

BUCHANS SIGNS LETTER OF INTENT WITH QUADRO FOR THE TULKS SOUTH PROPERTY, CENTRAL NEWFOUNDLAND

Toronto, July 26, 2021 - Buchans Resources Limited (the “**Buchans**” or the “**Company**”), a Canadian base metal mineral exploration and development company, is pleased to announce Buchans has signed a binding letter of intent (“LOI”) with Quadro Resources Ltd (“**Quadro**”) on Buchans’ gold prospective Tulks South Property in central Newfoundland (the “Property”).

Under the LOI, Buchans grants Quadro an option to acquire a 51% interest (the “Initial Option”) in Buchans’ claims which comprise the Property, followed by the right to acquire an additional 19% interest (the “Second Option” or “Joint Venture”) in the event that Buchans elects not to participate in work programs after Quadro has earned its initial 51% interest.

Buchans is a base metal-focused company and as such, if deposit areas are defined having gross in situ base metal values greater than the gross in situ precious metal values, such areas will be developed as a base metal project(s). The project areas would be defined covering the base metal deposits and Buchans would become operator of the base metal project(s) on a 70% Buchans/30% Quadro joint venture.

The Tulks Property consists of 212 claim units covering a portion of the Tulks volcanic belt. These claims are tied onto Quadro’s Long Lake property and the entire package now consists of 482 units (120.5 km²) covering a broad Monzonite intrusive unit which trends northeast across the properties. This unit is parallel to the Valentine Lake Monzonite which hosts Marathon Gold’s Valentine Lake deposits located 7 km to the southeast of the Buchans claims on which Marathon has reported *Total Measured Mineral Resources (inclusive of the Mineral Reserves) comprise 1.9 Moz (31.7 Mt at 1.86 g/t) with Indicated Mineral Resources (inclusive of the Mineral Reserves) of 1.19 Moz (23.2 Mt at 1.60 g/t).*

Previous work in 2020, by Quadro, on the Long Lake project included soil sampling and prospecting which defined a 700 m long gold target (Ricky Target) highlighted by a strong Au-in-soil anomaly and a number of float samples with values up to 33.65 g/t Au. A field program is currently in progress consisting of geophysics, prospecting and geochemistry and this program will be expanded to cover the Buchans claims. Detailed ground magnetics and induced polarization is being completed on the Ricky target and a diamond drill has been mobilized to the property.

LOI TERMS

1. **Initial Option.** Quadro may exercise the Initial Option by incurring Cdn \$500,000 of exploration expenditures on the Property as follows:
 - a. On signing of this LOI, Quadro will issue payment of \$54,250 to Buchans as reimbursement for payment made by Buchans in lieu of required assessment work, which will be reimbursed once assessment is filed.
 - b. Completing Cdn\$85,000 of Expenditures by the first anniversary of the LOI;
 - c. Completing a further Cdn\$110,000 of Expenditures on or before the second anniversary of the LOI;
 - d. Completing a further Cdn\$135,000 of Expenditures on or before the third anniversary of the LOI; and
 - e. Completing a further Cdn\$170,000 of Expenditures on or before the fourth anniversary of the LOI.

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2. **Second Option or Joint Venture.** Upon Quadro having incurred Cdn \$500,000 of exploration expenditures and exercised the Initial Option and submitted to Buchans a technical report on the work completed during the Initial Option period and a proposed work program and budget for the next phase of exploration or development, Buchans will have 60 days in which to:
 - a. Elect to participate in a joint venture (the "Initial Joint Venture") with Quadro for the further development of the Property with Quadro having an initial 51% interest and Buchans having an initial 49% interest; or
 - b. Elect not to participate in the Initial Joint Venture in which case Quadro will have the right to exercise the Second Option by incurring a further \$250,000 of Expenditures within 12 months of Buchans electing not to participate in the Initial Joint Venture and upon completion of such Expenditures the parties will form a joint venture with Quadro having a 70% interest and Buchans having a 30% interest (the "Second Joint Venture").

In the event that Quadro fails to complete the Expenditures required to exercise the Second Option the parties will revert to forming the Initial Joint Venture.

After forming the Initial Joint Venture or the Second Joint Venture as the case may be, if a participant's interest is diluted to less than 10% its interest will be converted to a 2% NSR. The other participant will have the right to purchase fifty percent of the NSR (i.e. 1%) by paying the holder of the NSR \$1.5 million and such purchasing participant will have a right of first refusal on the remaining 1% NSR.

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.

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.

This extensive land package includes the large Lundberg stockwork sulphide deposit located beneath the former Lucky Strike massive sulphide orebody at Buchans. The Lundberg deposit has a 2019 Mineral Resource Estimate that includes In-pit Indicated Mineral Resources of 16,790,000 tonnes grading 1.53% Zn, 0.64% Pb, 0.42% Cu, 5.69 g/t Ag and 0.07 g/t Au (3.38% Zn Eq) and In-pit Inferred Mineral Resources of 380,000 tonnes grading 2.03% Zn, 1.01% Pb, 0.36% Cu, 22.35 g/t Ag and 0.31 g/t Au (4.46% Zn Eq), containing more than 1.25 billion pounds Zinc Equivalent.

Buchans has entered into a Collaboration Agreement with Boliden Mineral AB under which Boliden will evaluate the Company's Buchans property for possible future investment and participation.

Buchans also controls several gold projects in central Newfoundland and northern Labrador, including the 21.75 km² Lake Douglas project, the 46 km² Long Range gold project and the 8.25 km² Exploits Project in central Newfoundland as well as the Tasiuyak gold project in Labrador.

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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.