-development work at Lundberg, including 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.

# Buchans Resources Limited

News Release

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The Buchans project is favourably situated on a brownfields site with excellent infrastructure, including access by provincially maintained paved roads, power, water, and other infrastructure, as well as ready access to north Atlantic Ocean-going shipping. The project further benefits from its location in the Province of Newfoundland and Labrador, one of the top mining jurisdictions in Canada, where the Company has established a positive and cooperative relationship with the town of Buchans, a long-established mining centre with a proud mining heritage.

## QUALIFIED PERSON

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Paul Moore, P. Geo., Vice President Exploration, is the Company's designated non-Independent Qualified Person and has reviewed and approved the technical and scientific contents relating to Buchans in this news release.

## ABOUT BUCHANS

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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, and through its shareholding in **Minco Exploration plc** in base metal exploration licences in Ireland also held in joint venture with Boliden.

Buchans Resources is focused on exploration and development of exceptional mineral resource deposits comparable to the world's top tier mining operations.

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Additional information is available on the Buchans website at [www.BuchansResources.com](http://www.BuchansResources.com)

## FORWARD-LOOKING STATEMENTS

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*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.*