

Buchans Resources Reports First Quarter 2021 Results

Toronto, May 31, 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 first quarter ended March 31, 2021.

This news release should be read in conjunction with the Company’s unaudited financial statements and the associated management’s discussion and analysis (MD&A) for the three-month period ended March 31, 2021, which are available on the Company’s website at www.BuchansResources.com or under the Company’s profile at www.sedar.com.

COMPANY OVERVIEW

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 in central 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.

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.

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.

Under the Agreement Boliden has been granted exclusivity on the project until December 31, 2021, over which time Boliden may complete its evaluation and negotiate an Earn-in and Option Agreement and a JV Agreement. During this period Boliden is contributing \$600,000 to Buchans towards the costs of maintaining the Property and exploration and evaluation programs to be undertaken jointly by Buchans and Boliden.

Work under the Collaboration Agreement with Boliden commenced in January 2021, and to date Buchans has undertaken a coordinated compilation of past work on the project and continues to compile these data, together with its relogging data, into a new 3D geological model. In addition, Buchans is facilitating Boliden’s work to compile and evaluate the project’s geophysical datasets. These activities are ongoing and are expected to culminate in the confirmation of priority exploration targets for buried high-grade Buchans VMS deposits. As part of this evaluation, Boliden and Buchans intend to provide develop specific recommendations for future exploration to be considered by Boliden for future participation and investment. To March 31, 2021 Boliden had contributed \$454,500 to fund these ongoing activities.

Buchans Resources Limited

News Release

Exploring for gold in Newfoundland

Buchans controls several gold projects in central Newfoundland and northern Labrador, including its 21.75 km² Lake Douglas and its 110.5 km² Long Range gold projects in central Newfoundland.

On May 13, 2021: Buchans and Benton Resources Inc (“Benton”) entered in an agreement for the expansion of their Long Range Gold JV project in central Newfoundland. The Long Range project, a 51%:49% Joint Venture between Buchans and Benton, has been expanded from 3,750 hectares to 11,050 hectares through the recent acquisition of additional properties covering multiple early-stage gold prospects. (See Buchans News Release dated May 13, 2021).

The expanded Long Range project is located approximately 25 km west of Marathon Gold’s (MOZ.TSX) Valentine project and hosts multiple orogenic quartz vein-hosted gold in bedrock prospects similar to other high-profile gold discoveries in central Newfoundland including Marathon Gold’s Valentine Gold project and New Found Gold’s (HFG.TSX.V) Queensway Project (i.e., Keats and Lotto gold prospects).

The Companies intend to undertake a targeted prospecting program commencing in June that will include prospecting and investigation of the recently acquired gold prospects as well as follow-up prospecting of the JV’s high-grade Goldquest prospect, originally discovered in 2010 and last explored by the JV in 2011.

Buchans owns a 100% interest in the 2,175-hectare (21.8 km²) Lake Douglas gold property that covers the on-strike extension of favourable structures associated with gold mineralization located 15 km northeast of Marathon Gold Corporation’s Valentine project and bordered by Canterra Minerals Corporation’s (TSXV-CTM) Wilding Gold project.

Buchans also holds three gold properties totalling 8.25 km² (Exploits Properties) located within and adjacent to New Found Gold Corp.’s (TSXV-NFG) Queensway 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.

Lundberg Deposit – potential open pit mine development

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.

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.

Buchans Resources Limited

News Release

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.

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.

Qualified Person:

Paul Moore, M.Sc., P.Geo., (NL), Buchans Resources' Vice President of Exploration, is the Company's non-independent Qualified Person in accordance with National Instrument 43-101 and has reviewed the technical and scientific contents of this News Release.

FINANCIAL RESULTS FIRST QUARTER 2021

Buchans recorded no revenue in the quarters ended March 31, 2021 or March 31, 2020.

For the three-month period ended March 31, 2021, the Company recorded a loss of \$80,393, compared to a loss of \$488,125 for the three-month period ended March 31, 2020.

During the three-month period ended March 31, 2021, Buchans invested \$83,116 (March 31, 2020 - \$128,535) on exploration of its mineral properties. To March 31, 2021, Boliden had contributed \$454,500 under the Collaboration Agreement, of which \$154,500 was applied to accrued lease obligations and \$116,741 was expended on the Buchans Project. At March 31, 2021, Buchans held mineral properties with a combined book value of \$13,152,859.

At March 31, 2021, Buchans held \$925,322 (December 31, 2020- \$780,219) in cash and cash equivalents and had a working capital surplus of \$1,388,443, compared to a working capital surplus of \$1,463,756 at December 31, 2020.

As at March 31, 2021, Buchans held 30,000,000 shares in Xtierra Inc. ("Xtierra"), a company listed on the TSX Venture Exchange under the symbol "XAG", and also held 13,000,000 share purchase warrants entitling Buchans to purchase one common share for \$0.05 until April 30, 2021. The market value of the Company's shares in Xtierra Inc at March 31, 2021 was \$3,900,000 based on the market price of Xtierra shares on the TSX Venture Exchange. Subsequent to the end of the quarter, on April 27, 2021, Buchans exercised the warrants and acquired 13,000,000 shares of Xtierra for a consideration of \$650,000.

At March 31, 2021, the Company held secured Notes receivable from Xtierra in the amount of \$1,014,785 (US\$796,477). Subsequent to the end of the quarter, on April 27, 2021, the Notes receivable from Xtierra were reduced by the payment of \$750,000 and 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 \$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, 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, subject to regulatory approval.

Buchans Resources Limited

News Release

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.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.