

Buchans announces strategic transactions with Minco plc. - \$8 million base metal JV, \$1 million manganese option & \$1 million private placement

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WINDSOR, NS, April 30, 2012 /CNW/ - [Buchans Minerals Corporation](#) (TSXV: BMC) ("Buchans Minerals" or the "Company") is pleased to announce that it has entered into an agreement with Minco plc (AIM Market: MIO) ("Minco") under which:

- (a) Minco can earn a 51% interest in the Company's base metal properties in Newfoundland, Canada by spending \$8 million to advance the Lundberg deposit to final feasibility over 4 years and to further explore the Company's extensive mineral properties in the Buchans camp ("Lundberg Joint Venture");
- (b) Minco will pay Buchans \$1 million for an exclusive 6 month option to evaluate the Company's Woodstock manganese property in New Brunswick, Canada with a view to potentially entering into a joint-venture agreement to develop the property, and which funds will be used primarily for the advancement of the Woodstock manganese property; and
- (c) Minco will invest \$1 million to acquire 15,384,615 units of the Company in a private placement at \$0.065 per unit.

Warren MacLeod, President and Chief Executive Officer of Buchans Minerals stated; "I am very pleased to sign this agreement with Minco whereby we not only welcome Minco as a strategic shareholder, but also advance our Newfoundland base metal properties and open the door to the continued advancement of our Woodstock manganese property. I believe this is an excellent deal for the Company and its shareholders."

John Kearney, Chairman of Minco stated; "We are very pleased to have concluded this multi-part agreement with Buchans Minerals whereby Minco will become actively involved in a very impressive package of mineral exploration and development assets, with a great address in a historic mining camp, located in the Province of Newfoundland and Labrador, which is well known to Minco management, and in what is recognised as the most friendly mining country in the world. We are also very intrigued by the possibilities for the Woodstock manganese project in New Brunswick which, although at an early stage, has the possibility to develop into a world class asset."

"The structure of this deal ensures that almost all of Minco's investment will be spent in the ground to advance these properties towards production and provides an exciting platform for Minco's future growth". Mr. Kearney added.

Lundberg Option to earn 51% Interest in Buchans Minerals Base Metal Properties:

Under the Agreement, Minco's has the right to earn a 51% joint venture interest in the Company's wholly owned subsidiary, 7980736 Canada Inc., which is the registered owner, legal and beneficial holder of the mining claims known as the Buchans property, inclusive of the Lundberg deposit, and the Tulks North property, inclusive of Daniels Pond deposit, and a 49% interest in the Tulks Hill joint venture with Prominex Resources Inc., all of which are located near Buchans, Newfoundland.

Minco is required to spend \$3.5 million to advance the Lundberg project to the pre-feasibility stage and to further explore the Company's extensive mineral properties in the Buchans camp over a period of two years.

Following completion of the pre-feasibility study, Minco will have the option to proceed to complete a final feasibility study by spending a further \$4.5 million over the following two years. Should Minco complete the final feasibility study and spend a total of \$8 million, it will earn a 51% interest in all of the Company's base metal properties in Newfoundland.

Woodstock Manganese Option:

Under the Agreement, Minco will pay Buchans \$1 million for the exclusive right, for a period of six months, to conduct a full evaluation and due diligence on the Company's Woodstock manganese property in New Brunswick, Canada with a view to potentially entering into a joint-venture agreement to develop the Woodstock manganese project. The funds paid by Minco will be used during the option period primarily for the advancement of the Woodstock Property.

If during the exclusive Woodstock Option period Minco elects to develop the Woodstock project, the form and terms of a joint-venture agreement will be negotiated between Minco and the Company prior to the expiry of the Woodstock Option.

Private Placement of Units of Buchans Minerals:

Under the Agreement, Minco has also agreed to complete a non-brokered private placement ("Private Placement") of 15,384,615 units ("Units") of the Company at a price of \$0.065 per Unit, for a total consideration of \$1 million ("Private Placement").

Each Unit will consist of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one common share of the Company ("Warrant Share") at a price of \$0.10 per Warrant Share for a period of twenty four (24) months.

The securities issued in connection with the Private Placement will be subject to a four month hold period from the date of issue. The proceeds of the Private Placement will be used for general corporate purposes.

The closing of the Private Placement is subject to the requirements of the TSX Venture Exchange and all other required regulatory approvals.

Upon completion of the Private Placement, Minco will have the right to nominate a Director to the Board of Directors of the Company, which nominee shall be subject to the approval of the Board.

About Minco plc

[Minco plc](#), registered in the Republic of Ireland and listed on the AIM Alternative Investment Market of the London Stock Exchange (MIO) is an exploration and development company, currently engaged in zinc-lead exploration in Ireland and with investments in zinc‐silver projects in Mexico through holding 30 million shares (~29%) in Xtierra Inc. listed on the TSX Venture Exchange under the symbol "XAG". Minco also holds a 2% NSR royalty on the Curraghinalt gold property in Northern Ireland which is being explored by Dalradian Resources Inc. (TSX -"DNA")

Prior to 2011 Minco's principal project was the discovery, exploration and development of the Pallas Green zinc lead project in Ireland, held in joint venture with Xstrata Zinc. In October 2011 Minco sold its joint venture interest in Pallas Green to Xstrata for US\$19.4 million.

Minco continues to explore two other prospecting licenses in Ireland, one located adjacent to the currently operating Lisheen Mine (Vedanta) and the recently producing Galmoy mine (Lundin), and the second held in joint venture with Boliden, adjacent to Boliden's currently producing Tara zinc lead mine.

Minco currently holds approximately US\$20 million in cash and is evaluating a number of investment opportunities in the mineral industry in North America and Europe.

For further information of Minco refer to Minco's website at www.mincopl.com

About Buchans Minerals

[Buchans Minerals](#) is an Atlantic Canada based resource company that has been focused on exploring and developing base metal properties in the historic Buchans mining camp in central Newfoundland, Canada and its Woodstock manganese property located near the town of Woodstock in New Brunswick, Canada.

Forward Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often

contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the terms of the transaction are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume and the additional risks identified in the management discussion and analysis section of our interim and most recent annual financial statement or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and Buchans Minerals undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release, and no securities regulatory authority has either approved or disapproved of the contents of this release.

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