
Buchans Resources Reports Second Quarter 2022 Results

Toronto, August 25, 2022 – Buchans Resources Limited (the “**Company**” or “**Buchans**”), a Canadian mineral exploration and development company, reports its financial results and results of operations for the second quarter ended June 30, 2022.

This news release should be read in conjunction with the Company’s interim financial statements and the associated management’s discussion and analysis (MD&A) for the six-month period ended June 30, 2022, which are available on the Company’s website at www.BuchansResources.com or under the Company’s profile at www.sedar.com.

COMPANY OVERVIEW

Buchans’ flagship project is the historic, high-grade Buchans VMS base metal mining camp in central Newfoundland, Canada. Recognized internationally as one of the world’s richest and highest grade VMS camps, the Company is currently working to advance the project under a Collaboration Agreement with Boliden Mineral AB, a leading European mining and metals producer of zinc, copper, lead, and nickel.

Buchans is also exploring several gold properties in central Newfoundland, including three properties being explored as joint ventures funded largely by joint venture partners.

In keeping with the Company’s strategy of exploring districts and opportunities with demonstrated potential for exceptional mines, Buchans also has interests in several additional projects, including other VMS base metal properties near Buchans, gold properties in central Newfoundland and northern Labrador, and nickel-copper-cobalt properties near Voisey’s Bay in Labrador.

In addition to its project portfolio, Buchans holds equity interests in base metal and silver projects in Mexico through its 24.5% shareholding in Xtierra Inc. (TSXV: “XAG”), and in base metal exploration in Ireland through its 14.4% shareholding in Minco Exploration plc.

Collaboration with Boliden

In 2021, Buchans entered into a **Collaboration Agreement** on its Buchans Project with **Boliden Mineral AB** a wholly-owned subsidiary of Boliden AB (publ). Under this agreement Boliden has been granted rights to evaluate the project for possible future investment and participation and retains exclusivity on the project. During 2021 Boliden invested \$635,000 in cash and services towards evaluation programs undertaken on the Buchans project and contributed a further \$476,000 to date in 2022. The evaluation period was originally meant to end at the end of 2021 but has been extended by subsequent amendments as Boliden requested additional time to negotiate terms for option and joint ventures agreements, as well as complete its due diligence investigations.

The Company anticipates concluding negotiations with Boliden during the third quarter and remains hopeful ongoing negotiations will lead to further investment and participation by Boliden.

Lundberg Deposit Open Pit Project

Located within the Buchans Project, the Lundberg deposit is the largest and most advanced base metal deposit in the Buchans district and has been the subject of multiple technical evaluations undertaken by the Company to advance the deposit towards open pit mine development.

Lundberg's current In-pit resource estimate contains more than 1.25 billion pounds Zinc Equivalent of which 97.8% of the resource occurs in the higher confidence Indicated category. The Lundberg resource comprises **Indicated In-pit resources totalling 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)**, as well as **Inferred In-pit 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% ZnEq)** [Technical Report entitled: "NI 43-101 Technical Report and Mineral Resource Estimate on the Lundberg Deposit, Buchans Area, Newfoundland and Labrador, Canada", dated April 15, 2019, filed on SEDAR].

Encouraged by the positive outlook for metal prices, Buchans remains optimistic that Lundberg represents an important resource asset and intends to continue to advance its assessment of Lundberg as a potential open pit mine development.

Two Level Target (Lundberg Deposit - Supplementary Target)

The Boliden collaboration program is being undertaken as a means of identifying and evaluating additional exploration targets throughout the project that have potential for discovery of new high-grade Buchans orebodies. The Two Level target is located on-strike to the northwest of mineralization intersected by the Company's 2018 drilling campaign just north of Lundberg and beyond the reach of underground workings of the former Lucky Strike mine.

The **Two Level** target area was last drilled 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** (Buchans news release dated November 19, 2018).

Buchans believes the Two Level target area remains underexplored for additional fault-displaced orebodies in this area where historic drilling from surface tended to be drilled either too shallow or at too wide a spacing to adequately test this concept. The Two Level area holds potential for discovery of additional high-grade ore that may complement the open pit development of the Lundberg deposit, or perhaps extend down plunge into areas capable of hosting additional high-grade resources that may be developed as new underground mines.

Buchans has plans to undertake further exploration and pre-development activities within the Buchans Project to advance its Lundberg deposit as a potential open pit mining and milling operation, including diamond drilling in the Two Level area. The timing and scope of future programs at Lundberg and the Two Level area are, in part, subject to the outcomes of the Company's Collaboration Agreement with Boliden.

Gold Exploration in Newfoundland

Buchans controls several gold projects in central Newfoundland and northern Labrador that were generated outside of its central Newfoundland VMS properties as additional exploration opportunities with potential to generate significant shareholder value.

Among these projects are three active gold exploration joint ventures announced in 2021 and located within the central Newfoundland gold belt, an emerging district that continues to yield both advanced staged discoveries such as Marathon Gold's (MOZ.TSX) Valentine Lake gold project, and impressive, early-stage discoveries being explored by New Found Gold (NFG.TSX.V) at its Queensway Gold Project.

Buchans has been advised by both C2C Gold Corp. ("C2C") and Quadro Resources Ltd. ("Quadro"), that these companies met their expenditure commitments for 2021 and continue to explore their respective joint venture projects in 2022 maintaining their options to earn an interest in Buchans' properties.

Benton Resources Inc. ("Benton"), operator of the 2021 exploration program on the Long Range joint venture, has also advised Buchans that results of the 2021 program are still being evaluated and has not yet proposed additional programs on the Long Range joint venture project for 2022.

Cumulative minimum expenditures on Buchans' Gold JV properties have previously been projected to total \$435,000 to fund a variety of exploration and prospecting programs on the joint venture properties over the period between May 2021 and August 2022 (respective joint venture agreement anniversaries).

Exploits Properties

Buchans also retains 100% interest in three gold properties totalling 8.25 km² near Gander known as the Exploits Properties that are located within and adjacent to New Found Gold Corp.'s (TSXV-NFG) Queensway project. One of these Exploits properties is a four-claim (100 ha) property surrounded by New Found Gold's Queensway property approximately 30 km southwest of New Found Gold's Keats and Lotto gold discoveries. Buchans completed an initial, cursory prospecting program on two of its three Exploits properties, and is considering plans additional prospecting activities for these properties in 2022.

Nickel-Copper-Cobalt Exploration in Newfoundland and Labrador

Buchans holds (100%) several properties in Labrador considered prospective for Voisey's Bay-style nickel-copper-cobalt deposits, including 38 claims (9.5 km²) covering prospective troctolitic gabbros of the Pants Lake Intrusive Suite at South Voisey's Bay, and 5 claims (1.25 km²) covering mineralized troctolite at Voisey's Bay itself.

South Voisey's Bay

The South Voisey's Bay property is located 80 km south of Vale's Voisey's Bay mine and covers mineralized troctolitic gabbros comparable in age and composition to rocks hosting the Voisey's Bay deposits. The current property covers an area of 20.5 km².

Previous explorers identified several prospects within Buchans' property, including drilled intercepts (core length) of **1.1 m of 11.9% Ni, 9.6% Cu, and 0.43% Co, 0.65 m of 1.93% Ni, 1.07% Cu and 0.26% Co, and 15.7 m averaging 1.13% Ni, 0.78% Cu and 0.20% Co** drilled in the late 1990s.

Reviews of past work on the property including geophysical modelling and compilation by a leading consultant geophysicist has highlighted several anomalies detected by previous geophysical surveys warranting further follow-up as potential targets for buried Voisey's Bay-style magmatic sulphide deposits.

Buchan's South Voisey's Bay Property is surrounded by Fjordland Exploration Inc.'s South Voisey's Bay Property under option to Ivanhoe Electric Inc., a privately owned US corporation led by Chairman and CEO Robert Friedland. Fjordland and Ivanhoe announced their intentions to undertake a summer drill program on their property that will include a minimum of 2,500 metres of drilling, citing "Potential targets to be tested have been derived from extensive processing of historical and recent geophysical data including a significant property-wide gravity inversion study and the recently completed SQUID EM survey performed in 2021." (Fjordland news release dated July 7, 2022). Buchans continues to monitor developments on this adjacent property and may pursue additional work on its South Voisey's Bay property in 2022.

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FINANCIAL RESULTS

Buchans recorded no revenue in the quarters or six months ended June 30, 2022, or June 30, 2021. For the three months ended June 30, 2022, the Company recorded a loss of \$167,586. The loss included a loss in fair value of the Xtierra warrants in the amount of \$38,125. For the three-month period ended June 30, 2021, the Company recorded a gain of \$37,868.

At June 30, 2022, Buchans held \$891,129 (December 31, 2021 - \$1,070,738) in cash and cash equivalents and had a working capital surplus of \$671,811, compared to a working capital surplus of \$1,118,934 at December 31, 2021.

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 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 in anticipation of negotiation of an Earn-in and JV Option Agreement (*See Buchans news release January 5, 2021 and December 21, 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

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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.