
Buchans Announces \$500,000 Insider Private Placement Financing

Toronto, December 29, 2021 – Buchans Resources Limited (the “Company” or “Buchans”), announces that it has completed a private placement financing of \$500,000 through the issue of 2,500,000 flow-through shares of the Company at a price of \$0.20 per flow through share.

John F. Kearney, Chairman and Chief Executive of Buchans purchased the 2,500,000 flow-through shares for gross proceeds of \$500,000 in the private placement.

This private placement by an Insider, who is a ‘Related Party’ within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions of the Canadian Securities Administrators (the “Instrument”) constitutes a ‘related party transaction’ under the Instrument. The transaction was approved by the Board of Directors of the Company at a meeting which John Kearney did not attend and at which only independent directors voted on the resolution. The transaction is exempt from the formal valuation and minority shareholder approval requirements of the Instrument by virtue of s. 5.5(c) – distribution of securities for cash; and 5.7(b) – fair market value of not more than \$2,500,000, respectively.

John Kearney previously held 2,546,969 common shares (4.1%) of the issued shares of Buchans and following completion of the placement, he will now hold 5,046,969 common shares (7.8%) of the issued shares of Buchans.

All shares issued in connection with the private placement will be subject to a four month hold period from the date of issuance of such shares.

The proceeds of the Placement will be used to incur eligible Canadian Exploration Expenses, (CEE) as defined under the Income Tax Act (Canada), that will be renounced in favour of the purchaser with an effective date of no later than December 31, 2021.

The funds are intended to be used to explore the Company’s mineral properties in Canada during 2022, including to undertake further exploration within the Buchans Project in central Newfoundland and to advance its Lundberg deposit as a potential open pit mining and milling operation.

Among exploration activities being considered for 2022 is diamond drilling to explore for additional high-grade resources adjacent to the Lundberg deposit that may complement Lundberg’s development as an enlarged open pit or combined open pit-underground mining project and are primarily focused on a specific target area located immediately northwest of the Lundberg deposit, known as the Two Level. Buchans believes the Two Level area holds considerable potential to host additional mineralization that could further enhance Lundberg’s development potential.

The Two Level target area was last drilled by the Company in 2018 and returned drilled intercepts of **1.8 m of high-grade mineralization assaying 9.48% combined base metals (Zn+Pb+Cu) as 5.57% Zn, 3.15% Pb, 0.76% Cu, 90.5 g/t Ag & 0.37 g/t Au**, including **1.0 m assaying 14.83% combined base metals as 8.70% Zn, 4.87% Pb, 1.26% Cu, 133.2 g/t Ag & 0.47 g/t Au** (see Buchans News Release dated November 19, 2018).

Buchans Resources Limited

News Release

Qualified Person:

Paul Moore, M.Sc., P.Geo., (NL), Buchans Resources' Vice President of Exploration, is acting as Qualified Person in compliance with National Instrument 43-101 with respect to this release and has reviewed the technical contents for accuracy.

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 AB, 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.

Enquiries

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Please follow us on Twitter and on LinkedIn. Additional information available 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.