Barkerville gold update their underground resource estimate for the Cariboo gold project

Barkerville Gold Mines Ltd. {TSX.V: BGM}

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BGM Announces Updated Underground Resource For Cariboo Gold Project

2.4 MILLION OUNCES TOTAL MEASURED AND INDICATED, AND 1.9 MILLION OUNCES INFERRED

TORONTO, ON. – May 29, 2019 – Barkerville Gold Mines Ltd. (BGM – TSX-V) ("**BGM**" or the "**Company**") is pleased to announce the updated underground resource estimate for Cow, Island and Barkerville Mountain deposits at its 100% owned Cariboo Gold Project located in Wells, B.C.

Cariboo Gold Project Mineral Resource

- Measured and Indicated Resource of **2.4 million ounces of gold** (13.2 million tonnes grading 5.6 g/t Au) a **50% increase** from the 2018 resource;
- Inferred Mineral Resource of **1.9 million ounces of gold** in the inferred category (12 million tonnes grading 5.0 g/t Au);
- The mineral resource estimate has factored in the internal dilution which allows BGM to consider larger mining methods in some of the deposit areas to reduce operating costs in a future scale operation, allows potential for better resource to reserve conversion, and better continuity;
- The 2019 Mineral Resource estimate on Cow and Island Mountains covers the corridor of the Cow, Valley, Shaft, and Mosquito deposits over a strike length of 3.7 kilometers, a maximum width of approximately 700 meters, down to a maximum depth of 600 meters and an average depth of 350 meters below surface;
- 249 vein corridors were modelled with average dimensions of 300 meters by 300 meters by 3 meters with thickness of the vein corridors ranging from 2 meters to 40 meters;
- The BC Vein deposit is 1.7 kilometers in strike length, 0.5 meters to 37 meters in thickness, and 400 meters in depth.

The mineral resource estimate incorporates the **Cow** and **Valley** Zones on Cow Mountain, **Shaft** and **Mosquito Creek** Zones on Island Mountain and **BC Vein**and **Bonanza Ledge** on Barkerville Mountain at a cut-off grade of 3.0 g/t Au (**"grams per metric tonne"**). The resource is defined over 6 kilometers of BGM's 67-kilometer-long land package. Infill and exploration drilling are ongoing on the property. The mineral resource estimate was conducted by Talisker Exploration Services Inc. under the supervision of InnovExplo Inc., an independent consulting firm based out of Val-d'Or, Quebec. A video summarising the mineral resource estimate is present at the bottom of this email.

The mineral resource estimate for Cow and Island Mountain deposits is built upon over **400,000 meters** from BGM's 2015 to 2018 drill campaigns, and historically verified drill data using a total of 3,426 **drillholes**. A strong understanding of the controls of mineralisation enabled the Company's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization. The mineral resource estimate is supported by a robust 3D litho-structural model of the gold-bearing vein corridors.

The 2018 exploration and category conversion drill program was successful in improving the precision of vein corridors; a total of **249 vein corridor solids were individually modelled**. Average dimensions of a vein corridor are 300 meters by 300 meters by 3 meters with thickness of the vein corridors ranging from 2 meters to 40 meters. The resource estimate includes the internal dilution of the sandstone host within the vein corridors. **Vein corridors are defined as a high-density network of mineralised quartz veins within the sandstones.** Additional models were made for Bonanza Ledge and BC Vein. Table 1 summarises the Mineral Resource estimate and Tables 2 and 3 demonstrate the grade sensitivity of the resource model at varying cut off grades.

A 3D model with the updated geological model and block model is available on the link below.
https://vrify.com/embed/projects/183/sites/788

Table 1: 2018 Cariboo Gold Project Mineral Resource Estimate reported at a 3.0 g/t Au cut-off grade for an underground scenario

Cariboo Gold Project Mineral Resources			
Deposit	**Tonnes**	**Au**	**Au Oz**
	(000)	**(g/t)**	**(000)**
Measured			
Bonanza Ledge	175	6.1	**34**
Indicated			
Bonanza Ledge	55	4.6	**8**
BC Vein	734	5.6	**132**
Mosquito	542	7.1	**124**
Shaft	7,200	5.6	**1,300**
Valley	1,212	5.3	**208**
Cow	3,578	5.5	**637**
Inferred			
BC Vein	87	3.6	**10**
Mosquito	690	6.5	**144**
Shaft	5,817	5.0	**941**
Valley	3,475	4.9	**545**
Cow	1,867	4.7	**282**
Total Measured and Indicated	**13,495**	**5.6**	**2,443**
Total Inferred	**11,936**	**5.0**	**1,922**

Mineral Resource Estimate notes:

- *Christine Beausoleil, P.Geo and Carl Pelletier, P.Geo, of InnovExplo Inc. has reviewed and validated the mineral resource estimate for Cow, Mosquito, Shaft, Valley and BC Vein deposits and updated the Bonanza Ledge mineral resource estimate. Both are independent "Qualified Person" (as defined in NI 43-101) responsible for the 2019 mineral resource estimate. The effective date of the 2019 mineral resource estimate is May 29, 2019;*
- *Specific extraction methods are used only to establish reasonable cut-off grades for various portions of the deposit. No Preliminary Economic Analysis, Pre-Feasibility Study or Feasibility Study has been completed to support economic viability and technical feasibility of exploiting any portion of the mineral resource, by any particular mining method*
- *The mineral resources disclosed in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards on mineral resources and reserves definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council;*
- *Mineral resources are not mineral reserves and do not have demonstrated economic viability;*
- *Geologic and vein corridor modeling of Cow, Valley, Shaft, Mosquito and BC Vein were completed by BGM Chief Resource Geologist Tessa Scott, P.Geo. and BGM Geologists Natalie Cook, GIT. and Raja Yarra, GIT. The Resource Estimation was completed by Talisker Exploration Services Geologist Leonardo Souza, MAusIMM (CP);*
- *A total of 249 vein corridors were modelled for Cow and Island Mountains deposits, and a total of two (2) gold zones for Barkerville Mountain Deposits. A minimum true thickness of 2.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed;*
- *The estimate is reported for a potential underground scenario at cut-off grades of 3.0 g/t Au. The cut-off grades were calculated using a gold price of USD1,300 per ounce, a CAD:USD exchange rate of 1.3; mining cost of $42/t; processing cost of $75/t; and G&A of $22/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.);*
- *A density of 2.8 g/cm^3 was established for all zones of Cow, Valley and Shaft, 2.76 for Mosquito, 2.72 g/cm^3 for BC Vein zone and 3.2 g/cm^3 for Bonanza Ledge zone;*
- *A three-step capping procedure has been applied to composite data for Cow, Valley, Shaft, Mosquito and BC Vein zones. Restricted search ellipsoids were used varying from 10 to 60 g/t Au at three different distance varying from 25 to 100 m for each deposit. Bonanza Ledge high-grade capping was done on composited data at 70 g/t Au;*
- *Resources for Cow, Valley, Shaft, Mosquito and BC Vein zones were estimated using Datamine Studio RM 1.3 software using hard boundaries on composited assays (Cow 3.0 m, Valley 1.5 m, Shaft 2.0 m, Mosquito 3.0 m and BC Vein 1.6 m). Ordinary Kriging interpolation method was used in a sub-blocked model (parent block size = 5 meters x 5 meters x 5 meters). Resources for Bonanza Ledge were estimated using GEOVIA GEMS 6.7 software using hard boundary on composited assays at 2.0 m. Ordinary Kriging interpolation method was used in a block model (block size = 2 m x 2 m x 5 m);*
- *Results are presented in-situ, with minimum width diluted to 2 meters. Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (meters, tonnes, g/t). The number of metric tons was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations as per NI 43-101;*
- *Neither the Company nor InnovExplo Inc. is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect the mineral resource estimate other than disclosed in the 2018 NI 43-101 Technical Report for the Cariboo Gold Project and Mineral Resource Estimate by InnovExplo Inc.*