



## **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.** (TSXV: BGM) (the “**Company**” or “**Barkerville**”) 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 mineralized 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 mineralization 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 -350m 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 mineralization 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.Ge. As per National Instrument 43-101 Standards of Disclosure for Mineral Projects, Paul Geddes, P.Ge. 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.Ge. of Analytical Solutions Ltd., and is overseen by the Company’s Qualified Person, Paul Geddes, P.Ge, 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 pulverized. Analysis for gold is by 50g fire assay fusion with atomic absorption (AAS) finish with a lower limit of 5ppb and upper limit of 10,000ppb. Samples with gold assays greater than 10,000ppb are re-analyzed using 50g fire assay with gravimetric finish, as well as 1,000g 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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### About Barkerville Gold Mines Ltd.

The Company is focused on developing its extensive land package located in the historical Cariboo Mining District of central British Columbia. Barkerville's mineral tenures cover 1,164 square kilometres along a strike length of 60 kilometres which includes several past producing hard rock mines of the historic Barkerville Gold Mining Camp near the town of Wells, British Columbia. The QR Project, located approximately 110 kilometres by highway and all weather road from Wells was acquired by Barkerville in 2010 and boasts a fully permitted 900 tonne/day gold milling and tailings facility. Test mining of the Bonanza Ledge open pit was completed in March of 2015 with 91,489 tonnes of ore milled producing 25,464 ounces of gold. The Company has completed a number of drilling and exploration programs over the past 20 years and is currently compiling this data with all historical information in order to develop geologic models which will assist new management and provide the framework to continue to explore the Cariboo Gold Project. An extensive drill program is currently underway with the goal of delineating additional high grade gold mineralization.

### Cautionary Statement on Forward -Looking Information

Neither the TSX Venture Exchange ('TSXV') nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, statements regarding exploration results and exploration plans. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, capital and operating costs varying significantly from estimates, the preliminary nature of metallurgical test results, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

**Table 1: Length weighted gold composites for drillholes BGM-16-568 through BGM-16-589:**

HOLE-ID	FROM (M)	TO (M)	CORE LENGTH (M)	AU (G/T)
BGM-16-568	236.75	237.30	0.55	8.66
BGM-16-570	120.50	121.10	0.60	22.50
BGM-16-570	163.30	165.70	2.40	19.18
INCLUDING	163.30	163.85	0.55	28.80
AND	165.00	165.70	0.70	37.60
BGM-16-571	137.70	138.20	0.50	17.10
BGM-16-571	173.00	173.90	0.90	37.20
BGM-16-571	177.10	178.70	1.60	64.48
INCLUDING	177.10	178.00	0.90	88.80
AND	178.00	178.70	0.70	33.20
BGM-16-572	279.45	280.40	0.95	9.63
BGM-16-572	390.20	390.75	0.55	26.60
BGM-16-572	397.00	398.30	1.30	7.22
BGM-16-572	442.65	444.00	1.35	7.64
BGM-16-574	72.35	73.24	0.89	10.40
BGM-16-574	78.80	79.30	0.50	7.88
BGM-16-574	94.30	95.50	1.20	11.20
BGM-16-574	150.65	152.10	1.45	9.39
BGM-16-574	174.20	185.10	10.90	7.41
INCLUDING	174.20	174.70	0.50	39.40
AND	175.20	176.25	1.05	18.45
AND	178.40	179.70	1.30	10.35
AND	184.00	185.10	1.10	15.80
BGM-16-574	187.00	188.00	1.00	7.42
BGM-16-575	114.90	122.00	7.10	16.08
INCLUDING	114.90	116.00	1.10	62.90
AND	116.00	116.70	0.70	46.00
BGM-16-577	119.90	120.80	0.90	1.85
BGM-16-578	21.90	22.40	0.50	19.20
BGM-16-580	57.40	58.10	0.70	16.75
BGM-16-580	77.40	78.10	0.70	32.10
BGM-16-580	134.80	135.50	0.70	19.85

HOLE-ID	FROM (M)	TO (M)	CORE LENGTH (M)	AU (G/T)
BGM-16-580	158.70	159.30	0.60	8.99
BGM-16-580	166.00	166.70	0.70	41.10
BGM-16-581	74.00	81.90	7.90	12.52
INCLUDING	75.40	76.40	1.00	26.40
AND	80.50	81.90	1.40	35.50
BGM-16-582	11.60	12.10	0.50	19.10
BGM-16-583	33.10	33.60	0.50	14.60
BGM-16-584	57.20	58.30	1.10	7.56
BGM-16-584	101.10	107.00	5.90	9.78
INCLUDING	101.10	101.60	0.50	17.10
AND	106.00	107.00	1.00	46.50
BGM-16-584	137.00	140.05	3.05	10.51
INCLUDING	137.00	138.00	1.00	18.35
AND	138.55	139.05	0.50	26.00
BGM-16-584	189.80	190.50	0.70	9.07
BGM-16-584	223.00	223.50	0.50	68.10
BGM-16-585	139.20	139.85	0.65	16.25
BGM-16-585	199.00	199.60	0.60	22.50
BGM-16-587	72.80	77.45	4.65	21.70
INCLUDING	74.15	76.95	2.80	36.78
INCLUDING	74.15	74.80	0.65	29.10
AND	74.80	75.35	0.55	19.00
AND	75.35	75.85	0.50	34.70
AND	75.85	76.35	0.50	54.80
AND	76.35	76.95	0.60	46.00
BGM-16-587	177.00	177.50	0.50	8.80
BGM-16-587	186.70	192.00	5.30	26.19
INCLUDING	186.70	187.40	0.70	16.95
AND	187.40	188.00	0.60	20.10
AND	190.70	191.50	0.80	111.50
AND	191.50	192.00	0.50	43.50
BGM-16-587	204.00	205.30	1.30	42.00
BGM-16-587	221.25	224.50	3.25	52.62
INCLUDING	221.25	222.00	0.75	215.00
BGM-16-587	241.90	242.90	1.00	26.20
BGM-16-588	61.00	62.00	1.00	1.84
BGM-16-589	85.30	86.00	0.70	1.61

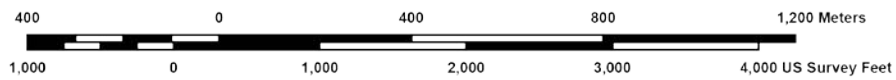
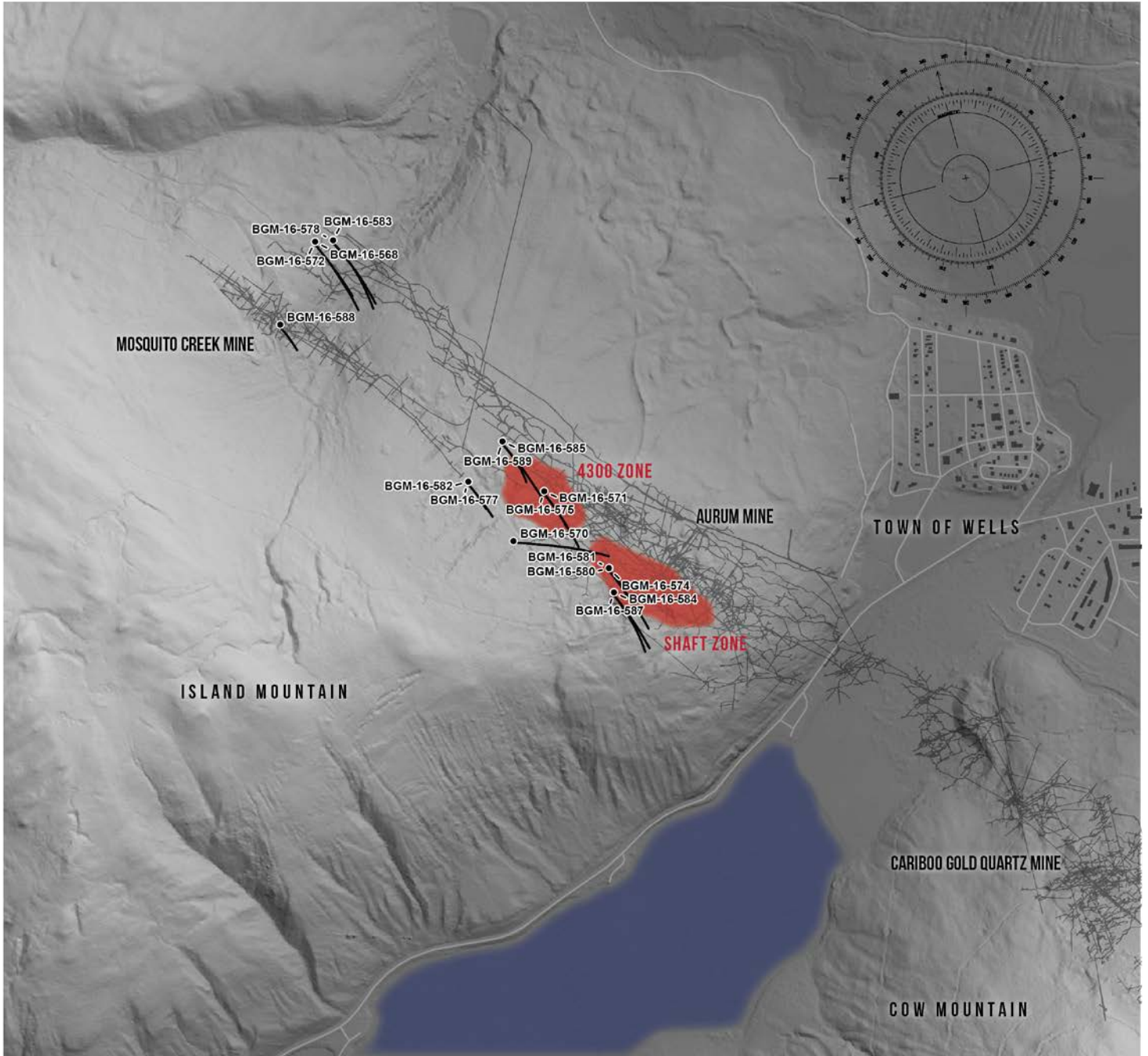
*Core lengths represent 50-90% true widths. Rock not recovered by drilling was assigned zero grade and not included in the composites. Top cuts have not been applied to high grade assays. NSA – No Significant Assays.*

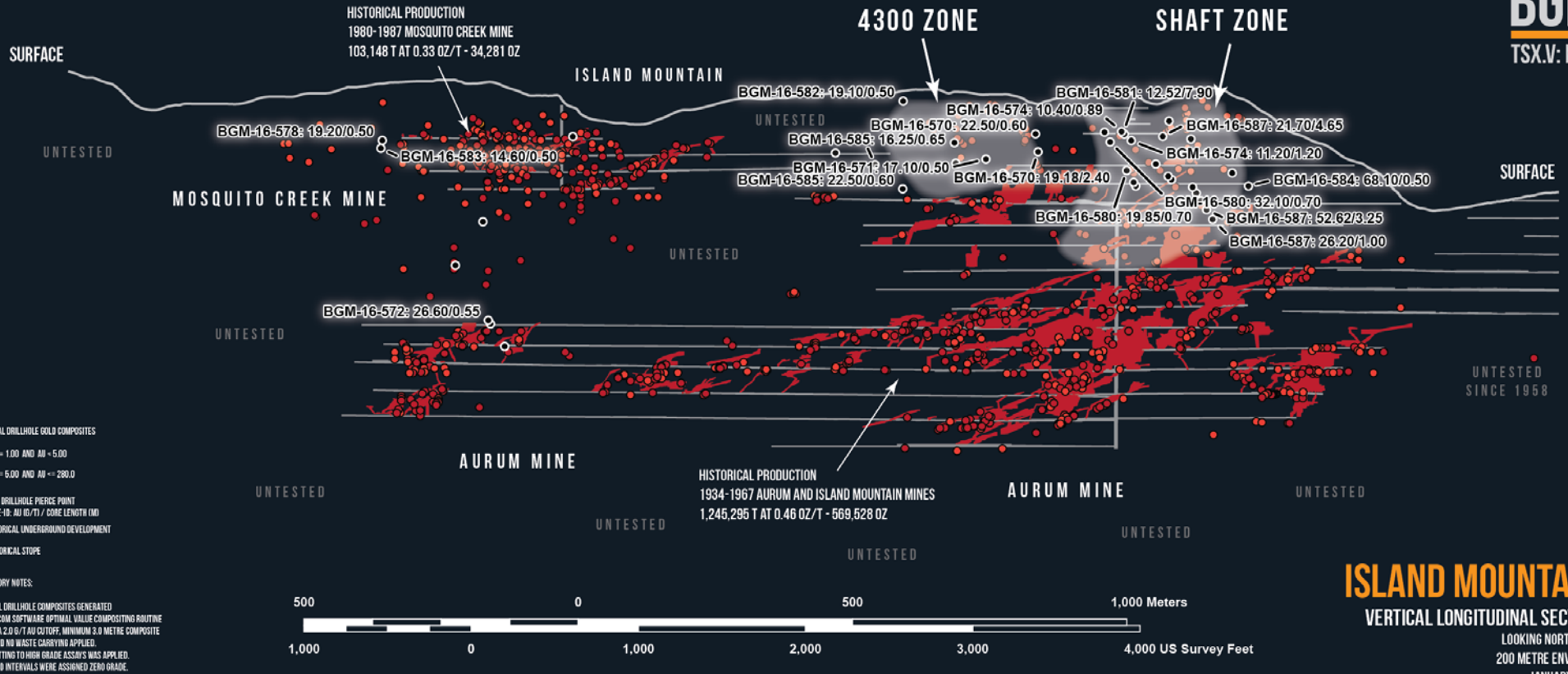
**Table 2: Drillhole Collar Orientations**

HOLE-ID	AZIMUTH	DIP
BGM-16-568	141.8	-45.5
BGM-16-570	94.3	-44.3
BGM-16-571	141.3	-43.8
BGM-16-572	141.8	-63.9
BGM-16-574	138.9	-44.4
BGM-16-575	141.2	-63.1
BGM-16-577	140.2	-44.7
BGM-16-578	139.9	-44.6
BGM-16-580	140.9	-64.5
BGM-16-581	138.0	-44.5
BGM-16-582	139.0	-65.2
BGM-16-583	137.2	-64.1
BGM-16-584	141.6	-43.4
BGM-16-585	139.3	-44.6
BGM-16-587	142.6	-64.5
BGM-16-588	139.8	-65.3
BGM-16-589	140.3	-64.5



ISLAND MOUNTAIN DRILLHOLE LOCATION MAP  
WITH TERRAIN MODEL AND MINE DEVELOPMENT  
JANUARY 2017





**ISLAND MOUNTAIN**  
VERTICAL LONGITUDINAL SECTION  
LOOKING NORTHEAST  
200 METRE ENVELOPE  
JANUARY 2017