MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2019

THIS MD&A IS DATED MAY 21, 2019

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, 2019 and 2018 and related notes thereto, and the Company's audited consolidated financial statements for the years ended December 31, 2018 and 2017 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. All figures are in Canadian dollars unless otherwise noted. The MD&A has been prepared as of May 21, 2019 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.

Information relating to the Cariboo Gold Project is supported by the technical report titled "NI 43-101 Technical Report and Mineral Resource Estimate Update for the Cariboo Gold Project, B.C., Canada" dated June 14, 2018 with an effective date of May 2, 2018 prepared by Christine Beausoleil, P. Geo. (OCQ No. 656, EGBC No. 36156) and Carl Pelletier, P. Geo. (OGQ no. 384, APGO no. 1713) from InnovExplo Inc. (the "**Cariboo Technical Report**"). Reference should be made to the full text of the Cariboo Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") and is available for review on SEDAR under the issuer profile of Barkerville at www.sedar.com.

As per NI 43-101, Maggie Layman, P.Geo. Vice President Exploration, is a Qualified Person for the Company and has prepared, validated and approved the technical and scientific content in this MD&A. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration activities on the Cariboo Gold Project.

Forward Looking Statements

This 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 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 eight 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 Company has a two-stage business plan based on existing resources at the Cariboo Gold Projects and the larger exploration potential of the Cariboo District.

On May 6, 2019, the Company announced the appointment of Mr. Eric Tremblay to the Board of Directors replacing Mr. John Burzynski as a Director of the Company.

UPDATES UP TO THE THREE MONTH PERIOD ENDED MARCH 31, 2019 AND SUBSEQUENT TO THE PERIOD

Financings

On April 23, 2019, the Company completed a brokered private placement financing of 55,556,000 common shares of the Company at a price of $0.36 per common share for gross proceeds of $20,000,160.

On December 18, 2018 and December 21, 2018, the Company completed two tranches of a brokered private placement financing of (i) 40,132,581 flow-through shares at a price of $0.50 per flow-through share for gross proceeds of $20,066,291, (ii) 6,000,000 flow-through shares at a price of $0.40 per flow-through share for gross proceeds of $2,400,000, and (iii) 20,554,941 common shares at a price of $0.34 per common share for gross proceeds of $6,988,680.

On September 6, 2018 the Company completed a royalty sale transaction (the "**Royalty Purchase Transaction**") with Osisko Gold Royalties Ltd. ("**Osisko**"), pursuant to which Osisko acquired a 1.75% net smelter return royalty on the Cariboo Gold Project for the aggregate purchase price of $20,000,000 ("**Royalty Purchase Agreement**"). Of the purchase price paid on closing, $2,000,000 was kept by the Company in a segregated restricted account ("**Restricted Funds**") not to be made available to Barkerville until certain conditions precedent were satisfied. Those conditions precedent include the delivery to Osisko of certain waivers and consents required from third parties in connection with the Royalty Purchase Transaction. The conditions precedent were not satisfied as at December 31, 2018, and the Restricted Funds were classified as restricted cash on the Company's statement of financial position.

Under the terms of the Royalty Purchase Agreement, the Company also had the option to grant Osisko an additional 1% NSR on the Cariboo property for additional cash consideration of $13,000,000, at any point between the closing date of the Royalty Purchase Agreement and December 31, 2018 (the Option Royalty). In order to grant the Option Royalty and receive the additional consideration, the Company must have successfully satisfied the conditions precedent to the release of the Restricted Funds. On December 16, 2018, the deadline to satisfy the conditions was extended to February 28, 2019.

On February 26, 2019 the Company and Osisko amended the terms of the Royalty Purchase Agreement to release the Restricted Funds to the Company for immediate use ($2,000,000 Received in April 2019) and further extend the deadline for satisfaction of the conditions precedent until December 31, 2019. In the event that (i) the Company announces a change of control or (ii) Osisko participates in an equity financing of the Company Osisko will have the right to purchase the Option Royalty until one business day after all conditions precedent have been satisfied. As at March 31, 2019, the conditions were not yet satisfied. As part of the Royalty Purchase Agreement, Barkerville has granted Osisko 10,000,000 common share purchase warrants exercisable for common shares at an exercise price of $0.75 per common share for a period of 36 months following the closing of the Royalty Purchase Agreement. Any gain on the Royalty Purchase Transaction is recognized in full as control over the right to the silver or gold mineral interest transfers to the purchaser.

As at March 31, 2019, the Company has cash and investments of $17,764,357.

Mining operations at Bonanza Ledge, and milling operations at QR Mill, were put on hold in December 2018; both locations have been in a Temporary Production Interruption.

The Operations team is working through the list of outstanding Inspection Orders and resolving the issues raised by the AMPs (Administrative Monetary Penalty). By the end of the second quarter, BGM should have closed all Inspections Orders and have a solution in place for the non-compliances that resulted in the AMPs.

A Short- Term Water Management Plan was approved by both MEMPR and MOE and was put in place at QR. Regulators imposed a contingency plan (piping and pumps), extra instrumentation, and extra consultation costs.

The next projects are the Water Treatment Plant at Bonanza Ledge and the start of the Mosquito Creek Tailings closure. By the end of Q3, we believe we will have corrected all inspections orders and will have resolved the causes of the AMPs. Furthermore, we are expecting a fine (not expected to be material) on the 7 AMP's related to discharge water quality non-compliant with the MOE permit at Bonanza Ledge. We believe those issues will be resolved within this year.

Regarding the PAG pile disposal at Bonanza Ledge, the Company believes permitting Bonanza Ledge Phase II is the best strategy to reclaim the PAG pile. BGM has a current obligation to dispose of the PAG pile by September 2019 by back-filling into the old pit and to the QR Mill Main Zone Pit. The Bonanza Ledge Phase II permit would grant permission to keep the PAG on-site at Bonanza Ledge and use it as backfill material for the extracted stopes, with the implementation of a water treatment, until we complete mining BC Vein or decide to close the Bonanza Ledge site.

In 2018 the Company explored and delineated resources on the Cariboo Gold Project. The drilling confirmed down dip extensions of mineralized vein corridors to depths of 700 meters and confirmed high grade intercepts within the current resource. The current resource of 1.6 million Au ounces measured & indicated and 2.16 million Au ounces inferred (see the Cariboo Technical Report filed on SEDAR June 14, 2018) is calculated to an average depth of 300 meters over a combined strike length of 3.5 kilometers and includes 50,000 meters of historical drilling and 170,000 meters of new drilling completed up to the end of 2017. A total of 123,300 meters in 442 holes were drilled on the project in 2018. Of the 2018 drilling, 64,000 meters were drilled on Cow Mountain, 50,000 meters on Shaft Zone, 4,500 meters at Mosquito Creek and 4,800 meters on Grouse Creek Regional target. The drilling during the 2018 program was focused on resource conversion, which will feed the economic study in 2019. The 2018 regional rock and soil sampling and surface geologic mapping extend the current mineralized strike to 16 kilometers. Surface geochemical sampling on the newly acquired Yanks Peak claims returned anomalous samples greater than 50 ppb Au in soil over a 4.5-kilometer trend.

2019 Exploration Objectives

Results obtained in 2018 exploration program defined target areas based on location within the stratigraphy, soil sample anomalies and historic core relog. The 2019 exploration program will:

1. Test the new brownfields targets adjacent to known deposits,
2. Infill high grade vein corridors greater than 6.0 g/t Au to convert from inferred to indicated category and
3. Expand resource to 650 meters with 50-meter step outs down dip of high-grade vein corridors at Shaft Zone, Cow Mountain and Mosquito Creek.

A total of 50,000 meters is planned for this initial phase and an additional 40,000 meters will be proposed following results of Phase 1.

Barkerville Gold Mines Ltd. 3D Deposit Model

An updated Resource statement will be available in 2019 and will include all 2018 drill results. The Company is undertaking required economic, environmental and socio-economic studies to initiate permit applications requesting underground development and mining at the Cariboo Gold Project (including, but not limited to the Shaft Zone, Valley Zone and Cow Mountain deposits).

Exploration in 2019 & Community Engagement

Exploration in 2018 included diamond drilling at Shaft Zone, Mosquito Creek, Cow Mountain and Grouse Creek. Regionally, the Company has undertaken an extensive soil sampling and prospecting program focused on the Burns and Lightning Creek areas. Detailed geologic mapping and sampling occurred over Barkerville and Cow Mountains. The Company has also worked to extend the present underground resource areas, which increased prospectivity substantially. General prospecting work was also carried out on the Cayenne Block close to Hixon British Columbia where several new gold anomalies were defined. Results from drilling through to the end of December 2018 will be included in the next resource update scheduled for Q2 2019.

First Nations engagement with Lhtako Dene First Nation resulted in a signed Engagement Protocol Agreement and a Relationship Agreement. The Company is presently in discussion for the negotiation of an Impact Benefit Agreement which is expected to be signed in 2019. Engagement has also begun with Xat'sull First Nation that has resulted in a signed Interim Relationship Agreement. This Interim Relationship Agreement is expected to be renegotiated in 2019 and will likely result in a long-term agreement (>5years) and will include considerations related to the Cariboo Gold Project, QR Mine tailings storage and ongoing exploration activities.

Barkerville currently employs First Nations members as well as permanent residents of Wells. Community partnerships are maintained including: (i) the donation of money, equipment and manpower to Barkerville Historic Town towards an underground mining exhibit; and (ii) the donation of the Cariboo Gold Quartz Headframe to the District of Wells as an observation/interpretation tower - located with a view of the proposed Cariboo Gold Mine. Barkerville will be supporting many initiatives for First Nations and the Wells community in 2019 and has begun engagement activities with 6 First Nations as part of the

Cariboo Gold Project Environmental Assessment. Community engagement in Wells has resulted in increased support from community members for Barkerville's ongoing activities and an open dialogue to address concerns that are raised. Barkerville currently has good support from our First Nations partners.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2019 compared to the Three Months Ended March 31, 2018:

The Company reports a net loss of $12,395,254 during the three-month period ended March 31, 2019 as compared to a net loss of $9,113,406 during the comparative three-month period ended March 31, 2018. Overall, this represents a higher net loss of $3,281,848.

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

(i) A decrease of $2,385,462 in exploration expenses, from $11,003,463 during the three-month period ended March 31, 2018 to $8,618,001 during the three-month period ended March 31, 2019. The decrease is due primarily to lower expenditures on the drill program and related assay costs. In 2018, the Company undertook a large drill program resulting in expenditures of $6,780,801 as compared to $4,975,894 in the current 2019 period. Similarly, assaying costs decreasing from $980,405 in 2018 to $435,618 in 2019.

Exploration expenses for the Company for the three-month periods ended March 31, 2019 and 2018 consist of the following components by nature:

		Three months ended		
		March 31, 2019		March 31, 2018
Administration fees	$	1,034,062	$	926,534
Assaying		435,618		980,405
Depreciation		2,296		838
Assessment and tax		17,100		70,567
Consulting fees		299,225		344,529
Environmental and permitting		3,051		-
Equipment and rentals		418,015		396,674
Drilling		4,975,894		6,780,801
Travel		127,026		150,376
Employee salaries and benefits		1,207,989		1,237,257
Repairs and maintenance		97,725		115,482
Stock based compensation		-		-
Total exploration expenses	$	8,618,001	$	11,003,463

(ii) There was an increase of $940,458 in evaluation expenses, increasing from $4,998,325 during the three-month period ended March 31, 2018 to $5,938,783 during the three-month period ended March 31, 2019. The higher evaluation expenses in 2019 were primarily due to an increase in consulting fees, amounting to $2,390,727 during the current period as compared to $1,673,926 during the comparable period in 2018. Consulting fees increased due to feasibility and sustainability studies conducted in the period.

Evaluation expenses for the Company for the three-month periods ended March 31, 2019 and 2018 consist of the following components by nature:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Consulting fees	$ 2,390,727	$ 1,673,926
Depreciation	608,576	185,358
Employee salaries and benefits	1,723,336	1,465,300
Office and administration	986,745	1,156,922
Travel	70,356	48,904
Stock based compensation	-	-
Assaying	149,834	245,293
Penalties and fines	-	200,000
Assessment and tax	272	2,939
Royalty	8,937	19,683
Total evaluation expenses	$ 5,938,783	$ 4,998,325

(iii) An increase of $449,070 in mill operating expenses, from $562,338 during the three-month period ended March 31, 2018 to $1,011,408 during the three month period ended March 31, 2019. These costs represent upkeep cost related to the QR Mill. The amounts increased due to increased utilities and fuel costs between the two periods due to weather conditions.

Mill operating expenses for the Company for the three month periods ended March 31, 2019 and 2018 consist of the following components by nature:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Repairs and maintenance	$ 224,749	$ 346,935
Utilities	786,659	215,403
Total operating expenses	$ 1,011,408	$ 562,338

(iv) An increase of $164,583 in corporate administration from $1,764,829 during the three-month period ended March 31, 2018 to $1,929,412 during the three month period ended March 31, 2019. This increase is primarily due to an increase in stock based compensation expense amounting to $249,000 during the three month period ended March 31, 2019 compared to $nil during the three month period ended March 31, 2018. See note 14 of the unaudited interim condensed consolidated financial statements for the three month periods ended March 31, 2019 and 2018, for details on options issued during the periods.

Corporate administration expenses for the three-month periods ended March 31, 2019 and 2018 consist of the following components by nature:

		Three months ended March 31, 2019		Three months ended March 31, 2018
Consulting fees	$	125,000	$	57,477
Depreciation		37,916		19,893
Employee salaries and benefits		738,778		819,087
Legal, audit & accounting		176,787		198,156
Office and administration		401,490		331,458
Shareholder communications and advertising		101,457		196,449
Stock based compensation		249,000		-
Travel and related expenses		98,984		142,309
Total corporate administration expenses	$	1,929,412	$	1,764,829

(v) The finance expense for the Company for the three-month periods ended March 31, 2019 and 2018 consists of the following components by nature:

		Three months ended March 31, 2019		Three months ended March 31, 2018
Accretion on provision for site reclamation and closure	$	170,044	$	124,898
Bank charges, interest charges and commissions		11,355		7,616
Interest income		(139,593)		(131,900)
Total finance expense and loss on investments	$	41,806	$	614

Finance expenses increased primarily due to higher accretion costs on the revised estimate for the asset retirement obligation recorded at the end of fiscal 2018.

SELECTED ANNUAL INFORMATION

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

		Year ended			Ten month period ended	
		31-Dec-18		31-Dec-17		31-Dec-16
Revenue	**$**	**0**	$	0	$	0
Net loss	**$**	**(67,558,681)**	$	(53,813,125)	$	(43,947,658)
Loss per share		**(0.15)**		(0.14)		(0.15)
Total assets	**$**	**64,768,967**	$	100,521,845	$	48,403,698
Total liabilities	**$**	**41,747,666**	$	38,632,725	$	23,911,294
Working capital (deficiency)	**$**	**30,297,812**	$	36,671,982	$	21,085,727

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.

	Period ended							
	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total Revenue	-	-	-	-	-	-	-	-
Loss before income taxes	(18,691,391)	(25,188,156)	(14,584,923)	(18,672,196)	(18,360,406)	(16,453,485)	(17,562,643)	(10,430,149)
Net loss	(12,395,254)	(25,188,156)	(14,584,923)	(18,672,196)	(9,113,406)	(16,331,485)	(17,553,543)	(10,421,049)
Basic loss per Share	(0.02)	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)
Diluted loss per Share	(0.02)	(0.06)	(0.03)	(0.04)	(0.02)	(0.04)	(0.04)	(0.03)

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

LIQUIDITY AND CAPITAL RESOURCES

On March 31, 2019, the Company had cash and cash equivalents on hand of $17,764,357 (December 31, 2018: $37,706,844) and had a working capital of $11,930,921 (December 31, 2018: $30,297,812). 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, 2019 and 2018.

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.

Outstanding Share Capital

The Company has an unlimited number of common shares authorized, with 506,558,119 common shares outstanding on March 31, 2019 and 562,114,119 as of the date of this MD&A. A total of 32,925,000 stock options, 930,000 restricted share units and 10,000,000 share purchase warrants were outstanding on March 31, 2019 and 29,615,000 stock options, 930,000 restricted share units and 10,000,000 purchase warrants as of the date of this MD&A.

Current Exploration Activities

2019 Drill Program

The Company commenced diamond drilling in January 2019 with eight diamond drill rigs. A total of 44,000 meters were drilled in 107 holes at the time of reporting on Island and Barkerville Mountains. The objective of the 2019 drill program is to infill areas on Shaft Zone greater than 6.0 g/t Au in shallow vein corridors (<300 meters) currently classified as inferred, expand mineralization at depth on Shaft and Mosquito Deposits by drilling down dip and plunge of existing vein corridors to a depth of 700 meters and explore new Brownfields targets adjacent to known deposits based on previous drilling, soil geochemical anomalies and surface geological mapping. A total of 12,000 meters were drilled at Shaft Zone infill and deep exploration and a total of 8,000 meters were drilled at Mosquito Creek infill and deep exploration. A total of 3,000 meters were drilled at the Willow Target, a soil geochemical anomaly along strike to the Northwest of Mosquito Creek. A total of 17,300 meters were drilled on Barkerville Mountain exploring for vein corridors analogous to the Island and Cow Deposits. An additional 3,700 meters were drilled at BC Vein.

Results from the Q1 drilling campaign confirm the presence of vein corridors at depth on Island Mountain at both Shaft Zone and Mosquito Creek. IM-19-004, located at Mosquito Creek, intersected 10.65 g/t Au over 4.2 meters (core length) and extended the mineralization at Mosquito Creek from 200 meters to 375 meters. IM-19-013, drilled on Shaft Zone, intersected 19.34 g/t Au over 17.90 meters (core length) and is 70 meters down dip from a modelled vein corridor. The infill drilling results continue to demonstrate continuity of the vein corridors. Exploration on the Willow target indicate that the gold in soil geochemical anomalies may be related to replacement mineralization as the sandstone package drilled in these initial stratigraphic holes is dominantly calcareous. Additional structural interpretation is ongoing. Results on Barkerville Mountain successfully identified new mineralized vein corridors analogous to the vein corridors on Cow and Island Mountains. The apparent strike of this new system is 1.5 kilometers, outlined from the Company's detailed lithological and structural mapping programs conducted in 2017 and 2018. Significant results include 19.3 g/t Au over 6.3 meters (core length). Full assay results are available on the Company's website. Drilling at the BC Vein was designed for infill and category conversion and was successful in intersecting the BC Vein structure and mineralization. Mineralized quartz veins on the Cariboo Gold Project are overall sub-vertical dip and northeast strike. These corridors have been defined from surface to a vertical depth of 600 meters and remain open for expansion both "at depth" and "down plunge". Gold grades are intimately associated with vein-hosted pyrite as well as pyritic, intensely silicified wall rock haloes in close proximity to the veins. 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. Modeling at Mosquito Creek proposes 37 vein corridors. 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.

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 and Valley Zones on Cow Mountain and Shaft Zone and Mosquito Creek on Island Mountain at a cut-off grade of 3.0 g/t Au. A mineral resource on Bonanza Ledge and BC Vein is also included. The resource is defined over 6 kilometers of Barkerville'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 NI 43-101, an updated technical report for the Cariboo Gold Project was filed on June 14th, 2018 on SEDAR.

The maiden mineral resource estimate for Cow and Island Mountain deposits is built upon over 210,000 meters of diamond drilling from Barkerville'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	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. 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.

QAQC Program and Core Sampling Protocols

Lynda Bloom M.Sc., P.Geo, of Analytical Solutions Limited (**"ASL"**), was engaged to design a rigorous quality assurance/quality control (**"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. QAQC programs are designed and monitored according to specific project requirements. ASL provides QPs with assistance in designing quality control programs so that regulators and third-party auditors are satisfied with the integrity of the assays, while minimizing expenses.

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 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 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 and Inductively Coupled Plasma Mass Spectroscopy.

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.

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 the value established and agreed upon by the related parties.

Name of Related Party	Description	Three month period ended March 31, 2019 $	Three month period ended March 31, 2018 $
Tom Obradovich, former CEO	Consulting fees & benefits	38,981	39,067
	Share based payments	Nil	Nil
Chris Lodder, CEO	Salary & benefits[9]	107,847	427,817
	Share based payments	25,000	Nil
	Restricted Share Units[15&17]	256,800	Nil
Andres Tinajero, CFO	Salary & benefits[2]	76,597	292,682
	Share based payments	Nil	Nil
	Restricted Share Units[15&17]	189,450	Nil
Lisa McCormack, former Corporate Secretary	Salary-Severance & benefits[3]	1,110	1,193
	Share based payments	Nil	Nil
Paul Geddes, former VP Exploration	Salary & benefits	Nil	44,882
	Share based payments	Nil	Nil
Maggie Layman, VP Exploration	Salary & benefits[16]	60,894	64,931
	Share based payments	Nil	Nil
	Restricted Share Units[15&17]	75,060	Nil
Chris Pharness, Vice President Sustainability and Community Relations	Salary & benefits[10]	61,748	121,834
	Share based payments	Nil	Nil
	Restricted Share Units[15&17]	75,060	Nil
Cale Pharness	Salary & benefits[8]	Nil	39,733
Dave Rouleau, former VP Operations	Salary & benefits[11]	Nil	93,182
	Share based payments	Nil	Nil
	Restricted Share Units[15&17]	Nil	Nil
Bennett Jones LLP	Legal fees[6]	99,600	196,078

Talisker Exploration Services Inc.	Exploration[7]	30,000	22,770
Osisko Gold Royalties Ltd.	Operation & Administrative[13]	261,256	260,556
	Gold royalties	25,160	19,683
Falco Resources	Operation & administrative[14]	72,775	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, 2019 $	Three month period ended March 31, 2018 $
Tom Obradovich	Directors' fees	10,500[4]	10,500
	Share based payments	33,000	Nil
Anthony Makuch	Directors' fees	9,000[4]	9,000
	Share based payments	25,000	Nil
John Kutkevicius	Directors' fees	10,500[4]	10,500
	Share based payments	25,000	Nil
Morris Prychidny	Director's fees	13,000[4]	13,000
	Share based payments	33,000	Nil
Sean Roosen	Directors' fees	22,500[4]	22,500
	Share based payments	33,000	Nil
Andree St-Germain	Directors' fees	9,000[4]	9,000
	Share based payments	25,000	Nil
John Sabine	Directors' fees	9,000[4]	9,000
	Share based payments	25,000	Nil
John Burzynski (Former)	Directors' fees	9,000[4]	9,000
	Share based payments	25,000	Nil
Eric Tremblay[18]	Directors' fees	Nil	Nil
	Share based payments	Nil	Nil

Notes:

1) *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 100% of base salary based on achievement. The agreement includes a 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.*
3) *The Company paid the former Corporate Secretary a salary of $70,000 per year.*
4) *Includes fee for Board meetings.*
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) *Talisker Exploration Services Inc. 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.*
8) *Cale Pharness is immediate family of Mr. Chris Pharness, the Vice President Sustainability and Community Relations.*
9) *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.

10) *On October 17, 2016, the Company amended Chris Pharness' employment agreement. The agreement is to pay the VP Sustainability and Community Relations. $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 a termination clause to pay 24 months of base fees. In the event of a change of control, and he is entitled to a lump sum payment equal to 24 months of his annual fee.*

11) *Mr. Rouleau resigned on August 15, 2018.*

12) *On December 29, 2017 and June 28, 2017, the Company granted an aggregate of 900,000 restricted share units to certain directors and officers.*

13) *These fees were paid to a firm in which Mr. Roosen is the CEO & Director and Mr. Burzynski is a Director. Mr. Burzynski resigned on May 3, 2019.*

14) *These fees were paid to an entity in which Mr. Roosen and Mr. Luc Lessard are officers of the Company.*

15) *On June 5, 2018, the Company granted an aggregate of 1,595,000 restricted share units to certain directors and officers.*

16) *On February 1, 2018, the Company amended Maggie Layman's employment agreement. The agreement is to pay the VP of Exploration $240,000 per annum, and annual bonus at the discretion of the Board. The agreement includes a termination clause to pay the VP of Exploration 12 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 12 months of her annual fee.*

17) *On January 31, 2019, the Company granted an aggregate of 1,450,000 restricted share units to certain directors and officers.*

18) *Mr. Tremblay was appointed on May 3, 2019.*

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 were included in the financial statements for the year beginning January 1, 2019.

IFRS 16 Leases

The Company has adopted IFRS 16 on a modified retrospective basis from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized from January 1, 2019.

The Company also utilized certain practical expedient elections whereby, (i) a lessee may apply a single discount rate to a portfolio of leases with reasonably similar characteristics, (ii) short term and low value leases are treated as previous operating leases, and (iii) the Company places reliance on previous assessments that there were no existing onerous lease contracts.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 *Leases.* These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 8.4%.

For leases previously classified as finance leases the entity recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application.

Operating lease commitments disclosed as at December 31, 2018	458,000
Discounted using the lessee's incremental borrowing rate of at the date of initial application	393,735
Add: finance lease liabilities recognized as at December 31, 2018	824,000
Lease liability recognized as at 1 January 2019	**1,217,735**
Of which are:	
Current lease liabilities	564,303
Non-current lease liabilities	653,432

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018.

The recognized right-of-use assets relate to the following types of assets:

	March 31, 2019	December 31, 2018
Office	124,183	145,045
Motor vehicles	227,239	248,690
Total right-of-use assets	**351,422**	**393,735**

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

The Company is exposed to risks that arise from its use of financial instruments. The following are 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		Amortized Cost		Fair Value through Other Comprehensive Income	
	March 31 2019	**December 31, 2018**	**March 31 2019**	**December 31, 2018**	**March 31 2019**	**December 31, 2018**
Cash and cash equivalents	$ 17,764,357	$ 37,706,844	$ -	$ -	$ -	$ -
Restricted cash	2,000,000	2,000,000	-	-	-	-
Amounts receivable	-	-	1,832,145	2,446,023	-	-
Reclamation deposits	-	-	5,361,400	5,361,400	-	-
Total Financial Assets	$ 19,764,357	$ 39,706,844	$ 7,193,545	$ 7,807,423	$ -	$ -

	March 31, 2019	**December 31, 2018**
Financial liabilities at amortized cost:		
Trade and other payables	$ 8,888,769	$ 12,483,585
Due to related parties	508,185	689,469
Lease payable	1,066,138	824,000
Total Financial Liabilities	$ 10,463,092	$ 13,997,054

GENERAL OBJECTIVES, POLICIES AND PROCESSES:

The Board of Directors (**"Board"**) is responsible for the determination of the Company's risk management objectives and policies. The Board has delegated to the Company's management the authority for designing and operating processes that ensure the effective implementation of the objectives and policies.

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.

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.

(i) **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.

(ii) **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.

(iii) **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 common shares 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 of British Columbia 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 and restricted cash of $19,764,357 in total (December 31, 2018: $39,706,844), reclamation deposits of $5,361,400 (December 31, 2018: $5,361,400), amounts receivable of $1,832,145 (December 31, 2018: $2,446,023), and fair value through other comprehensive income investments of $nil (December 31, 2018: $nil).

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, 2019, the Company had a working capital of $11,930,921 (December 31, 2018: $30,297,812).

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities as at March 31, 2019 and December 31, 2018:

	Book Value at March 31, 2019	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 8,888,769	$ 8,888,769	$ -	$ -	$ 8,888,769
Due to related parties	508,185	508,185	-	-	508,185
Lease payable	1,108,708	597,442	511,266	-	1,108,708
Total	$ 10,505,662	$ 9,994,396	$ 511,266	$ -	$ 10,505,662

	Book Value at December 31, 2018	Within 1 Year	2 to 5 years	Over 5 years	Total
Trade and other payables	$ 12,483,585	$ 12,483,585	$ -	$ -	$ 12,483,585
Due to related parties	689,469	689,469	-	-	689,469
Lease payable	835,747	397,979	437,768	-	835,747
Total	$ 14,008,801	$ 13,571,033	$ 437,768	$ -	$ 14,008,801

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.

Cyber Security

The Company relies on information technology systems in all areas of operations. These systems are subject to an increasing number of sophisticated cyber threats. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving. Should a cyber-attack be successful, and a breach of sensitive information occur, or its systems and services be disrupted, Barkerville's financial position, and/or ability to achieve its strategic objectives may be negatively affected.

The Company maintains policies, processes, and procedures to address capabilities, performance, security, and system availability including resiliency and disaster recovery for systems, infrastructure, and data. Security protocols, along with information technology security policies, address compliance with information technology security standards. The Company actively monitors, manages, and continues to enhance its ability to mitigate cyber risk through its enterprise wide programs. However, there is no assurance that any of these measures will be successful.

Legal Risk

On April 2, 2018, the Company announced that a 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 Company. 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 and occupational health standards, mine safety, toxic substance and other related 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 exploration 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 directors 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, 2019, the Company is committed to spending approximately $14,000,000 by December 31, 2019 in connection with its flow-through offerings (December 31, 2018 - $23,000,000).

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the three month period ended March 31, 2019 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 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"), 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"

Chris Lodder
President & Chief Executive Officer