

Buchans Resources Reports Year-End 2020 Results

Toronto, May 3, 2021 – Buchans Resources Limited (the “**Company**” or “**Buchans**”), a Canadian base metal mineral exploration and development company, reports its financial results and results of operations for the year ended December 31, 2020.

This news release should be read in conjunction with the Company’s audited financial statements and the associated management’s discussion and analysis (MD&A) for the year ended December 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’ flagship project consists of the historic, high-grade Buchans VMS base metal mining camp in central Newfoundland, Canada. This project is renowned for its past production of high-grade zinc-lead-copper-silver-gold deposits mined by ASARCO between 1926 and 1984. Buchans also has interests in several additional zinc-lead-silver properties located in or near Buchans, as well as 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, and through its shareholding in Minco Exploration plc, in base metal exploration licences in Ireland.

The Company’s core holdings in the Buchans mining district of central Newfoundland include approximately 252 km² (25,200 hectares) considered prospective for VMS Zn-Pb-Cu-Ag-Au base metal deposits. This extensive land package includes the Company’s 73.5 km² Buchans Project that hosts the Company’s large undeveloped Lundberg stockwork sulphide deposit as well as all the past producing orebodies within the historic Buchans Mining Camp from which ASARCO mined 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.

Collaboration Agreement with Boliden

On January 5, 2021, Buchans announced entering into a Collaboration Agreement with Boliden Mineral AB under which Boliden will evaluate the Company’s Buchans VMS property 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.

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.

Buchans is pleased to have signed this collaboration agreement with Boliden that will combine the 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.

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Lundberg Deposit – potential open pit mine development

Buchans' Lundberg deposit is the largest and most advanced base metal deposit in the district and has been the subject of multiple initiatives by the Company designed to advance the deposit towards open pit mine development including advanced resource delineation, metallurgical work and other technical assessments.

Buchans plans to undertake further exploration and pre-development activities within the Buchans Project to independently advance its Lundberg deposit as a potential open pit mining and milling operation. Among activities planned for Lundberg in 2021 is a diamond drilling program designed to explore for additional high-grade resources adjacent to Lundberg that might complement its development as a large open pit or combined open pit-underground mining project.

The proposed target area, known as the Two-Level target, was last drilled by the Company in 2018 and returned drilled intercepts of 1.8 metres of high-grade mineralization assaying 9.48% combined base metals (Zn+Pb+Cu) as 0.76% Cu, 3.15% Pb, 5.57% Zn, 90.5 g/t Ag & 0.37 g/t Au, including 1.0 m assaying 14.83% combined base metals as 1.26% Cu, 4.87% Pb, 8.70% Zn, 133.2 g/t Ag & 0.47 g/t Au. Buchans believes this area holds considerable potential to host additional mineralization that could significantly increase the deposit's metal inventory and enhance Lundberg's development.

Gold in Newfoundland and Nickel-Copper- Cobalt in Labrador

Buchans also controls several gold and nickel-copper-cobalt (Ni-Cu-Co) properties in Newfoundland and Labrador. Among these are several gold projects located in central Newfoundland located less than 50 km from Marathon Gold Corporation's (TSX-MOZ) Valentine gold project where Marathon recently announced a positive Feasibility Study (Marathon news release dated March 29, 2021). In addition, Buchans owns several properties located less than 35 km from two high-grade gold discoveries currently being drilled by New Found Gold Corp. (TSX.V-NFG) within its Queensway gold project.

Buchans plans to undertake additional prospecting and exploration on several of its 100%-owned central Newfoundland gold projects in 2021, including prospecting, follow-up soil geochemical surveys, trenching, and potentially drilling to further explore these earlier-stage but highly prospective properties.

CANADIAN MANGANESE COMPANY INC - Woodstock

Prior to December 31, 2019, Buchans held interests in the Woodstock manganese project located northwest of the town of Woodstock, New Brunswick, through its wholly owned subsidiary Canadian Manganese ("CMC"), On December 31, 2019, Buchans distributed to its shareholders, pro rata, all the shares of Canadian Manganese on the basis of one share of Canadian Manganese for each share of Buchans held.

In March 2021, Canadian Manganese announced it had entered into an agreement with Maximos Metals Corp. to create a new technology metals company with an immediate strategic focus on the advancement of CMC's Woodstock manganese property to produce high purity electrolytic manganese metal and/or high purity manganese sulphate monohydrate for the growing battery metals market.

The acquisition of Maximos was completed on April 30, 2021 and, in connection with the transaction, CMC completed a non-brokered, private placement equity financing through an offering of Subscription Receipts and raised a total of \$5,950,000

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MINCO EXPLORATION PLC - Zinc exploration in Ireland

On December 31, 2019, Buchans distributed to its shareholders Exchangeable Warrants entitling shareholders to receive either one share of Minco Exploration Limited or 0.25 additional shares of Buchans, at their option, for each share of Buchans held. Minco Exploration holds zinc-lead exploration licences in the Republic of Ireland operated by its wholly owned subsidiaries, either alone or in joint venture with Boliden Tara Mines.

During the year ended December 31, 2020, 10,118,844 Exchangeable Warrants were exchanged, of which 9,079,000 were exchanged into 2,269,744 Buchans shares, and 1,039,844 were exchanged into Minco Shares. On December 31, 2020, the 49,564,720 remaining unexercised Exchangeable Warrants were automatically exchanged for shares of Minco Exploration, and Buchans recorded a gain on disposal in the amount of \$3,241,452. As a result of the exchange of 9,079,000 Exchangeable Warrants into Buchans shares, Buchans held 9,079,000 shares of Minco Exploration (approximately 12.5%) as an investment in associate at December 31, 2020.

XTIERRA INC. – Silver and base metal exploration and development projects in Mexico

At December 31, 2020, Buchans held 30 million shares and 13 million share purchase warrants of Xtierra Inc. ("Xtierra"), a natural resource company listed on the TSX Venture Exchange, which holds mineral exploration properties located in the Central Silver Belt of Mexico in the State of Zacatecas and is also pursuing new opportunities, including mineral exploration and development projects, and the potential acquisition of mineral and other royalties. The market value of the shares in Xtierra, which represent an approximate 18.4% (24.5% partially diluted) shareholding, was \$2,850,000 as at December 31, 2020, based on the market price of Xtierra shares on the TSX Venture Exchange. At December 31, 2020, the estimated fair value of the warrants was \$623,860. At December 31, 2020, Buchans also had notes receivable from Xtierra in the amount of \$1,014,785.

For the year ended December 31, 2020, Buchans recorded income from the receipt of Xtierra warrants in the amount of \$259,234, and a gain in fair value of the Xtierra warrants in the amount of \$292,176,

On April 27, 2021, Buchans exercised the warrants and acquired 13,000,000 shares of Xtierra for a consideration of \$650,000 and, on the same date, the Notes receivable from Xtierra were reduced by the payment of \$750,000. By a Second Extension Amendment Agreement dated April 27, 2021, the Support Agreement between Buchans and Xtierra was further amended to provide that interest on the remaining balance of the notes receivable from Xtierra in the amount of approximately \$250,000 will resume to accrue at the rate of 5% per annum effective May 1, 2021 until paid, and the Term of the Support Agreement was extended for a further period to April 30, 2023.

In connection with the Second Extension Amendment Agreement, Xtierra agreed to issue to Buchans, subject to TSXV approval, 5 million share purchase warrants each warrant entitling Buchans to purchase one common share of Xtierra at a price of \$0.10 per share for a term of two years.

FINANCIAL RESULTS 2020

Buchans recorded no revenue in the years ended December 31, 2020 or December 31, 2019.

For the year ended December 31, 2020, Buchans recorded income of \$2,930,790. The gain included a non-cash finance income from the receipt of Xtierra warrants in the amount of \$259,234, a loss in fair value of the Exchangeable Warrants of (\$277,759), a gain in fair value of the Xtierra warrants in the amount of \$292,176, a gain in the amount of \$3,241,452 arising on the disposal of the Exchangeable Warrants, and a loss in the amount of \$165,779 attributable to discontinued operations.

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For the year ended December 31, 2019, the Company recorded a loss of \$1,160,604. The loss included a loss in fair value of the Xtierra warrants in the amount of \$334,462, lease depreciation in the amount of \$225,262, \$60,992 finance costs in accordance with IFRS 16, Leases, and a loss in the amount of \$290,726 attributable to discontinued operations.

At December 31, 2020, Buchans held \$780,219 (December 31, 2019- \$1,443,246) in cash and cash equivalents and had a working capital surplus of \$1,463,756, compared to a working capital surplus of \$1,238,704 at December 31, 2019.

The market value of the Company's Xtierra shares at December 31, 2020 was \$2,850,000, based on the market price of Xtierra shares on the TSX Venture Exchange and the estimated fair value of the Xtierra warrants was \$623,860.

During the year ended December 31, 2020, Buchans invested \$334,350 (2019 - \$1,023,301) on exploration of its mineral properties. At December 31, 2020, Buchans held mineral properties with a combined book value of \$13,069,743.

Buchans plans to conduct its 2021 field programs in accordance with government imposed Covid-19 protocols and restrictions. As such, these programs, as well as the Company's ability to finance and complete these programs, may be adversely affected by impacts and protocols related to the COVID-19 pandemic. The widespread COVID-19 health crisis has adversely affected the economies and financial markets of many countries, resulting in an economic downturn that could affect the Company's operations and ability to finance its operations.

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, and, through its shareholding in Minco Exploration plc, in base metal exploration licences in Ireland.

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Additional information is available on the Buchans 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.