

Buchans Resources – Exploration Update

Three Active Gold Joint Ventures in Central Newfoundland

Toronto, September 1, 2021 – Buchans Resources Limited (“**Buchans**” or the “**Company**”), a Canadian mineral exploration and development company, is pleased to provide the following update on its three new and active joint ventures exploring for gold within the central Newfoundland gold belt, while continuing collaboration with Boliden AB on the Company’s flagship Buchans base metal property (*See Buchans news release dated January 5, 2021*). Both of these initiatives are in line with the Company’s strategy of focusing on districts and opportunities with demonstrated potential for exceptional mines.

Highlights

- Buchans’ gold exploration joint ventures are located within the central Newfoundland gold belt, an emerging district, that continues to yield advanced staged discoveries, including several deposits located within Marathon Gold’s (MOZ.TSX) Valentine gold project and impressive earlier-stage discoveries at New Found Gold’s (NFG.TSX.V) Queensway gold project.
- These discoveries, resulting from the recognition of the genetic relationship between gold mineralization and regional scale fault structures that track throughout central Newfoundland, have sparked a dramatic increase in gold exploration and investment activity that continues to produce positive exploration results.
- Each of the three gold joint ventures are on Buchans’ properties and are located in close proximity to several regional scale faults systems known to host associated gold mineralization, and either host underexplored historic gold-in-bedrock occurrences or indications of increased prospectivity based on regional government geochemical datasets.
- Buchans also holds 100% interest in three gold properties, the Exploits Properties, located within and adjacent to New Found Gold Corp.’s Queensway project, including 4 claims (100 ha) internal to New Found Gold’s Queensway property, which were recently included in a property-wide airborne geophysical survey undertaken by New Found Gold, and Buchans has now received the Helitem® TDEM and magnetic data for that portion of the survey from New Found Gold.

“The planned exploration programs on these four Buchans gold properties, largely funded by JV partners, give Buchans Resources exposure to and participation in the emerging gold rush in central Newfoundland and provide an exciting addition to the Company’s ongoing base metal programs focusing on zinc, lead and copper in the historic Buchan VMS camp”, said John Kearney, Chairman & CEO of Buchans Resources.

CENTRAL NEWFOUNDLAND GOLD JOINT VENTURES

Buchans recently entered into new joint ventures to explore for gold on three of its properties located within the central Newfoundland gold belt and field exploration programs are underway on all JV properties. These joint ventures are:

- the Long Range Gold JV with Benton Resources Inc. (BEX.TSXV; “Benton”),
- the Tulks South Gold JV with Quadro Resources Ltd. (QRO.TSXV; “Quadro”), and
- the Lake Douglas-South Tally Gold JV with C2C Gold Corp (CTOC.CSX; “C2C”).

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Buchans retains rights to maintain participating interests of 49% or 51% on its gold JV properties as well as certain underlying royalty rights. In addition, Buchans retains preferred base metal rights on the Tulks South and Lake Douglas-South Tally properties whereby Buchans retains a 70% interest and operatorship should a base metal deposit(s) be discovered on the JV properties.

Cumulative minimum expenditures on Buchans' Gold JV properties are projected to total CDN\$ 435,000 to fund a variety of exploration and prospecting programs over the next 8 to 12 months.

Each of the gold joint venture projects host either historic gold-in-bedrock occurrences, which are underexplored, or indications of increased prospectivity as highlighted by several regional government geochemical datasets. The projects also lie in close proximity to several regional scale faults systems known to be associated with gold mineralization.

Long Range Gold JV – Benton Resources Inc.

On May 13, 2021, Buchans announced reactivation of its Long Range project, a 51% / 49% Joint Venture between Buchans and Benton Resources Inc. consisting of 11,050 hectares covering multiple early-stage gold prospects located 25 km west of Marathon Gold's Valentine project (*see Buchans news release dated May 13, 2021*). The project's 2021 prospecting program is being operated by Benton, a company known for its superior prospecting abilities and long history exploring in Newfoundland. The 2021 program will include a minimum initial expenditure of \$150,000 and may be further expanded as warranted by results. As majority interest holder, Buchans retains rights to resume operatorship of the project in 2022.

Highlights include the **Goldquest** prospect, where in 2010, prospecting discovered clusters of mineralized quartz float on the property spaced 700 m apart along excavated logging roads. Float from these clusters returned grab samples assaying of up to **123.8 g/t Au and 414 g/t Ag** and limited follow-up exposed quartz veins in bedrock assaying up to **8.5 g/t Au and 31 g/t Ag** (grab samples), with drilled intercepts of up to **5.5 g/t Au over 0.30 m** (core length; *see Buchans news release dated November 25, 2011*). While limited follow-up failed to locate a bedrock source for the higher grade material, given the abundance, size, and angularity of the material, Benton and Buchans remain optimistic that prospecting may locate a nearby bedrock source for this mineralization.

The project also hosts several gold-in-bedrock prospects warranting additional follow-up. These include the **Little Barachois Brook** prospect where Teck Exploration reported outcrop grab samples returning assays of **112 g/t Au and 363 g/t Ag** in 1994, the **Abbot's Brook** prospect where Marathon Gold reported outcrop grab sample assaying up to **7.01 g/t Au and 9.02 g/t Ag** in 2011, and the **Silver Pond** prospect where Metals Creek Resources reported outcrop grab samples assaying up to **21.42 g/t Au and 60 g/t Ag** in 2012.

Tulks South Gold JV – Quadro Resources Ltd.

On July 26, 2021, Buchans announced having signed a binding letter of intent ("LOI") with Quadro Resources Ltd. on Buchans' Tulks South property in central Newfoundland (*See Buchans news release dated July 26, 2021*).

Under the LOI, Buchans granted Quadro an option to acquire an initial 51% interest in the project by spending **a minimum of \$500,000 over 4 years** (by July 21, 2024), and a further right to acquire an additional 19% interest in the event Buchans elects not to participate in work programs after Quadro earns an initial 51% interest. The LOI also grants Buchans certain rights such that if deposits are discovered having gross in situ base metal values greater than the gross in situ precious metal values, such deposits will be developed as a base metal projects for which Buchans would become operator holding a 70% project interest while Quadro would retain a 30% interest.

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The Tulks South project consists of 5,425 hectares covering a portion of the Tulks volcanic belt and adjoins claims held by Quadro within their Long Lake gold property. As a result of this JV with Buchans, Quadro now holds 12,050 hectares covering a monzonite intrusive unit that may be similarly prospective to the Valentine Lake Monzonite that hosts Marathon Gold's Valentine deposits, located 7 km southeast of the joint ventured claims. Previous soil sampling and prospecting by Quadro on their adjacent Long Lake project in 2020 identified several targets as gold-in-soil anomalies and float samples returning assays up to **33.65 g/t Au**. A field program is currently in progress on this JV project and Quadro recently announced commencement of a drilling program on its adjacent Long Lake property (*see Quadro news release dated July 5, 2021*).

Marathon has reported Measured and Indicated Resources from five deposits totaling 3.14 million ounces of gold (56.6 Mt at 1.72 g/t Au) (*see Marathon news release dated April 21, 2021*) and announced results of a positive Feasibility study on March 29, 2021, at its Valentine project.

Lake Douglas-South Tally Gold JV – C2C Gold Corp.

On August 5, 2021, Buchans announced having entered into an option and joint venture agreement with C2C Gold Corp., on Buchans' Lake Douglas-South Tally property in central Newfoundland (*see Buchans news release dated August 5, 2021*). The joint venture property consists of 9,100 hectares comprising the Lake Douglas and South Tally properties.

Under the agreement, Buchans has granted C2C an option to acquire an initial 51% interest in the project by spending **a minimum of \$1.5 million over 4 years** (by July 22, 2024), and a further right to acquire an additional 19% interest in the event Buchans elects not to participate in work programs after C2C earns its initial 51% interest. The agreement also grants Buchans certain rights such that if base-metal dominant areas are identified, a project area would be defined and Buchans would become operator of the base metal project as a 70% Buchans / 30% C2C joint venture.

The Lake Douglas property (2,175 ha) covers the on-strike extension of gold-bearing structures at Marathon Gold Corporation's Valentine project, located 15 km on strike to the southwest. The property is also located less than 5 km on strike from a number of gold prospects on adjacent claims currently being explored by Canterra Minerals Corporation (CTM.TSX.V). Among prospects located on Canterra's adjacent property are several gold-in-bedrock prospects, where previous drilling returned intercepts of **10.0 g/t Au over 5.35 m core length, including 49.9 g/t Au over 0.98 m** (*see Antler Gold news release dated December 13, 2017*).

A soil sampling program completed by Buchans on the Lake Douglas property in 2018 returned several gold-in-soil anomalies including multi-station anomalies ranging up to 200 m in length with values up to 317 ppb Au (*see Buchans news release dated December 14, 2018*).

The South Tally property (6,925 ha) is located 1.5 kilometres north of the Lake Douglas claims and is contiguous with C2C's Barrens Lake gold property. The South Tally property has traditionally been explored for VMS-style base metal mineralization but remains essentially unexplored for gold. The project hosts anomalous gold values as detected by several regional geochemical datasets generated by the Newfoundland and Labrador Geological Survey. The property is also considered prospective for base metals as the property covers a 20 km extension to the Tally Pond volcanic belt that hosts Teck Resources' former Duck Pond copper mine, located less than 4 km on strike of the property.

C2C has initiated a comprehensive field program including a variety of geophysical and geochemical surveys on the properties.

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ADDITIONAL BUCHANS' GOLD PROJECTS

Exploits Properties – Adjacent to New Found Gold

Buchans holds 100% interest in three gold properties, the Exploits Properties, that total 825 ha which are located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project. Included within Buchans' Exploits Properties are 4 claims (100 ha) internal to New Found Gold's Queensway property, located approximately 30 km southwest of New Found Gold's Keats and Lotto gold discoveries.

This Buchans property, licence 31341M, was recently included in a property-wide airborne geophysical survey undertaken by New Found Gold late in the second quarter of 2021, and Buchans has now received the Helitem® TDEM and magnetic data for that portion of the survey from New Found Gold.

As Buchans' Exploits Properties are situated within the same structural corridor as New Found Gold's Queensway project, Buchans plans to undertake prospecting on licence 31341M and its other Exploits licences.

Tasiuyak gold property, Labrador

Buchans holds a 100% interest in its Tasiuyak gold property in Labrador, located 10 km south of Vale's Voisey's Bay nickel-copper-cobalt mine.

Buchans' most recent exploration undertaken on this project in 2018 returned sawn bedrock channel sample assays of up to **8.51 g/t Au & 0.93 g/t Ag over 4.8 m, including 31.91 g/t Au over 0.85 m** (*Buchans news release dated December 14, 2018*).

Buchans believes mineralization within its Tasiuyak property may be analogous to stratabound mineralisation at the former Homestake mine in South Dakota that produced more than 40 million ounces of gold and 9 million ounces of silver from approximately 150 million tonnes of ore averaging 8.4 g/t Au (0.24 oz/ton). As such, the Company believes its Tasiuyak gold property in Labrador represents an excellent exploration opportunity for discovery of new gold deposits in a frontier area.

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 contents for accuracy. Management cautions that past results or discoveries on properties in proximity to properties held by the Company may not necessarily be indicative of mineralization on the Company's properties. Reported third-party assays are derived from reports submitted to the Newfoundland Government and have not been verified by the QP.

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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 (*See Buchans news release January 5, 2021*).

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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.