
Buchans Resources Completes Sale of Newfoundland Assets to Canterra Minerals

Buchans realizes \$11.5 million in consideration from transaction or \$0.178 per Buchans share, with a planned distribution of 2/3rds of such value to Buchans shareholders in H1 2024

Toronto, Ontario (December 20, 2023) – Buchans Resources Limited (“Buchans” or the “Company”) is pleased to report that the Company and its wholly-owned subsidiary, Buchans Minerals Corporation (the “Seller”), have completed the [previously announced](#) sale of the Company’s portfolio of critical and precious metals projects in central Newfoundland to Canterra Minerals Corporation (TSXV:CTM; OTCQB:CTMCF) (“Canterra” or the “Buyer”), in exchange for common shares (“Consideration Shares”) and special warrants (“Consideration Warrants”) of Canterra (the “Transaction”).

Based on the closing price of Canterra’s common shares (the “Canterra Shares”) on December 20, 2023, the total value of the consideration received by Buchans was approximately \$11.5 million or \$0.178 per common share of Buchans (“Buchans Share”).

Buchans intends to distribute at least 80% of the Canterra Shares underlying the Consideration Warrants (or at least 67% of the total value of the Transaction) (the “Distribution”) to shareholders of Buchans (“Buchans Shareholders”) during the first half of 2024.

Further information on Canterra and its combined assets following the close of the Transaction is available in Canterra’s press release today at www.canterraminerals.com.

“The benefits of this transaction for all parties have been illustrated by the 50% increase in Canterra’s share price since we announced the deal on November 22nd,” stated John Kearney, Chairman & CEO. “Canterra has successfully raised \$1.5 million in an oversubscribed financing since announcement, demonstrating their team’s ability to finance and execute on advancing the world-class VMS opportunity that has now been consolidated in central Newfoundland.”

Mr. Kearney continued, *“Over the coming months, we intend to distribute most of the consideration received in this transaction to our shareholders, providing shareholders with publicly-traded Canterra common shares and the opportunity to realize on the Canterra team’s exploration successes.”*

“During 2024, Buchans plans to explore on our nickel, copper, cobalt and gold exploration assets in Labrador, with the goal of advancing these long overlooked but promising assets over the next 18-months. We expect to provide an update on our next steps in Labrador in due course.”

Benefits to Buchans Shareholders include:

- Meaningful equity position in Canterra, an active and growth-oriented publicly-listed junior explorer in Newfoundland that is now well-financed, having completed a \$1.5 million financing since announcement of the Transaction;

Buchans Resources Limited

News Release

- Consolidation of highly prospective base metals district in Central Newfoundland, with a large mineral resource inventory across multiple deposits that ranks favourably in terms of tonnage and grade amongst the peer group, including the past producing Buchans Mine, a prolific polymetallic massive sulfide mine that was operated by ASARCO (and others) for over 50 years producing zinc and copper concentrate from high-grade ore;
- Near-term value to Buchans Shareholders via the distribution (the “**Distribution**”) in due course of at least 80% of the Canterra Shares underlying the Consideration Warrants, representing a material proportion (at least 67%) of the \$11.5M value of the Transaction based on Canterra’s current share price (\$0.075);
- High quality, supportive and concentrated shareholder base at Canterra;
 - 80% of shares held amongst small group of shareholders;
 - Eric Sprott, Michael Gentile, Cairn, Altius and Pathfinder;
- Complementary and dynamic management teams and Board of Directors that should be well positioned to execute on the business and exploration plans going forward.

In addition, Buchans Shareholders will retain their shareholding in Buchans, with funding now available to advance exploration of Buchans’ nickel, copper, cobalt and gold exploration assets in Labrador, with the ultimate goal of a sale or go-public transaction in respect of those assets.

Buchans recently sold 10 million shares of Royalties Inc. (CSE:RI) and will continue to hold an approximately 14% investment in Royalties Inc. and 14% investment in Minco Exploration plc.

Planned Technical Work on Canterra Properties

Canterra has also closed an oversubscribed non-brokered private placement for gross proceeds of \$1.5 million. Canterra will now be exploring at the brownfields site of the prolific Buchans Mine. The Buchans Project is ripe for a modern approach with significant exploration potential for high grade VMS mineralization. With a 684 km² land position encompassing mineral rights across existing deposits, Canterra anticipates being strongly positioned to unveil the next mineral discovery in central Newfoundland.

Canterra has announced that it anticipates expenditures in 2024 will consist of holding costs (estimated to be \$230,100), work requirements (\$51,000), and a Phase 1 Exploration Expenditures on the Buchans Mine Property. The Phase 1 Exploration Expenditures on the Buchans Mine Property are expected to be primarily desktop in nature. Field work will be limited to survey work (geophysical) or rock sampling (geochemical). The Phase 1 Exploration Expenditures are estimated to be \$100,000 and will focus on 3D modelling and drill targeting of all historical data at the Buchans Mine Property.

Canterra has provided an undertaking to the TSXV to file a new technical report on the Lundberg deposit within 90 days of closing the Transaction.

Terms of the Transaction

Total consideration received by Buchans on the Transaction comprised (a) 24,910,000 Consideration Shares, and (b) 128,464,216 Consideration Warrants exchangeable for Canterra Shares, for no additional consideration, upon the fulfillment of certain conditions, particularly that the exchange of the Consideration Warrants will not result in a Change of Control of Canterra or the creation of a new Control Person of Canterra, as defined by the TSXV policies.

Buchans Resources Limited

News Release

The Consideration Shares and Consideration Warrants (and underlying Canterra Shares) are subject to a statutory hold period, expiring four months and one day from the closing. Additionally, the Consideration Shares will be subject to transfer conditions for a period of 24 months post-closing. The Canterra Common Shares issuable upon exchange of the Consideration Warrants will be subject to contractual holds with 1/3 being freely tradable on the planned distribution to Buchans Shareholders (assuming expiry of statutory hold), 1/3 being freely tradable on the date which is three months from distribution and 1/3 being freely tradable on the date which is six months from distribution.

The Company has agreed to transfer 3,054,216 of the Consideration Shares to Energold Minerals Inc. ("Energold"), a related party controlled by Buchans' Chairman, John Kearney, in settlement of approximately \$183,253 in lease rental payments made by Energold on behalf of Buchans to fulfill a closing condition of the Transaction.

Advisor

Seanchaidh Consulting Inc. ("Seanchaidh") acted as strategic advisor to Buchans Resources Limited on the Transaction and the Company has agreed to transfer 1,666,667 Consideration Shares to Seanchaidh in consideration for such services.

Information on the Distribution

Buchans will now begin the process of distributing at least 80% of the Canterra Shares underlying the Consideration Warrants (or at least 67% of the total transaction value) to Buchans Shareholders. Further information will be provided to Buchans Shareholders in due course, but the Company expects that the Distribution will take place in the first half of 2024.

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 14% shareholding in **Royalties Inc.** (CSE-RI), base metal and silver projects in Mexico and, through its 14% shareholding in **Minco Exploration plc**, base metal exploration licences in Ireland.

Enquiries

John F. Kearney: Chairman & Chief Executive	+1 416 362 6686
Paul Moore: V.P. Exploration	+1 709 738 7384
Steve Dawson: V.P. Corporate	+1 647 998 9495
Peter McParland: Director – Ireland	+353 (0) 46 907 3709

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.

Buchans Resources Limited

News Release

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.