

Barkerville Gold and Williams Creek Gold Enter Into Arrangement Agreement

Share exchange transaction will result in shareholders of Williams Creek receiving 6.8 million shares of Barkerville Gold, representing an immediate 77% premium or 65% premium based on a 20 day VWAP. Barkerville Gold's shareholders gain exposure to Williams Creek's crown granted mineral claims, located in the heart of the Barkerville Gold Camp

May 2, 2016 - Toronto, Ontario and Vancouver, British Columbia - **Barkerville Gold Mines Ltd.** (TSXV: BGM) ("**Barkerville**") and Williams Creek Gold Limited ("**Williams Creek**") (TSXV: WCX) are pleased to announce that the companies have entered into a definitive arrangement agreement dated April 29, 2016 (the "**Agreement**"). Pursuant to the terms of the Agreement, Barkerville has agreed to issue an aggregate of 6,800,000 common shares of Barkerville in exchange for all of the issued and outstanding common shares of Williams Creek held by Williams Creek shareholders (the "**Transaction**"). Upon completion of the Transaction, Williams Creek will become a wholly owned subsidiary of Barkerville and former shareholders of Williams Creek will hold approximately 2.27% of the shares of Barkerville on an outstanding basis.

The Transaction will be implemented by way of plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia). The Arrangement must be approved by two-thirds of the votes cast by shareholders present and voting at the special meeting of Williams Creek shareholders called to consider the Arrangement.

Tom Obradovich, CEO of Barkerville commented "The board of directors of Barkerville believes the proposed transaction will add an important central land package within our dominant land position in the Barkerville camp. This acquisition fits with our strategic focus on finding and mining high-grade gold deposits across British Columbia's highly celebrated and prospective Cariboo gold district."

Stephen Leahy, CEO of Williams Creek commented: "This business combination offers Williams Creek shareholders the opportunity to maximize the potential value of their main assets by accessing Barkerville's more extensive technical and financial resources which are needed to explore and advance our project area. This transaction provides our shareholders exposure to Barkerville's much larger land base that includes more advanced stage gold targets with defined resources. In our view, the proposal offers shareholders of the combined company the potential for enhanced value appreciation with exposure to a larger asset base in B.C.'s prolific historic Cariboo gold district."

Elaine Ellingham, Chairman of Williams Creek commented: “Our board of directors believes that our shareholder base will benefit from this combination of companies. We are pleased by the premium that shareholders are receiving from Barkerville and the benefits of greater trading liquidity and access to capital. Barkerville’s management team has a solid track record of adding value to exploration projects and has the funding capacity and technical team to unlock the project’s potential with minimal dilution to its shareholder base.”

Summary of Proposed Transaction

Currently, Barkerville has 293,035,668 common shares outstanding and Williams Creek has 109,057,249 common shares outstanding. The board of directors of each of the companies have approved the Arrangement.

Pursuant to the terms of the Agreement, Williams Creek shareholders will receive 0.062353 common shares of Barkerville for each one common share of Williams Creek held, representing a value of approximately \$0.0355 per share based on the closing price of Barkerville on the TSX Venture Exchange (“TSXV”) on April 29, 2016. This represents a 65% premium using the 20-day volume weighted average pricing and represents an aggregate value to Williams Creek shareholders of \$3.876 million.

Pursuant to the Agreement, Barkerville has agreed to advance Williams Creek an aggregate amount of up to CDN\$500,000, available in multiple draws bearing interest at an effective annual rate of 5% per annum (the “Loan”) evidenced by a grid promissory note. The Loan will be secured against the assets of Williams Creek. Subject to the approval of the TSXV, Barkerville shall have the right, at its option, at any time following the termination of the Agreement under the terms and conditions thereof, to convert the Loan into common shares of Williams Creek at a conversion price equal to \$0.02. The parties further agreed that Williams Creek will not give effect to any conversion, if, after giving effect to such conversion, Barkerville would own or exercise control or direction over greater than 19.9% of the total outstanding common shares of Williams Creek immediately after giving effect to such conversion

The Arrangement is subject to the approval of the Supreme Court of British Columbia and all applicable regulatory authorities, including the TSXV and the conditions set out in the Agreement. Barkerville and Williams Creek expect to close the transaction on or about August 5, 2016.

The Arrangement includes customary provisions, including fiduciary-out provisions, covenants not to solicit other acquisition proposals and the right to match any superior proposal.

Upon completion of the Transaction, Williams Creek’s common shares will be de-listed from the TSXV and it is expected that Barkerville will apply to cause Williams Creek to cease being a reporting issuer under applicable Canadian securities laws.

A copy of the Agreement will be filed on SEDAR and will be available for viewing under the respective profiles of Barkerville and Williams Creek at www.sedar.com.

Advisors & Counsel

Irwin Lowy LLP is acting as legal counsel to Barkerville. Morton Law LLP is acting as legal counsel to Williams Creek. Primary Capital Inc. has provided a verbal fairness opinion to Williams Creek's Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set forth therein, the transaction is fair, from a financial point of view, to the shareholders of Williams Creek.

About Barkerville:

Barkerville 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 this year with 91,489 tonnes of ore milled producing 25,464 ounces of gold. Barkerville 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.

For further information on **Barkerville Gold Mines Ltd.**, please contact:

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Neither the TSXV nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release and has in no way passed upon the merits of the Arrangement and has neither approved nor disapproved of the contents of this press release.

This news release does not constitute an offer to sell or a solicitation of an offer of securities in the United States. The securities issuable in the transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered within the United States or to U.S. Persons unless exemptions from such registration requirements are available

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of Williams Creek or Barkerville should be considered highly speculative.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this news release has been prepared as at May 2, 2016. Certain statements in this news release, referred to herein as "forward-looking statements", constitute "forward-looking statements" under the provisions of Canadian provincial securities laws. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Barkerville and Williams Creek as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this press release relate to, among other things: anticipated benefits of the Transaction to Barkerville and Williams Creek and their respective securityholders; the pro rata shareholdings of the current shareholders of Williams Creek in Barkerville; the timing and receipt of required securityholder, court, stock exchange and regulatory approvals for the Transaction; the ability of Barkerville and Williams Creek to satisfy the other conditions to, and to complete, the Transaction;; the closing of the Transaction. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: satisfaction or waiver of all applicable conditions to closing of the Transaction including, without limitation, receipt of all necessary securityholder, court, stock exchange and regulatory approvals or consents and lack of material changes with respect to the parties and their respective businesses; the synergies expected from the Transaction not being realized; business integration risks; fluctuations in general macro-economic conditions; fluctuations in securities markets and the market price of Barkerville's shares; fluctuations in the spot and forward price of gold, base metals or certain other commodities; fluctuations in the currency.