MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

THIS MD&A IS DATED MAY 16, 2018

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Barkerville Gold Mines' ("Barkerville", the "Company", "we", or "our") unaudited interim condensed consolidated financial statements for the three month periods ended March 31, 2018 and 2017 and related notes thereto, and the Company's audited consolidated financial statements for the year ended December 31, 2017 and ten month period ended December 31, 2016 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise noted. The Management Discussion and Analysis has been prepared as of May 16, 2018 and includes certain statements that may be deemed "forward-looking statements". Investors are directed to the section "Forward Looking Statements" included within this MD&A.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains certain statements that may be deemed "forward-looking statements," within the meaning of certain securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward-looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The forward-looking information in this MD&A describes the Company's expectations as of the date of this MD&A.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, fluctuations in gold prices, market conditions, results of current exploration activities, the possibility of a labour stoppage or shortage, delays in obtaining government permits and approvals and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in such forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not try to place undue reliance on forward-looking statements contained in this MD&A.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs, and opinions and we do not undertake any obligation to update forward-looking statements should the assumptions related to these plans, estimates, projections, beliefs and opinions change, except as required by law.

About the Company

Barkerville Gold Mines Ltd. is engaged in the exploration and development of precious metals from mineral tenures located in the Cariboo Mining District in Central British Columbia. The company presently controls approximately 195,000 hectares of mineral tenures and Crown-Granted mineral claims. The Company's block of contiguous claims represents 65% of the complete mineral tenures package and is centered around the Town of Wells, which is located approximately 85 km east of Quesnel. In addition to the main claim block, the Company has a further six blocks of mineral tenures in the Cariboo Mining District. These areas were acquired by staking in 2016 based on regional target generation. The Company's QR Mine & Mill are located approximately 58 km southeast of Quesnel, on a separate group of mineral tenures. The mineral tenures encompass seven past producing hard rock mines, including the QR Mine & Mill.

The Cariboo Gold Belt has had a rich and extensive history starting with the discovery of placer gold in the 1860's. Recorded production from the Company's property and surrounding area is approximately 3.2 million ounces of placer gold and 1.3 million ounces of lode gold averaging 0.40 oz/t gold from mainly mesothermal quartz vein mineralization, and 0.60 oz/t from sulphide replacement style mineralization. Mining of these deposits took place during the periods 1933 to 1967 and 1983 to 1987.

The company has a two staged business plan based on existing resources at the Bonanza Ledge mine and the larger exploration potential of the Cariboo District.

On December 29, 2017, the Company completed a brokered private placement financing of 10,988,000 flow-through shares at a price of $1.00 per flow-through share for gross proceeds of $10,988,000.

On September 28, 2017, the Company completed a brokered private placement financing of (i) 25,000,000 flow-through shares at a price of $1.12 per flow-through share for gross proceeds of $28,000,000, and (ii) 8,750,000 common shares of the Corporation at a price of $0.80 per Common Share for additional gross proceeds of $7,000,000.

On May 18, 2017, Barkerville Gold Mines Ltd. completed brokered and non-brokered private placement financings of an aggregate of 46,519,490 units of the corporation at a price of $0.95 per unit for aggregate gross proceeds of $44,193,516. Each unit comprises one common share of the corporation and one-half of one common share purchase warrant of the corporation. Each unit warrant will entitle the holder thereof to purchase one common share of the corporation at a price of $1.30 per warrant share, for a period of 18 months following the closing date of the offering.

On April 4, 2017 The Company announced that it has successfully completed the permit amendment process required by the Mines Act (British Columbia), and has received the required permits to begin the development and mining of the Bonanza Ledge Deposit on Barkerville Mountain near Wells, British Columbia. Construction of the Mine infrastructures started in May 2017 and the Mine development in June. The processing of the first mineralized material expected to occur in October of 2017 with the first gold pour in November of 2017. Bonanza Ledge mineralized material is processed at BGM's 100% owned QR mill facility located 110 kilometres from the deposit by road. The Bonanza Ledge mine is permitted to process up to 150,000 tonnes per year.

This initial production is important to the Company's growth plan in the Cariboo Gold Project. In addition to generating positive cash flow, this underground operation allows BGM to train a local workforce and gain expertise in mining and processing in the district. This experience will assist in the development of other deposits in the camp and the eventual construction of a new centrally located processing facility. In conjunction with this production, BGM's aggressive exploration program continues and will eventually lead to a property scale mineral resource estimate.The short term objective is to reinitiate mining via underground methods from Bonanza Ledge and then add further production life from mineralization identified nearby on the BC Vein.

The long term objective is to develop the other targets in the Wells – Barkerville area and a new near site ore processing facility that would accommodate a more robust, long life mine with a capacity and quality which would create significant returns for all shareholders and stakeholders.

On April 19, 2017 the Company completed its agreement with Osisko Gold Royalties Ltd. whereby Osisko purchased an additional 0.75% net smelter return ("NSR") royalty on the Cariboo Gold Project for a cash consideration of $12,500,000. Upon completion of the Royalty Purchase, Osisko's total NSR royalty is 2.25%. The grant of the additional royalty cancelled Osisko's royalty right which was granted pursuant to the investment agreement between Osisko and Barkerville dated February 5, 2016, however, Osisko will retain a right of first refusal relating to any gold stream offer received by Barkerville with respect to the Cariboo Gold Project.

The Company had entered into a Mining Claim Acquisition Agreement pursuant to which Barkerville acquired a 100% interest in the Yanks Peak Claims comprised of 10 mineral claims located in the Cariboo Mining District, British Columbia, in exchange for (a) $50,000; and (b) 250,000 common shares of Barkerville issued to the vendors of the claims.

Review of Operations

Exploration in 2017 thus far saw exploration drilling on the BC Vein, Cow Mountain and Island Mountain as well as grade classification of the PAG (Potential Acid Generating) waste pile which was a result of previous mining at Bonanza Ledge. Regionally, an extensive soil sampling and prospecting program focused on the tenement package along the main trend of known mineralization and historic occurrences over a 60 km strike length. This work was supported by an airborne magnetics and electromagnetic (VTEM) geophysical survey. The season's work identified 131 new targets for follow up in 2017 and 2018. General prospecting work was also carried out on the QR block and results are pending. Positive drill results were obtained from the majority of targets and higher degree of the understanding of the controls on the predominantly Jurassic aged mesothermal vein and replacement mineralization was achieved. This has allowed BGM's exploration staff to better define areas of potential new mineralization and how to drill more efficiently when converting that mineralization to resources.

Development on the Bonanza Ledge Project continued in the first quarter. The development on level 1400 and 1425 was completed and gave access to the mineralization. The first stope in the bottom of the pit was blasted in March and the first ore from stope started to be send to the QR mill immediately.

The QR Mill started its ramp up with ore coming from the underground development. Ore from the stopes came very late in the first quarter and will be process in the second quarter.

The Environment and Sustainability Department oversaw the MAPA (Mines Act Permit Amendment) Application and submission for the change of mine plan for Bonanza Ledge, resulting in permit amendments to M-238 and PE-17876 in 2017, as well as the second-year baseline studies with Golder and Associates on the Cariboo Gold Project Environmental Assessment (CGP EA). This CGP EA work will support our longer-term production objective. The CGP EA baseline studies began in May 2016 and will continue through 2018 with the Project Description completion set for Q2 of 2018. Permitting activities for 2018 will include: an Underground Exploration Drive from Cow Mountain to Island Mountain; a permit amendment to Bonanza Ledge Permit M-238 for Phase II of Bonanza Ledge; and, the QR Mine Permit amendment to receive tailings from the new projects. Reclamation Closure Plans will be completed and submitted for approval for Bonanza Ledge, Mosquito Creek and QR Mine. The remediation and cleanup of historic production sites carried on through the year and improvements were made to water quality monitoring and tailings facilities. A water treatment plant will be implemented in 2018 for the Bonanza Ledge Mine. This plant will assist in improving water quality being discharged into the receiving environment. First Nations engagement with Lhtako Dene First Nation resulted in a signed Engagement Protocol Agreement, a Relationship Agreement and a 70% negotiated Impact Benefit Agreement which will be completed in 2018. Engagement has also begun with Xat'sull First Nation that has resulted in a signed Interim Relationship Agreement. This Relationship Agreement will have to be revisited and likely an additional scope of the Agreement will include considerations related to the new and proposed projects.

BGM currently employs First Nations members as well as permanent residents of Wells. Community partnerships were also built in 2017. BGM will be supporting many initiatives for First Nations and Community in 2018 and will begin engagement activities as part of the Cariboo Gold Project EA. Community engagement in Wells has resulted in increased support from community members for BGM's ongoing activities and an open dialogue to address concerns that are raised. BGM also currently has good support from our First Nations partners.

Results of Operations

Three months Ended March 31, 2018 compared to the Three Months ended March 31, 2017:

The Company reports a net loss of $9,113,406 during the three month period ended March 31, 2018 as compared to a net loss of $9,507,048 during the comparative three month period ended March 31, 2017. Overall, this represents a lower net loss of $393,642, largely due to an increase in income tax recover of $9,247,000 for the three month period ended March 31, 2018 compared to $5,239,100 for the comparable period in 2017.

The variances between the two periods for the remaining items were primarily due to the following items:

(i) Increase of $44,651 in operating expenses from $517,687 during the three month period ended March 31, 2017 to $562,338 during the three month period ended March 31, 2018. These costs represent care and maintenance costs and upkeep on the mine. The amounts have remained consistent between the two periods.

Operating Expenses for the Company for the three month periods ended March 31, 2018 and 2017 consist of the following components by nature:

		Three months ended		
		March 31, 2018		March 31, 2017
Repairs and maintenance	$	346,935	$	316,173
Utilities		215,403		201,514
Total operating expenses	$	562,338	$	517,687

(ii) Increase of $3,511,504 in exploration expenses from $7,491,959 during the three month period ended March 31, 2017 to $11,003,463 during the three month period ended March 31, 2018. The increase is due primarily

to higher expenditures in connection with the current drill program, with the resulting expenditures of $6,780,801 as compared to $4,604,906 in the comparable period. Employee salaries and benefits increased in correlation with the exploration program increasing from $976,072 during the three month period ended March 31, 2017 to $1,237,257 during the three month period ended March 31, 2018. Similarly, assaying costs increased from $411,998 during the three month period ended March 31, 2017 to $980,405 during the three month period ended March 31, 2018, as these costs supporting the exploration program increased.

The increase in expenditures during the three month period ended March 31, 2018 was offset by a recovery of exploration expenditures from government tax credits of $nil (2017: $676,554 recovery).

Exploration expenses for the Company for the three month periods ended March 31, 2018 and 2017 consist of the following components by nature:

		Three months ended		
		March 31, 2018		March 31, 2017
Administration fees	$	926,534	$	1,051,239
Assaying		980,405		411,998
Depreciation		838		-
Assessment and tax		70,567		-
Consulting fees		344,529		561,018
Environmental and permitting		-		10,120
Equipment and rentals		396,674		294,821
Drilling		6,780,801		4,604,906
Travel		150,376		101,807
Employee salaries and benefits		1,237,257		976,072
Repairs and maintenance		115,482		156,532
Recovery of exploration expenditures		-		(676,554)
Total exploration expenses	$	11,003,463	$	7,491,959

(iii) Decrease of $220,644 in evaluation expenses from $5,218,969 during the three month period ended March 31, 2017 to $4,998,325 during the three month period ended March 31, 2018. The amount decreased as compared with the prior year due to the Company incurring costs to develop the property which are now being capitalized on the balance sheet, which commenced in the latter part of the prior fiscal year.

Evaluation expenses for the Company for the three month periods ended March 31, 2018 and 2017 consist of the following components by nature:

		Three months ended		
		March 31, 2018		March 31, 2017
Consulting fees	$	1,673,926	$	2,249,304
Depreciation		185,358		286,552
Employee salaries and benefits		1,465,300		1,414,227
Office and administration		1,156,922		1,130,496
Travel		48,904		47,711
Stock based compensation		-		-
Assaying		245,293		76,068
Penalties and fines		200,000		-
Assessment and tax		2,939		14,611
Royalty		19,683		-
Total evaluation expenses	$	4,998,325	$	5,218,969

(iv) Increase of $273,271 in corporate administration from $1,491,558 during the three month period ended March

31, 2017 to $1,764,829 during the three month period ended March 31, 2018. This increase is primarily due to an increase in legal, audit and accounting fees which increases from $70,252 during the three month period ended March 31, 2017 to $198,156 during the three month period ended March 31, 2018 and shareholder communication expenses which increases from $75,326 during the three month period ended March 31, 2017 to $196,449 during the three month period ended March 31, 2018. The increase in both these categories is largely due to timing of press releases and other shareholder filings.

Corporate administration expenses for the three month periods ended March 31, 2018 and 2017 consist of the following components by nature:

		Three months ended		
		March 31, 2018		March 31, 2017
Consulting fees	$	57,477	$	77,183
Depreciation		19,893		20,531
Employee salaries and benefits		819,087		780,289
Legal, audit & accounting		198,156		70,252
Office and administration		331,458		387,367
Shareholder communications and advertising		196,449		75,326
Stock based compensation		-		15,375
Travel and related expenses		142,309		65,235
Total corporate administration expenses	$	1,764,829	$	1,491,558

(v) The finance expense for the Company for the three month periods ended March 31, 2018 and 2017 consist of the following components by nature:

		Three months ended		
		March 31, 2018		March 31, 2017
Accretion on provision for site reclamation and closure (Note 14)	$	124,898	$	137,866
Bank charges, interest charges and commissions		7,616		-
Interest income		(131,900)		(114,374)
Total finance (income) expense	$	614	$	23,492

Selected Annual Information

The following table highlights financial data on the Company for the most recently completed three financial years.

		Fiscal year ended				
		31-Dec-17		**Ten month period 31-Dec-16**		**29-Feb-16**
Revenue		$0		$0		$13,192,311
Net loss		($53,813,125)		($43,947,658)		($8,059,974)
Loss per share		(0.14)		(0.15)		(0.04)
Total assets	$	100,521,845	$	48,403,698	$	46,759,774
Total liabilities	$	38,632,725	$	23,911,294	$	11,419,807
Working capital (deficiency)	$	36,671,982	$	21,085,727	$	27,863,598

Summary of Quarterly Results

The following table sets out selected quarterly unaudited interim condensed consolidated financial information of the Company and is derived from unaudited interim condensed consolidated financial statements prepared by the Company's management.

	IFRS Period ended							
	31-Mar-18 Q1	31-Dec-17 Q4	30-Sep-17 Q3	30-Jun-17 Q2	31-Mar-17 Q1	31-Dec-16 Q4 (four months)	31-Aug-16 Q3	31-May-16 Q2
Total Revenue	-	-	-	-	-	-	-	-
Loss before income taxes	(18,360,406)	(16,453,485)	(17,562,643)	(10,430,149)	(14,746,148)	(24,090,074)	(11,916,050)	(7,977,934)
Net income (loss)	(9,113,406)	(16,331,485)	(17,553,543)	(10,421,049)	(9,507,048)	(24,071,874)	(11,906,950)	(7,968,834)
Basic income (loss) per Share	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)	(0.08)	(0.04)	(0.03)
Diluted income (loss) per Share	(0.02)	(0.04)	(0.04)	(0.03)	(0.03)	(0.08)	(0.04)	(0.03)

See **Results from Operations** for discussion of results.

Liquidity and Capital Resources

On March 31, 2018, the Company had cash and cash equivalents on hand of $25,733,211 (December 31, 2017: $39,797,324) and had a working capital of $12,116,133 (December 31, 2017: working capital of $36,671,982). The Company's major commitments over the next year are repayment of trade and other payables, and amounts due to related parties, as well as meeting its flow-through expenditure commitments as described in Note 21 of the unaudited interim condensed consolidated financial statements for the three month periods ended March 31, 2018 and 2017.

The Company will rely on future equity financings as well as cash flows from potential future production to fund operations. It is not possible to predict whether any financing efforts will be successful. The Company has no assurance that additional funding will be available for further development, exploration and evaluation and operation of its projects. Any additional funding will be dependent upon the Company's ability to obtain financing through joint ventures, equity or debt financing or other means. Although the Company has been successful in the past in obtaining financing through the sale of equity securities and other means, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business advancements. The consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material. These conditions raise material uncertainty that may cast significant doubt as to the ability of the Company to continue operating as a going concern.

Recent financing developments are set out below:

(i) On December 29, 2017, the Company completed a brokered private placement financing of 10,988,000 flow-through shares at a price of $1.00 per flow-through share for gross proceeds of $10,988,000. The Company paid a cash commission equal to $289,400.

(ii) On September 28, 2017, the Company completed a brokered private placement financing of (i) 25,000,000 flow-through shares at a price of $1.12 per flow-through share for gross proceeds of $28,000,000, and (ii) 8,750,000 common shares of the Corporation at a price of $0.80 per Common Share for additional gross proceeds of $7,000,000. The Company paid a cash commission equal to $764,294.

(iii) On May 18, 2017, the Company completed brokered and non-brokered private placement financings of an aggregate of 46,519,490 units of the corporation at a price of $0.95 per unit for aggregate gross proceeds of $44,193,516. Each unit comprises one common share of the corporation and one-half of one common share purchase warrant of the corporation. Each unit warrant will entitle the holder thereof to purchase one common share of the corporation at a price of $1.30 per warrant share, for a period of 18 months following the closing date of the offering, and has a fair value of $8,427,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 0.66%; volatility 74% and an expected life of 18 months. In consideration for their services, the Underwriters received a cash commission equal to 6.0% of the gross proceeds of the brokered private placement.

(iv) On December 19, 2016 the Company closed its private placement of flow-through common shares of the Company. The Company issued an aggregate of 20,588,500 flow-through common shares of the Company, comprised of (i) 15,032,000 flow-through shares at a price of $0.60 per share, and (ii) 5,556,500 flow-through shares at a price of $0.58 per share, for total aggregate proceeds of $12,241,970. The Company paid a total cash commission of $489,728 to the agents.

(v) On April 26, 2016, the Company completed a bought deal private placement and issued an aggregate of 22,183,500 flow-through common shares at a price of $0.70 per flow-through share for aggregate gross proceeds of $15,528,450.

The Company paid the underwriters a cash commission equal to 6% of the gross proceeds of the Offering, not including gross proceeds raised from investors on the president's list and issued an aggregate of 404,200 broker warrants to the underwriters. Each broker warrant entitles the holder to acquire one common share of the Company at a price of $0.70 until April 26, 2018.

(vi) On February 5, 2016, the Company completed a private placement of 13,250,000 flow through common shares at a price of $0.32 per flow through common share for gross proceeds of $4,240,000 with Osisko Gold Royalties Ltd.

Outstanding Share Capital

The Company has an unlimited number of common shares authorized, with 436,563,997 common shares outstanding on March 31, 2018 and 439,763,997 as of the date of this MD&A.

A total of 27,805,000 stock options, 600,000 restricted share units and 23,662,738 share purchase warrants were outstanding on March 31, 2018 and 27,805,000 stock options, 400,000 restricted share units and 23,662,738 purchase warrants as of the date of this MD&A.

Current Exploration Activities

2017 Phase II Diamond Drilling Program Island Mountain

The Phase II exploration drilling program on Island Mountain included 107,414 meters of drilling in 258 holes on Shaft Zone and Mosquito Creek. The program was intended to determine the extents of the vertically dipping vein systems were discovered during the 2016 Phase I program. Past exploration and mining primarily focused on the replacement hosted gold as opposed to the veining due to the higher gold tenor and as such, the extents of the vein sets have never been investigated.

The former Aurum and Island Mountain Mines produced vein and replacement ore from 1934-1967 before being shut down due to depressed gold prices and financial misfortunes. Subsequent to a protracted history of fragmented tenement ownerships and unconnected exploration programs, the former Aurum Mine was developed and brought into production from 1980-1987. The high tenor of the massive sulphide replacement mineralization led to preferential mining of that ore type despite the abundance and awareness of the quartz vein mineralization. Moreover, underground exploration drilling programs were focused on delineating the massive sulphide bodies with drillhole lengths that averaged only 30 meters from the underground development and as such were not able to outline the vein systems by exploring the host footwall rocks.

After 1987, exploration by various operators on the unconsolidated land package was dominated by grassroots programs in the form of mapping, trenching, soil sampling and limited drilling programs in select areas. Disjointed land title amongst the various previous owners inhibited exploration of the complete mine sequence and only 10,000 meters of surface and underground diamond drilling has been performed since 2009 again focusing on the replacement hosted mineralization.

Mineralized quartz veins at the Shaft Zone on Island Mountain are hosted within the sandstones and are a network of high vein density with an overall sub-vertical dip and northeast strike. Recent modelling of veins at Shaft Zone proposes 67 mineralized vein corridors with an estimated horizontal width of 3 meters and a strike length of up to 300 meters. These corridors, as well as others that are developing in the Shaft and have been defined from surface to a vertical depth of 600 meters and remain open for expansion to depth and down plunge. Drillhole spacing in the corridors currently averages 25 meters between drilling sections with vertical drilling separations ranging from 20 to 75 meters with hole spacing increasing at depth. Gold grades are intimately associated with vein-hosted pyrite as well as pyritic, intensely silicified wall rock haloes in close proximity to the veins. The remaining assays from the 2017 program were received in Q1 and select highlights are listed below.

2017 Phase II Island Mountain Drilling Highlights:

- IM-17-239: 27.1 g/t Au over 0.5 meters
- IM-17-240: 11.25 g/t Au over 0.5meters
- IM-17-240: 18.6 g/t Au over 0.8 meters
- IM-17-240: 28.99 g/t Au over 2.7 meters
- IM-17-241: 19.8 g/t Au over 0.80 meters
- IM-17-241: 8.246 g/t Au over 7.5 meters
- IM-17-242: 8.30 g/t Au over 10.75meters
- IM-17-242: 13.92 g/t Au over 2.25meters
- IM-17-242: 6.94 g/t Au over 0.85 meters
- IM-17-243: 16.6 g/t Au over 1.15meters
- IM-17-244: 5.24 g/t Au over 1.00 meter
- IM-17-245: 4.69 g/t Au over 1.05 meters
- IM-17-246: 8.47 g/t Au over 0.6 meters
- IM-17-247: 13.01 g/t Au over 3.6 meters
- IM-17-247: 13.09 g/t Au over 4.25meters
- IM-17-248: 9.44 g/t Au over 1.30 meters
- IM-17-249: 15.50 g/t Au over 1.00 meter
- IM-17-249: 6.55 g/t Au over 1.20 meters
- IM-17-249: 48.17 g/t Au over 9.95 meters
- IM-17-249: 24.96g/t Au over 2.05 meters
- IM-17-250: 10.20 g/t Au over 1.20 meters
- IM-17-251: 33.22 g/t Au over 2.50 meters
- IM-17-251: 9.15 g/t Au over 7.05 meters
- IM-17-251: 12.30 g/t Au over 3.40 meters
- IM-17-254: 38.70 g/t Au over 0.50 meters
- IM-17-255: 5.28 g/t Au over 10.65 meters
- IM-17-256: 14.79 g/t Au over 1.70 meters
- IM-17-256: 26.28 g/t Au over 2.00 meters
- IM-17-257: 9.01 g/t Au over 2.45 meters
- IM-17-257: 50.50 g/t Au over 0.55meters

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at http://www.barkervillegold.com/.

2018 Island Mountain Drilling Program

A total of 50,087 meters were drilled in 162 holes with seven drill rigs on Island Mountain during Q1 2018. The objective of the program was to further delineate modelled high-grade vein corridors to a depth of 300 meters from surface at both Mosquito Creek and Shaft Zone. Additional exploration occurred at depths to 500 meters targeting extensions along strike and at depth of known high grade intercepts. The infill drilling results continue to demonstrate continuity and expansion of modelled vein corridors. Selected Assay highlights are listed below. The majority of the assay results are pending.

2018 Island Mountain Drilling Highlights

- IM-18-001: 21.0 g/t Au over 0.50 meters
- IM-18-001: 7.96 g/t Au over 1.00 meters
- IM-18-001: 101.98 g/t Au over 2.15 meters
- IM-18-001: 7.65 g/t Au over 10.60 meters
- IM-18-002: 15.50 g/t Au over 1.50 meters
- IM-18-002: 28.6 g/t Au over 1.30 meters
- IM-18-003: 20.7 g/t Au over 0.70 meters
- IM-18-003: 10.25 g/t Au over 0.50 meters
- IM-18-004: 9.11 g/t Au over 2.55 meters
- IM-18-004: 29.1 g/t Au over 1.30 meters
- IM-18-005: 29.4 g/t Au over 0.70 meters
- IM-18-005: 14.69 g/t Au over 15.80 meters
- IM-18-006: 10.87 g/t Au over 6.00 meters
- IM-18-006: 18.15 g/t Au over 1.50 meters
- IM-18-006: 24.16 g/t Au over 14.55 meters
- IM-18-007: 6.95 g/t Au over 1.05 meters
- IM-18-008: 9.91 g/t Au over 1.40 meters
- IM-18-009: 85.6 g/t Au over 1.50 meters
- IM-18-010: 44.66 g/t Au over 2.50 meters
- IM-18-010: 19.64 g/t Au over 3.85 meters
- IM-18-012: 26.13 g/t Au over 2.9 meters
- IM-18-012: 44.9 g/t Au over 1.00 meters
- IM-18-012: 89.9 g/t Au over 0.50 meters
- IM-18-013: 14.9 g/t Au over 1.45 meters
- IM-18-014: 16.55 g/t Au over 0.60 meters
- IM-18-015: 17.0 g/t Au over 1.35 meters
- IM-18-016: 24.58 g/t Au over 2.55 meters
- IM-18-016: 9.31 g/t Au over 2.25 meters
- IM-18-017: 17.95 g/t Au over 0.90 meters
- IM-18-018: 25.94 g/t Au over 2.30 meters
- IM-18-019: 53.70 g/t Au over 1.05 meters
- IM-18-019: 38.70 g/t Au over 0.90 meters
- IM-18-020: 9.26 g/t Au over 0.90 meters
- IM-18-021: 61.1 g/t Au over 1.00 meters
- IM-18-022: 21.1 g/t Au over 0.65 meters
- IM-18-022: 139.5 g/t Au over 0.60 meters
- IM-18-023: 58.0 g/t Au over 1.00 meters
- IM-18-023: 73.80 g/t Au over 1.25 meters
- IM-18-025: 9.57 g/t Au over 3.2 meters
- IM-18-025: 61.4 g/t Au over 1.5 meters
- IM-18-026: 31.83 g/t Au over 2.75 meters
- IM-18-026: 68.9 g/t Au over 0.55 meters
- IM-18-027: 12.82 g/t Au over 4.70 meters
- IM-18-027: 18.35 g/t Au over 0.60 meters
- IM-18-027: 82.3 g/t Au over 0.55 meters
- IM-18-028: 7.03 g/t Au over 0.90 meters
- IM-18-029: 17.1 g/t Au over 1.40 meters
- IM-18-030: 15.01 g/t Au over 1.20 meters
- IM-18-031: 30.1 g/t Au over 0.55 meters
- IM-18-032: 47.2 g/t Au over 0.75 meters

- IM-18-033: 16.96 g/t Au over 9.30 meters
- IM-18-034: 21.39 g/t Au over 1.30 meters
- IM-18-035: 11.00 g/t Au over 1.35 meters
- IM-18-036: 15.25 g/t Au over 0.65 meters
- IM-18-038: 34.04 g/t Au over 2.2 meters
- IM-18-038: 12.54 g/t Au over 18.2 meters
- IM-18-039: 44.60 g/t Au over 1.25 meters
- IM-18-040: 31.7 g/t Au over 0.50 meters
- IM-18-041: 36.41 g/t Au over 4.3 meters
- IM-18-042: 5.39g/t Au over 1.50 meters
- IM-18-043: 40.20 g/t Au over 0.50 meters
- IM-18-044: 27.40 g/t Au over 1.25 meters
- IM-18-045: 48.60 g/t Au over 0.90 meters
- IM-18-045: 5.23 g/t Au over 4.00 meters
- IM-18-046: 14.36 g/t Au over 8.25 meters
- IM-18-046: 27.41 g/t Au over 4.35 meters
- IM-18-047: 11.68 g/t Au over 7.00 meters

2017 Drilling at Valley Zone

The Valley zone is in the low lying are between Cow and Island Mountains. A total of 41,369 meters were drilled at the Valley Zone in 2017 testing for vertically dipping gold bearing vein corridors within the sandstone unit. Recent geologic modeling in the area indicates 22 mineralized vein corridors in the Valley Zone. The remaining assays from the 2017 program were received in 2018 and select assay highlights are listed below:

2017 Valley Zone Drilling Highlights

- CM-17-067: 20.80 g/t Au over 0.50 meters
- CM-17-067: 89.10 g/t Au over 0.50 meters
- CM-17-068: 38.97 g/t Au over 1.25 meters
- CM-17-068: 9.07 g/t Au over 0.50 meters
- CM-17-069: 5.75 g/t Au over 0.85 meters
- CM-17-070: 263.0 g/t Au over 0.5 meters
- CM-17-070: 153.5 g/t Au over 0.65 meters
- CM-17-071: 19.10 g/t Au over 0.50 meters
- CM-17-072: 13.15 g/t Au over 0.70 meters
- CM-17-072: 28.70 g/t Au over 0.50 meters
- CM-17-072: 20.40 g/t Au over 0.50 meters
- CM-17-073: 28.30 g/t Au over 0.50 meters
- CM-17-073: 47.4 g /t Au over 0.50 meters
- CM-17-073: 5.84 g/t Au over 7.40 meters
- CM-17-074: 19.80 g/t Au over 1.60 meters
- CM-17-078: 11.22 g/t Au over 8.25 meters
- CM-17-079: 7.37 g/t Au over 0.70 meters
- CM-17-081: 10.40 g/t Au over 1.75 meters
- CM-17-082: 23.2 g/t Au over 0.6 meters
- CM-17-082: 12.19 g/t Au over 1.90 meters
- CM-17-084: 7.45 g/t Au over 6.70 meters
- CM-17-084: 22.11 g/t Au over 5.85 meters
- CM-17-085: 23.00 g/t Au over 1.15 meters
- CM-17-087: 57.7 g/t Au over 0.50 meters
- CM-17-087: 13.35 g/t Au over 1.50 meters
- CM-17-088: 10.7 g/t Au over 0.65 meters
- CM-17-088: 17.67 g/t Au over 4.70 meters

- CM-17-088: 104.0 g/t Au over 0.50 meters
- CM-17-089: 23.10 g/t Au over 1.00 meter
- CM-17-089: 46.80 g/t Au over 0.70 meters
- CM-17-091: 14.25 g/t Au over2.90 meters
- CM-17-093: 49.20 g/t Au over 0.55 meters
- CM-17-094: 21.7g/t Au over 0.9meters
- CM-17-095: 27.6 g/t Au over 0.80 meters
- CM-17-095: 4.89 g/t Au over 1.05 meters
- CM-17-096: 12.50 g/t Au over 8.00 meters
- CM-17-096: 2250 g/t Au over 0.50 meters
- CM-17-098: 32.10 g/t Au over 1.25 meters
- CM-17-098: 49.40 g/t Au over 0.70 meters
- CM-17-099: 36.89 g/t Au over 1.85 meters
- CM-17-099: 16.98 g/t Au over 2.40 meters
- CM-17-100: 14.15 g/t Au over 0.55 meters
- CM-17-101: 25.01 g/t Au over 1.00 meter
- CM-17-101: 24.30 g/t Au over 0.6 meters
- CM-17-101: 43.40 g/t Au over 0.55 meters
- CM-17-103: 71.20 g/t Au over 0.60 meters
- CM-17-104: 29.80 g/t Au over 0.50 meters
- CM-17-104: 5.19 g/t Au over 7.50 meters
- CM-17-105: 34.60 g/t Au over 0.85 meters
- CM-17-106: 83.80 g/t Au over 0.50 meters
- CM-17-106: 12.22 g/t Au over 11.40 meters

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at http://www.barkervillegold.com/.

2017 Barkerville Mountain Drilling Program

The Company initiated a 4,000-meter Phase I exploration diamond drill program on Barkerville Mountain, north east of Bonanza Ledge pit and yielded mineralized vein intersections of 9.60 g/t Au over 2.10 meters in BM-17-001 at a vertical depth of 180 meters. Drillhole BM-17-002 intersected 4.09 g/t Au over 4.25 meters located 70 meters down dip of BM-17-001. Drillhole BM-17-008 intersected mineralized quartz vein with 22.72 g/t Au over 1.50 meters at a vertical depth of 400 meters. These intersections are adjacent to the previously reported KL zone target area. These intersections remain untested along strike and at depth, holes in this area are at approximately 100 meter spacing and have analogous host lithology and mineralization to the veins present on Cow and Island Mountain. Further drilling is warranted in this area. Selected assay highlights are listed below.

2017 Barkerville Mountain Drilling Highlights

- BM-17-001: 2.96 g/t Au over 4.70 meters
- BM-17-001: 18.30 g/t Au over 0.95 meters
- BM-17-002: 7.72 g/t Au over 0.50 meters
- BM-17-002: 4.09 g/t Au over 4.25 meters
- BM-17-003: 39.60 g/t Au over 1.05 meters
- BM-17-005: 51.60 g/t Au over 0.55 meters
- BM-17-005: 29.80 g/t Au over 0.50 meters
- BM-17-006: 12.0 g/t Au over 0.70 meters
- BM-17-007: 15.90 g/t Au over 0.65 meters
- BM-17-008: 4.21 g/t Au over 2.70 meters
- BM-17-008: 11.25 g/t Au over 1.30 meters
- BM-17-008: 26.30 g/t Au over 1.00 meters
- BM-17-008: 56.10 g/t Au over 0.65 meters

A complete list of all drill results is available under the Company's profile on SEDAR at www.sedar.com as well as the Company's website at http://www.barkervillegold.com/.

2018 Regional Exploration

The regional reconnaissance results from 2016 and 2017 geochemical sampling and mapping programs has delineated a previously unknown 25-kilometer-long corridor of multi-station and multi-line auriferous soil anomalies beginning at Cow Mountain and trending southwest along strike to the past producing Cariboo-Hudson Mine. Defined by both the geophysical and geochemical data, the width of the mineralized corridors ranges between 150 and 500 metres, which is consistent with the mineralized envelopes on Island, Cow and Barkerville Mountains. To date, 160 regional targets have been generated over 67 kilometers of the Cariboo Break.

The 'Cariboo Break,' a major deep-seated shear which appears to have focused gold mineralization along its length is manifested as a well constrained magnetic depression coincident with the auriferous soil anomalies generated from the 2016 and 2017 regional exploration program and the mine trend on Island, Cow and Barkerville Mountains.

2018 Regional Drilling

The Company initiated a Phase I drilling campaign in February 2018 on the Grouse Creek West Regional target area, located approximately six kilometers south east of Barkerville Mountain. A total of 3,861 meters were drilled in Q1 2018. The priority target areas are exposed veins in the Grouse Creek Valey walls. Sampling of mineralized quartz veins in 2017 returned anomalous values up to 28.0 g/t Au in silica sericite altered sandstone. Second tier targets are strong linear gold in soil anomalies on the north-western flank of Grouse Creek that appear to be correlated along strike of a previously mined out veins. The target vein corridors are analogous to Cow and Island Mountains based on soil geochemical data, surface mapping and historical drilling. Holes were drilled to a depth of 400 vertical meters from surface at a spacing of 100 meters. A three-dimensional geologic model for the property was completed to further define the target areas based on lithology, structure and alteration. Assays for these holes are pending.

A Regional historic data compilation is ongoing and property wide surface geological mapping and sampling programs will continue in summer 2018. An additional 20,000 meters on three additional targets will be drilled in 2018.

Updated Mineral Resource Statement

On May 2, 2018, The Company announced a maiden underground resource for Cow and Island Mountains and an update for Barkerville Mountain on the Company's Cariboo Gold Project. The underground mineral resource estimate incorporates the Cow Mountain ("Cow") and Valley Zones ("Valley") on Cow Mountain and Shaft Zone ("Shaft") and Mosquito Creek ("Mosquito") on Island Mountain at a cut-off grade of 3.0 g/t Au ("grams per metric tonne"). A mineral resource on Bonanza Ledge and BC Vein is also included. The resource is defined over 6 kilometers of BGM's 67-kilometer-long land package. Infill and exploration drilling is ongoing and resource updates will be presented annually. The mineral resource estimate was conducted by Talisker Exploration Services Inc. and validated by InnovExplo Inc., an independent consulting firm based out of Val-d'Or, Quebec. In accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), an updated technical report for the Cariboo Gold Project will be filed on SEDAR and the Company's website.

A comprehensive lithologic model was completed over the principal project area and incorporated current and historical drill data and surface and underground mapping to define the limits of the host lithology for mineralized vein corridors. Modeling and resource estimation was undertaken on the four major project areas Mosquito Creek and Shaft Zone on Island Mountain and Valley Zone and Cow Deposit on Cow Mountain. Mineralized axial planar vein corridors were modelled for each of the deposit areas using Leapfrog Geo software. The axial planar vein corridors are trending north east and are the main target areas for mineralization.

The maiden Mineral resource estimate for Cow and Island Mountain deposits is built upon over 210,000 meters of diamond drilling from BGM's 2016 and 2017 drill campaigns, and historically verified drill data using a total of 2,328 drillholes. The mineral resource estimate is supported by a robust 3D litho-structural model of the gold-bearing vein corridors. A strong understanding of the controls of mineralization enabled the Company's technical team to construct a mineral resource estimate constrained by lithology, alteration, structure and mineralization. A total of 181 vein corridors were modelled.

2018 Cariboo Gold Project Underground Mineral Resource Estimate reported at a 3.0 g/t Au cut-off grade

Cariboo Gold Project Mineral Resources			
Deposit	**Tonnes**	**Au (g/t)**	**Au Oz**
Measured			
Bonanza Ledge	264,000	7.3	61,900
Indicated			
Bonanza Ledge	63,400	4.8	9,700
BC Vein	444,900	6.4	91,600
Mosquito	247,000	9.5	75,700
Shaft	4,373,200	5.9	835,600
Valley	769,600	5.8	142,700
Cow	1,947,800	6.1	381,800
Total Indicated	7,845,900	6.1	1,537,100
Total Measured and Indicated	**8,109,900**	**6.1**	**1,599,000**
Inferred			
BC Vein	173,400	4.6	25,400
Mosquito	699,200	6.0	135,600
Shaft	7,357,000	5.1	1,213,000
Valley	2,454,300	5.4	423,400
Cow	2,047,300	5.4	358,300
Total Inferred	**12,731,200**	**5.2**	**2,155,700**

Given the nature of these vein corridors, extensions down dip and along strike are highly plausible. Drilling has occurred to depths of 600 meters from surface. BGM plans to drill down dip and along strike of mineralized vein corridors to define additional resources at Cow and Island Mountain. BGM intends to drill underground once permitting and construction of an exploration drift is complete. The mineral resource estimate reported herein represents the first mineral resource estimate on Cow and Island published by the new management team. The robust 3D litho-structural model that defines the controls of mineralization allows the exploration team to define additional mineral resource much more efficiently, this model can be applied to the remaining 65 kilometers of strike.

Technical Considerations for the estimation on Cow and Island Mountain Deposits:

- 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. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
- Geologic and vein corridor modeling was completed by BGM Chief Resource Geologist Tessa Scott, P.Geo. A total of 181 vein corridors were modelled at a minimum thickness of 2.0 meters.
- The drill data includes all historically verified and validated data and drilling from the 2016 and 2017 exploration campaigns.
- Resource Estimation was completed by Talisker Exploration Services Geologist Leonardo Souza, MAusIMM (CP).
- Each of Christine Beausoleil, P.Geo and Carl Pelletier, P.Geo, of Innovexplo Inc. has reviewed and validated the mineral resource estimate and are both independent “Qualified Person” (as defined in NI 43-101) responsible for the 2018 mineral resource estimate. The effective date of the 2017 mineral resource estimate is May 2, 2018.
- The mineral resource estimate is reported at a cut-off grade of 3.00 g/t Au. Cut-off grades must be re-evaluated considering prevailing market conditions (including gold prices, exchange rates and mining costs).
- An average density of 2.75 g/cm3 was established for all zones.

- Samples are composited within the vein corridor solids and lengths vary by zone (Cow 3.0 m, Valley 1.4 m, Shaft 2.0 m, and Mosquito 3.0 m).
- A three-step capping procedure has been applied to composite data for each zone. Capping was implemented at three distances for each deposit and ranges from 15 to 60 m depending on the zone.
- Resources were estimated using Datamine Studio RM 1.3 software within the modeled vein corridors using hard boundaries. Ordinary Kriging interpolation method was used to estimate the resource in a sub-blocked model (parent block size = 5 meters x 5 meters x 5 meters).
- The inferred and indicated resource categories were constructed manually for each vein corridor.
    - For blocks to be categorized as indicated, blocks must be informed by two drill holes with a minimum distance of approximately 25 m to the nearest drill hole. The classification can extend for 30 m where the mineralization trend was demonstrated by multiple adjacent holes.
    - For blocks to be categorized as inferred, the blocks must be informed by two drill holes with a minimum distance of approximately 50 m to the nearest drill hole. The classification can extend up to 100 m as the vein corridor model is tightly constrained.
- 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 hundred. 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
- The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.
- All figures have been rounded to reflect the relative precision of the estimates. Mineral Resources are reported at a cut-off grade of 3.0 g/t gold based on CAD $1,664 per troy ounce gold and gold metallurgical recoveries of 87.4 percent.

Technical Considerations for the estimation for Barkerville Mountain Deposits:

- The 2018 MRE was prepared by Christine Beausoleil, P.Geo. and Carl Pelletier, P.Geo, of InnovExplo Inc., both indedpendent qualified persons as defined by NI 43 101. The effective date of the estimate is May 1, 2018.
- These Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.
- The estimate includes two (2) gold zones.
- The official underground resource is reported at a cut-off grade of 3.00 g/t Au. Cut-off grades must be re-evaluated in light of prevailing market conditions (gold price, exchange rate and mining cost).
- Density (g/cm3) data was established on a per zone basis and ranges from 2.72 to 3.20 g/cm3.
- 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.
- Compositing was done on drill hole sections falling within the mineralized zones (composite = 2.0 m for BC Vein and Bonanza Ledge; distributed tails).
- High-grade capping (g/t Au) was done on composited data and varies from 32 to 70 g/t Au based on the statistical analysis of individual mineralized zones. Restricted search ellipsoids were used during the BC Vein interpolation using 1/2 variographic ranges and a threshold of 21 g/t Au.
- Resources were estimated using GEOVIA GEMS 6.7 software from drill hole sampling, using a 2-pass Ordinary Kriging interpolation method in a block model (block size = 2 m x 2 m x 5 m).
- The Inferred category is only defined within areas where blocks were interpolated during Pass 1 or Pass 2 where continuity is sufficient to avoid isolated blocks being interpolated by only one drill hole, and isolated blocks were reclassified as “exploration potential” on a visual basis. The Indicated category is only defined by blocks interpolated by a minimum of two drill holes in areas where the maximum distance to drill hole composites is less than 20 m for blocks interpolated in Pass 1. The Measured category is only defined by blocks interpolated by a minimum of three drill holes in areas where the maximum distance to the closest drill hole composite is less than 10 m for blocks interpolated in Pass 1 and in close proximity with the sampled open pit (< 40m).
- Ounce (troy) = metric tons x grade / 31.10348. Calculations used metric units (metres, tonnes, g/t).

- The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects; rounding followed the recommendations in NI 43 101
- InnovExplo is not 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

QAQC Program and Core Sampling Protocols

Lynda Bloom M.Sc., P.Geo, of Analytical Solutions Limited (ASL), was engaged to design a rigorous QAQC program and operations manual for the Company's diamond drilling sampling programs. ASL was chosen due to their extensive experience in exploration geochemistry, data interpretation and quality control for assay programs. ASL provides independent consulting services that enable mining companies to comply with security exchange regulations. Quality assurance/ quality control (QAQC) programs are designed and monitored according to specific project requirements. ASL provides QPs with assistance in designing QC programs so that regulators and third-party auditors are satisfied with the integrity of the assays, while minimizing expense.

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.

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 0.01 ppm and upper limit of 100 ppm. Samples with gold assays greater than 100 ppm are re-analyzed using a 1,000g screen metallic fire assay. A selected number of 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).

Qualified Persons and 43-101 Disclosure

As per National Instrument 43-101 Standards of Disclosure for Mineral Projects, Maggie Layman, 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.

The Independent and Qualified Persons for the Mineral Resources Estimate update, as defined by NI 43-101, is Christine Beausoleil, P.Geo., and Carl Pelletier, P.Geo., both of InnovExplo Inc. and confirm having reviewed this press release and that the scientific and technical information is consistent.

Bonanza Ledge Deposit and QR Mill

Beginning in 1998, the Company focused on delineating a high grade resource within the BC Vein, roughly 3 km southeast of the Gold Quartz Mine. The Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000, now known as the Bonanza Ledge deposit. At that time, the Company was focused on bringing the Bonanza Ledge open pit mine into production as soon as reasonably possible, as all necessary approvals and permits had been obtained.

Permits

The Bonanza Ledge deposit was discovered when the Company intersected a new style of mineralization in the footwall of the BC Vein in March 2000. Since that time the Company has worked diligently drilling, mine modeling and completing studies including First Nations consultations to obtain all the necessary approvals and permits to bring the proposed Bonanza Ledge open pit mine into production. The receipt of the Mines Act permit for the proposed open-pit mine at Bonanza Ledge was received and announced in a News Release on December 6, 2011.

QR Mill

The QR Mill operates under Permit M-198, received in June 2012, as amended, to allow the Company to process Bonanza Ledge ore at the QR Mill. The trial grouting of the first hole on the North Dam was completed.

Related party balances and transactions:

These transactions are recorded at exchange value, being the value established and agreed upon by the related parties.

Name of Related Party	Description	Three month period ended March 31, 2018 $	Three month period ended March 31, 2017 $
Tom Obradovich, former CEO	Salary & benefits[1]	Nil	Nil
	Severance	Nil	Nil
	Consulting fees & benefits	39,067	38,999
	Share based payments	Nil	Nil
Chris Lodder, CEO	Salary & benefits[10]	427,817	101,499
	Share based payments	Nil	Nil
	Restricted Share Units	Nil	Nil
Reid Obradovich	Salary & benefits[7]	Nil	Nil
Andres Tinajero, CFO	Consulting fees & benefits	Nil	61,499
	Salaries & benefits[2]	292,682	Nil
	Share based payments	Nil	Nil
	Restricted Share Units [13]	Nil	Nil
Lisa McCormack, former Corporate Secretary	Salary-Severance & benefits[3]	1,193	18,858
	Share based payments	Nil	Nil
Claire Lehan, Corporate Secretary	Share based payments	Nil	Nil
Paul Geddes, former VP Exploration	Salary & benefits	44,882	61,499
	Share based payments	Nil	Nil
Maggie Layman, VP Exploration	Salary & benefits	64,931	Nil
Chris Pharness, VP Environment	Salary & benefits [11]	121,834	62,150
	Share based payments	Nil	Nil
Aaron Pharness	Salary & benefits[9]	Nil	Nil
Cale Pharness	Salary & benefits[9]	39,733	12,380
Dave Rouleau, VP Operations	Salary & benefits [12]	93,182	Nil
	Share based payments	Nil	Nil
Wildeboer Dellelce	Legal fees[5]	Nil	13,200
Bennett Jones LLP	Legal fees[6]	196,078	Nil

Talisker Exploration Services	Exploration[8]	22,770	26,730
Osisko Gold Royalties Ltd.	Operation & Administrative[14] Gold royalties	260,556 19,683	92,374 Nil
Falco Resources	Operation & administrative	Nil	Nil
Orion Capital	Rent	Nil	Nil
Spirit of York Distillery	Administrative	Nil	Nil

The Company accrued directors' fees of $1,500 for its Non-Executive directors for each meeting and committee meeting that a director attends in person or by teleconference.

Name of Director	**Description**	**Three month period ended March 31, 2018 $**		**Three month period ended March 31, 2017 $**
Greg Gibson (former director)	Directors' fees	Nil	4	22,250
	Share based payments	Nil		Nil
Tom Obradovich	Directors' fees	10,500	4	9,000
	Share based payments	Nil		Nil
Anthony Makuch	Directors' fees	9,000	4	10,500
	Share based payments	Nil		Nil
John Kutkevicius	Directors' fees	10,500	4	10,500
	Share based payments	Nil		Nil
Ian Gordon	Directors' fees	Nil	4	9,000
(former director)	Share based payments	Nil		Nil
Allan Folk	Directors' fees	Nil	4	9,000
(former director)	Share based payments	Nil		Nil
Morris Prychidny	Directors' fees	13,000	4	13,000
	Share based payments	Nil		Nil
Chris Lodder	Directors' fees	Nil		Nil
	Share based payments	Nil		Nil
Sean Roosen	Directors' fees	22,500	4	11,250
	Share based payments	Nil		Nil
	Restricted Share Units	Nil	13	Nil
Andree St-Germain	Directors' fees	9,000	4	Nil
	Share based payments	Nil		Nil

John Sabine	Directors' fees	9,000 [4]	Nil
	Share based payments	Nil	Nil
John Burzynski	Directors' fees	9,000 [4]	Nil
	Share based payments	Nil	Nil

Notes:

1) On January 15, 2015, the Company entered into an employment agreement with the former CEO. The agreement was to pay the CEO $300,000 per annum. Currently Mr. Obradovich has an ongoing consulting agreement with the Company for $12,500 a month.
2) On May 1, 2015, Andres Tinajero was appointed as CFO of the Company. The agreement is to pay the CFO $300,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long target payout of 150% of Base salary based on achievement. The agreement includes termination clause to pay the CFO 24 months of base fees. In the event of a change of control, the CFO is entitled to a lump sum payment equal to 24 months of his annual fee plus average bonus. On December 29, 2017, the CFO was granted 200,000 RSU.
3) The Company paid the former Corporate Secretary a salary of $70,000 per year.
4) Includes fee for Board meetings and Committees attended.
5) These fees were paid to a law firm in which Mr. Kutkevicius is a partner.
6) These fees were paid to a law firm in which Mr. Sabine is Legal Counsel.
7) Reid Obradovich are immediate family of Mr. Tom Obradovich, Director of the Company.
8) Talisker Exploration Services is a company controlled by Mr. Chris Lodder. Mr. Lodder (CEO & Director of the Company) owns 33.33% interest and is the President of the company. The Company is specialized in ore controls, geological modelling and greenfields exploration.
9) Aaron Pharness and Cale Pharness are immediate family of Mr. Chris Pharness, the VP of Environment.
10) On July 1, 2016 Chris Lodder was appointed as CEO of the Company. The agreement is to pay the CEO $425,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long target payout of 200% of Base salary based on achievement. The CEO is entitled in the event of termination of employment without cause, of an amount equal to two (2) times his base salary plus average bonus paid for the previous 2 - year period. In the event where less than 2 -year bonus was paid, the average paid for the previous period will be used to calculate the 2 - year average; payment, in the event of a change of control of the Company, of an amount equal to two (2) times his base salary plus bonus at target for the previous 2 - year period; participation in the executive medical benefits plan offered by the Company. On December 29, 2017 the CEO was granted 600,000 RSU.
11) On October 17, 2016, The Company amended Chris Pharness' employment agreement. The agreement is to pay the VP of Environment $240,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long term target payout of 100% of Base fee based on achievement. The agreement includes termination clause to pay the VP of Exploration 24 months of base fees. In the event of a change of control, the VP of Exploration is entitled to a lump sum payment equal to 24 months of his annual fee.
12) On April 3, 2017, The Company entered into an employment agreement with Dave Rouleau. The agreement is to pay the VP of Operations $240,000 per annum, an annual bonus at the discretion of the Board. The bonus shall have a short and long term target payout of 100% of Base fee based on achievement. The agreement includes termination clause to pay the VP of Operations 24 months of base fees. In the event of a change of control, the Vp of Operations entitled to a lump sum payment equal to 24 months of his annual fee.
13) On December 29, 2017 and June 28, 2017, the Company granted an aggregate of 900,000 restricted share units to certain directors and officers.
14) These fees were paid to a firm in which Mr. Roosen is the CEO & Director.
15) These fees were paid to an entity in which Mr. Roosen and Mr. Luc Lessard are officers of the Company.
16) These fees were paid to an entity in which Mr. Prychidny is a partner.
17) These fees were paid to an entity in which Mr. Prychidny and Mr Roosen are partners.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Recent Accounting Pronouncements

The adoption of the following new standards, interpretations and amendments where included in the financial statements for the year beginning January 1, 2018.

<u>IFRS 15 Revenue Recognition</u>

The Company has adopted all of the requirements of IFRS 15 as of January 1, 2018. IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The Company has used the modified retrospective transition method, which had no impact on the Company's consolidated financial statements as the Company has not yet reached commercial production and had no revenue recorded in the financial statements. The following is the Company's new accounting policy for revenue recognition under IFRS 15:

Revenue recognition

Once commercial production is declared, revenue from the sales of gold and silver is recognized based on the identification of contracts with a customer, the determination of performance obligation under the contract and the related transaction price, and the point at which the Company satisfies its performance obligation.

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 effective January 1, 2018 and elected not to retroactively restate comparative periods. There was no impact on carrying values and equity as at January 1, 2018 and no measurement differences as a result of adopting IFRS 9.

The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for classification and measurement of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	IAS 39	IFRS 9
Cash & Cash Equivalents	Fair Value through profit or loss	Fair Value through profit or loss
Reclamation deposits	Loans and Receivables, measured at amortized cost	Amortized cost
Amounts receivable	Loans and Receivables, measured at amortized cost	Amortized cost
Investments	Available for sale	Financial asset at fair value through other comprehensive income
Trade and other payables, Due to related parties, Lease payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost

As a result of the adoption of IFRS 9, the Company's accounting policy for financial instruments has been updated as follows:

1. Financial assets
Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVOCI). The Company determines the classification of its financial assets at initial recognition.
(1.1) FVTPL
Financial assets are classified at FVTPL if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net earnings or loss.
(1.2) Amortized cost
Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Company's amounts receivables are recorded at amortized cost as they meet the required criteria. A provision is recorded when the estimated recoverable amount of the financial asset is lower than the carrying amount. At each statement of financial position date, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. When sold or impaired, any accumulated fair value adjustments previously recognized are included in profit or loss.
(1.3) FVOCI
Listed and unlisted bonds were reclassified from available for sale to FVOCI, as the Company's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest.

For equity securities that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVOCI, with all subsequent changes in fair value being recognized in other comprehensive income ("OCI"). This election is available for each separate investment. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment, the cumulative fair value change remains in OCI and is not recycled to net earnings or loss.
(1.4) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

2. Financial liabilities
For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Company does not have any financial liabilities designated at FVTPL, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities. Trade and other payables, due to related parties and lease payable are accounted for at amortized cost.

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended March 31, 2018.

IFRS 16 Leases

IFRS 16 - In 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), replacing IAS 17, Leases and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers ("IFRS 15") has been adopted. The Company has not yet determined the impact of the amendments on the Company's financial statements.

There are no additional standards not yet effective that would have an impact on the consolidated financial statements.

Financial Instruments and Risk Management

The company is exposed through its operations to the following financial risks:

Market Risk

Credit Risk

Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Financial Assets at Fair Value through Profit and Loss		Loans and Receivables		Fair Value through Other Comprehensive Income	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
Cash and cash equivalents	$ 25,733,211	$ 39,797,324	$ -	$ -	$ -	$ -
Amounts receivable	-	-	1,387,861	3,159,946	-	-

Fair Value through Other Comprehensive Income Investments	-	-	-	-	595,600	11,811,409
Reclamation deposits	-	-	8,042,600	7,977,600	-	-
Total Financial Assets	$ 25,733,211	$ 39,797,324	$ 9,430,461	$ 11,137,546	$ 595,600	$ 11,811,409

	March 31, 2018	December 31, 2017
Financial liabilities at amortized cost:		
Trade and other payables	$ 11,985,884	$ 14,386,967
Due to related parties	248,538	536,406
Lease payable	728,534	851,993
Total Financial Liabilities	$ 12,962,956	$ 15,775,366

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board is to set policies that seek to reduce risk as much as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

a) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings at variable rates. Interest rate risk is limited to potential decreases on the interest rate offers on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

b) Commodity Price Risk:

The Company is subject to commodity price risk for all the principal metals that are recovered from the concentrates that it produces. These include gold and silver. These metal prices are subject to numerous factors beyond the control of the Company including central bank sales, producer hedging activities, interest rates, exchange rates, inflation and deflation, global and regional supply and demand, and political and economic conditions in major producing countries throughout the world. A 5% increase/decrease in gold price would have an impact of approximately $nil. The Company has elected not to actively manage its exposure to metal prices at this time.

c) Equity Price Risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The available-for-sale investment in the common shares of Lions Gate Energy Inc. is not a source of market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash, reclamation deposits and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. The reclamation bonds are maintained with financial institutions by the Province and can be released upon the Company fulfilling its reclamation obligations.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents of $25,733,211 (December 31, 2017: $39,797,324), reclamation deposits of $8,042,600 (December 31, 2017: $7,977,600), amounts receivable of $1,387,861 (December 31, 2017: $3,159,946), and fair value through other comprehensive income investments of $595,600 (December 31, 2017: $11,811,409).

Liquidity Risk

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. As at March 31, 2018, the Company had a working capital of $12,116,133 (December 31, 2017: $36,671,982 working capital).

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at March 31, 2018 and December 31, 2017:

	Book Value at March 31, 2018	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 11,985,884	$ 11,985,884	$ -	$ -	$ 11,985,884
Due to related parties	248,538	248,538	-	-	248,538
Lease payable	749,449	518,637	230,812	-	749,449
Total	$ 12,983,871	$ 12,753,059	$ 230,812	$ -	$ 12,983,871

	Book Value at December 31, 2017	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 14,386,967	$ 14,386,967	$ -	$ -	$ 14,386,967
Due to related parties	536,406	536,406	-	-	536,406
Lease payable	880,525	524,303	356,222	-	880,525
Total	$ 15,803,898	$ 15,447,676	$ 356,222	$ -	$ 15,803,898

Other Risk Factors

As a mining company the Company faces other risks including, but not necessarily limited to, the following:

Reliance on Management's Expertise

Barkerville strongly depends on the business acumen expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Company.

Legal risk

The Company has been made aware of a complaint filed in the Circuit Court of the 11th Judicial Circuit in Miami-Dade County, Florida, between Jack Kachkar, as plaintiff, and the Company, and approximately seventy (70) other persons, as defendants, being Case No. 15-27567-CA-27. The Claim relates to a convertible debenture financing that occurred in 2006. The claim does not specify the quantum of damages allegedly suffered by the plaintiff and has not been formally served on the Company. If and when the Company is formally served with the complaint, the Company will vigorously defend itself against the claim.

On April 8 and March 30, 2016, the Company announced that it has been served with a proposed class action lawsuit that has been commenced in the Ontario Superior Court of Justice relating to an August 12, 2012, technical report prepared by Peter T. George, P. Geo, concerning a mineral resource estimate for the Cariboo Gold Project. The Notice of Action also names the Company's former President and CEO, James Francis Callaghan, former CFO, Minaz Dhanani, the author of the Technical Report Peter T. George and his consulting company, Geoex Limited.

On April 2, 2018, The Company announced that the previously announced class action lawsuit relating in part to an August 12, 2012 technical report concerning a mineral resource estimate for the Cariboo Gold Project, has been settled and the settlement has been approved by the Court. The settlement agreement provides for a payment of an aggregate settlement amount of $250,000 that will be fully funded by insurance coverage maintained by the Corporation. The settlement agreement contains no admission of liability or wrongdoing.

Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct, operate and maintain mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk are taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permits and Licenses

The exploitation and development of its mineral properties requires the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exproration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

Conflicts of Interest

Certain directors of the Company also serve as a director and/or officers of a major shareholder of the Company or of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Commitments and Contingencies

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Flow-through shares

As at March 31, 2018, the Company is committed to spending approximately $18,692,000 by December 31, 2018 in connection with its flow-through offerings (December 31, 2017 - $29,454,000).

Financial and Disclosure Controls and Procedures

During the three month period ended March 31, 2018 there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make.

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com. In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

"Chris Lodder"

President & Chief Executive Officer