
Buchans Extends Collaboration Agreement with Boliden Confirms Intention to enter into Earn-In and Option Agreement

Toronto, December 21 2021 – Buchans Resources Limited (the “**Company**” or “**Buchans**”), announces an extension to the Collaboration Agreement with Boliden under which Boliden is evaluating the Company’s Buchans VMS base metals property in Newfoundland for future investment and participation (the “**Project**”).

In an Amending Agreement signed today, Boliden and Buchans confirmed their intention to enter into an Earn in and Option Agreement (the “**Option Agreement**”) under which Boliden will be granted an option to earn an interest in the Project.

The parties require additional time to finalize the terms of the Earn-In and Option Agreement and to complete certain due diligence investigations and have agreed to an extension of the Exclusivity granted to Boliden from December 31, 2021, until March 31, 2022.

In the Amending Agreement the parties acknowledge that the Technical Committee has finalized the 2022 Budget and Funding Schedule and Boliden has agreed to a 2022 budget of \$2,000,000.

Boliden has committed to make a payment of \$320,000 to Buchans on or before January 31, 2022 (based on the projected spend set out in the 2022 Funding Schedule to the end of April 2022) and to pay for certain other specific costs and expenses to maintain the properties during the extended Exclusivity Period. Any amounts paid by Boliden will be credited for the purposes of earning an interest in the Project if the Option Agreement is signed. Boliden’s agreement to the 2022 Budget and Funding Schedule does not commit Boliden to fund the remainder of the 2022 Budget if the Option Agreement is not signed.

Background to Collaboration Agreement with Boliden

On January 5, 2021, Buchans entered into a Collaboration Agreement on its Buchans Project with Boliden, a leading European mining and metals producer of zinc, copper, lead, and nickel. Under this Collaboration Agreement Boliden has been granted rights to evaluate the project for possible future investment and participation and retains exclusivity on the project until December 31, 2021, now extended to March 31, 2022 (the “**Exclusivity Period**”).

Since entering into the Collaboration Agreement, Boliden, working with Buchans, has invested C\$600,000 in undertaking a variety of programs to further assess and advance the Project, including a compilation of past work into a new, digital 3D geological model. In addition, Boliden has reviewed past geophysical survey data to evaluate optimal geophysical exploration strategies for future exploration. As part of this evaluation, Boliden and Buchans have developed specific exploration recommendations for future participation and investment by Boliden. These activities are ongoing and are expected to culminate in the confirmation of priority exploration targets for buried high-grade Buchans VMS deposits.

Buchans Resources Limited

News Release

ABOUT BUCHANS RESOURCES

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.

The Company's Buchans project covers the historic, world-renowned, high-grade base metal mining camp with excellent potential for new discoveries, currently being evaluated by Boliden, Europe's leading mining and metals producer of zinc, copper, lead, and nickel. Boliden's review is being undertaken under an exclusive Collaboration Agreement for the negotiation of an Earn-in and JV Option Agreement (*See Buchans news release January 5, 2021*).

Enquiries

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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.