

Barkerville Gold discovers new gold zones at Island Mountain

Barkerville Gold Mines Ltd. {TSXV: BGM} announced further results from the 2016 Phase I Island Mountain exploration drilling program at the Company's flagship Cariboo Gold Project that resulted in the discovery of two new mineralised zones.



BGM Discovers New Zones on Island Mountain, Intersects 52.62 g/t Au Over 3.25 Metres and 16.08 g/t Au Over 7.10 Metres

VANCOUVER, BC— January 5, 2017 – **Barkerville Gold Mines Ltd. {TSX.V: BGM}** is pleased to announce further results from the 2016 Phase I Island Mountain exploration drilling program at the Company's flagship Cariboo Gold Project that resulted in the discovery of two new mineralised zones.

The results from the new drilling are presented in Table 1. A drill hole location plan map and longitudinal section are presented at the end of this release.

New Drilling Highlights:

BGM-16-574: 16.08 g/t Au over 7.10 metres

BGM-16-581: 12.52 g/t Au over 7.90 metres

BGM-16-584: 10.51 g/t Au over 3.05 metres

BGM-16-587: 21.70 g/t Au over 4.65 metres

BGM-16-587: 52.62 g/t Au over 3.25 metres

Note: Reported core lengths represent 50-90% true widths.

The recently completed 27,131 metre, 2016 Phase I exploratory drilling program on Island Mountain continues to identify new, near-surface zones of high-grade auriferous quartz vein mineralisation down dip, and along strike of the historic Aurum and Mosquito Creek Mines. A newly developed geological model provides the company with the ability to successfully target new vein ore bodies proximal to historically exploited areas.

New “Shaft” and “4300” Zones Discovered

The Company is pleased to announce the discovery of the “Shaft Zone” which occurs immediately behind the historical Aurum Mine winze and the newly outlined “4300 Zone”, 350 metres northwest of the Shaft Zone in the undeveloped area between the Aurum and Mosquito Creek Mines. Both areas are hallmarked by intense silica alteration and markedly increased vein density. Preliminary exploratory drilling in both of these areas was conducted on 50 metre spaced centres.

The New ‘Shaft’ Zone

Drillholes BGM-16-581 (12.52 g/t Au over 7.90 metres), BGM-16-574 (7.41 g/t Au over 10.90 metres), BGM-15-584 (10.51 g/t Au over 3.05 metres), and BGM-16-587 (26.19 g/t Au over

5.30 metres and 52.62 g/t Au over 3.25 metres), together with previously disclosed Phase I drillholes BGM-15-517 (15.15 g/t Au over 5.60 metres), BGM-15-528 (11.01 g/t Au over 3.40 metres), BGM-15-529 (74.31 g/t Au over 2.15 metres and 100.00 g/t Au over 1.30 metres and 6.90 g/t Au over 11.45 metres) define a mineralized corridor 200 metres along strike and to -350 m depth.

The New “4300” Zone

Located in an undeveloped and unexplored area between the abandoned Aurum and Mosquito Creek Mines, recently completed drillhole BGM-16-575 (16.08 g/t Au over 7.10 metres), and previously disclosed Phase I drillholes BGM-16-503 (11.62 g/t Au over 6.20 metres), BGM-16-509 (16.37 g/t Au over 2.65 metres) and BGM-16-567 (11.36 g/t Au over 12.36 metres) define the new 4300 Zone on 50 metre centres from surface to a vertical depth of 180 metres over a strike length of 150 metres.

Chris Lodder, President and CEO states: *“These results and the work completed by the exploration group on understanding the geological model has allowed BGM to more accurately identify and define new areas of mineralisation on Island Mountain”.*

Qualified Persons

Exploration activities at the Cariboo Gold Project are administered on site by the Company’s Exploration Manager, Maggie Layman, P.Geo. As per National Instrument 43-101 Standards of Disclosure for Mineral Projects, Paul Geddes, P.Geo. Vice President Exploration, is the Qualified Person for the Company and has prepared, validated and approved the technical and scientific content of this news release. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration

activities on the Cariboo Gold Project.

Quality Assurance – Quality Control

Once received from the drill and processed, all drill core samples are sawn in half, labelled and bagged. The remaining drill core is subsequently stored on site at the Company's secure facility in Wells, BC. Numbered security tags are applied to lab shipments for chain of custody requirements. The Company inserts quality control (QC) samples at regular intervals in the sample stream, including blanks and reference materials with all sample shipments to monitor laboratory performance. The QAQC program was designed and approved by Lynda Bloom, P.Geo. of Analytical Solutions Ltd., and is overseen by the Company's Qualified Person, Paul Geddes, P.Geo, Vice President Exploration.

Drill core samples are submitted to ALS Geochemistry's analytical facility in North Vancouver, British Columbia for preparation and analysis. The ALS facility is accredited to the ISO/IEC 17025 standard for gold assays and all analytical methods include quality control materials at set frequencies with established data acceptance criteria. The entire sample is crushed and 250 grams is pulverised. Analysis for gold is by 50 g fire assay fusion with atomic absorption (AAS) finish with a lower limit of 5 ppb and upper limit of 10,000 ppb. Samples with gold assays greater than 10,000 ppb are re-analysed using 50 g fire assay with gravimetric finish, as well as 1,000 g screen metallic fire assay. Samples are also analyzed using a 48 multi-elemental geochemical package by a 4-acid digestion, followed by Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES) and Inductively Coupled Plasma Mass Spectroscopy (ICP-MS).

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