

QUARTERLY UPDATE

Volume 1 / Issue 1 – Q3 2020

THE 43RD BC ANNUAL MINE RECLAMATION SYMPOSIUM

Barkerville Gold Mines Ltd. is a proud gold level sponsor of the BC Mine Reclamation Symposium.

We recognize that it is a valuable opportunity for the exchange of ideas in the areas of environmental protection and reclamation within the BC mining industry.

This event offers tours of mines located near the host community, short courses, technical sessions, presentations, as well as awards for achievement in reclamation and more.

This year the Symposium is being held virtually on Sept. 23rd due to COVID-19 restrictions. The theme is *Indigenous Collaboration on Mine Reclamation in BC* and the Keynote Speaker is Nalanie Morin.

Proceedings and presented papers are available free of charge at the UBC library. For more information please go to: trcr.bc.ca



OUR COMPANY

Barkerville Gold Mines Ltd. (BGM) is a Canadian company based in Wells, BC and headquartered in Toronto, ON. BGM's mineral tenures cover 1,950 square km in the historic Cariboo mining district and includes several past producing mines. BGM takes a full life cycle approach to mining:

- Exploring new targets
- Planning to develop and operate the Cariboo Gold Mine
- Operating Bonanza Ledge Mine and the QR Mill
- Undertaking progressive and ongoing reclamation

BGM is wholly owned by Osisko Gold Royalties Ltd, a precious metal royalty company headquartered in Montreal, QC.

"We want to be a welcome member of the community, a trusted partner, an employer of choice, and a leader in responsible mining."

MESSAGE FROM THE PRESIDENT, CHRIS LODDER

Family and community are very important to me, and every day I remind myself of the impacts our industry has on our families and our communities. Over the last few months, as we move closer to a substantial mining project in the historical mining area of Wells, the significance of making the most of the benefits this economic activity will bring to Wells and the Cariboo Region for all stakeholders and the company is an important discussion.

The Cariboo Gold Project should merge into the local and regional socio-economic fabric, and vice versa, until mining is once again a cornerstone for making improvements to the quality of life and the region's sustainability. Mining is a historic and proud tradition in the Cariboo, to which the historic mining towns of Wells and Barkerville can attest. With modern technology, the low impact nature of the proposed mine design, and the pride and commitment we all have, I am confident this project will be a success and example for all British Columbia.

OUR VISION

BGM's vision is to re-establish a safe, sustainable, long-life mining operation in BC's historic Cariboo Mining District that has a low environmental impact and positive socio-economic return for our Indigenous partners and stakeholders.

Keys to achieving our vision are:

❖ Respect and Integrity

We are a community partner that works to understand and respects local people, customs, culture, values, and Indigenous rights. We are about relationships, above all else.

❖ Listen, Learn, and Act

We are working to listen, learn and address issues as they arise. We will continue to listen to, and learn from, Indigenous nations and the community and incorporate the learnings into our activities.

❖ Reducing Impacts and Enhancing Benefits

We know that our activities can affect the people, communities, and environment around them. We are working with Indigenous nations, communities, and others to identify ways to enhance benefits and reduce effects in a way that is appropriate to the local area.

❖ Sharing the Benefits

We have been, and will continue to, share the benefits of our activities through local hiring, training, and business opportunities, supporting community activities and priorities, environmental stewardship, and through taxes paid.

OUR ACTIVITIES

EXPLORATION

We currently have three drill rigs on the property near Wells, one in the shaft zone (Island Mountain area) and two in the Valley zone (Cow Mountain area). We are also applying to do a bulk sample in the Wells area to expand our knowledge of the resource in the area.

Our regional exploration team is conducting grassroots exploration on Burns Mountain, Antler Creek, and Yanks Peak, southeast of Wells and Barkerville. Soil sampling, mapping, and prospecting will take place (non-mechanized activity). We are also undertaking soil sampling on some greenfield properties in and around Quesnel, BC.



CARIBOO GOLD PROJECT

The Cariboo Gold Project is in the Early Engagement Phase of the BC Environmental Assessment Process. As you may be aware, the first of four formal public comment period in the BC Environmental Assessment process was recently completed. Thank you to those who participated; we appreciate the time you took to learn about the Project and to identify your questions, comments, and concerns. The input provided helps us better understand community interests and how they relate to the Project.

It will also inform Project planning as we work towards achieving our objective of developing a safe project with a low environmental impact and positive socio-economic return for our Indigenous partners and stakeholders. If you were not able to participate, we invite you to participate in future comment periods which will be advertised in local media and in the community.

We are now preparing responses to the comments received, continuing to refine the Project, and advancing the studies needed to support the regulatory review, including undertaking environmental field studies along the northern transmission line route. We are also engaging with Indigenous nations and others with an interest in the Project and preparing a Detailed Project Description that we will submit to the BC Environmental Assessment Office in fall 2020. Additional Project information is available at www.osiskogr.com/BGM-CaribooGoldProjectEA.

BONANZA LEDGE MINE AND QR MILL

We will be submitting applications to mine up to 215,000 tonnes/year at Bonanza Ledge (Phase II) and to increase ore processing and tailings storage at the QR Mill site in early Summer 2020.

Our application for water treatment facility construction at Bonanza Ledge Mine was approved and the commissioning process is underway. We anticipate that the facility will be in place and operating by the end of September 2020.



RECLAMATION AND CLOSURE

We have undertaken reclamation activities at exploration, project, and operations sites. Key activities include removal of the cyanide mill and auxiliary buildings at the former Mosquito Creek Mine, progressive replanting since 2015 at the QR Mill site and replanting of unused areas within the Bonanza Ledge Mine footprint. We are also undertaking studies to inform further reclamation at the QR Mill and Bonanza Ledge sites and closure at Mosquito Creek Mine.

IN THE COMMUNITY

THE SUNSET THEATRE SOCIETY – LIGHTING AND SOUND SYSTEM UPGRADE

Barkerville Gold Mines is a proud supporter of the arts and culture sector in Wells and the surrounding area and we were excited to help sponsor the Sunset Theatre Society’s lighting and sound system upgrade project. Following the example of Fred Wells himself, we believe in the relationship between mining and the arts and as Jane Urquhart said, “art is a kind of mining...the artist, a variety of prospector, searching for the sparkling [gold] of meaning in the earth.”

Although there were set-backs due to COVID-19, we are so pleased to see the project has been successfully completed. This project at the Sunset Theatre adds to the already thriving Tourism and Arts and Culture sectors within Wells and will help contribute to the economic growth and well-being of the town.

THE WELLS-BARKERVILLE CULTURE AND RECREATION CENTER

The Wells-Barkerville Culture and Recreation Center (previously the Wells-Barkerville Elementary School), tentatively renamed for the purpose of grant applications, has been a significant multi-purpose building in the District of Wells since its purchase in 2004.

Barkerville Gold Mines recognizes the values and importance of this facility and would like to acknowledge the hard work the District of Wells, along with a Select Committee of community members, to develop a business plan and look for potential resources to help with the rehabilitation and development of the existing school building and surrounding greenspace.

Recently, with the financial support of local community groups, the draft business plan was successfully completed and will soon be available for community and stakeholder feedback. Furthermore, the Select Committee was able to complete a grant application to the *Investing in Canada Infrastructure Community Culture and Recreation Program* for a total project cost of \$2,016,300 which required the District of Wells to commit 27% in matching funds. BGM is pleased to be a partner in this project and has contributed \$512,000 towards the matching funds. We know there is still a lot of work to do, but by working together, once again we have shown what our community can do.

INDIGENOUS NATIONS RELATIONS

LHTAKO DENÉ NATION – IMPACT BENEFIT AGREEMENT

Lhtako Dené Nation and Barkerville Gold Mines Ltd. have entered into a life-of-project agreement to facilitate the development of the Cariboo Gold Project. It is the realization of a culmination of committed and conscientious efforts of the Lhtako Dené Nation, BGM, and our respective negotiating teams. It builds upon our initial Engagement Protocol (2016) and subsequent Relationship Agreement (2016).

This agreement achieves our common goal to provide project-related opportunities and benefits for current and future generations of the Lhtako Dené people and reflects our ongoing commitment to continually strengthen and expand our relationship. Although the specific terms of the agreement remain confidential, it puts in place a framework for BGM and the Lhtako Dené Nation to work together during all stages of the project.

“The Cariboo Gold Project is located within the territory LDN have traditionally used and occupied. The protection of the land, water, resources and our way of life has guided our negotiating team. This agreement confirms our relationship with BGM, to ensure we will work together to provide meaningful training, employment and business opportunities for LDN people” says Chief Cliff Lebrun.

Chris Pharness, VP Sustainability and External Relations adds *“our core belief as a company is based in reciprocity and the understanding that projects of this scale require mutually beneficial relationships, opportunities and outcomes to succeed. Our agreement is a key underpinning of that philosophy and an example of what respectful, honest dialogue can achieve.”*

EMPLOYEE SPOTLIGHT

In each newsletter we will feature two BGM staff members. In this edition we introduce you to Chris Lodder, President and Chris Pharness, Vice President Sustainability and External Relations.

Chris Lodder



Chris is a mining professional that has been involved in exploration and mining for the last 32 years. Chris started his career in Northern BC before moving to West Africa for a few years, then spending 20 years in Latin America, and finally settling back in Canada about 9 years ago. He has worked for various major and junior mining companies and has worked with the Osisko Group of companies since 2010. Chris has led teams that are responsible for the discovery of over 34 million ounces of gold in Brownfields and Greenfields projects throughout the Americas. Chris has been President of Barkerville Gold Mines since 2016 and is also President of Talisker Exploration Services Inc. Chris has three children and splits his time between his homes in New Barkerville and Grand Forks, BC and Oakville, ON.

Chris Pharness



Chris is an environmental professional with over 25 years of environmental and resource management experience in northern British Columbia and has been with BGM since 2013. Chris' breadth of experience includes mining, forestry, oil and gas, and large-scale construction projects, with extensive involvement in fish and wildlife management-based research and project management. Much of his work and personal history have allowed him to build close relationships with Indigenous Nations, local Communities, and regulatory agencies in BC. Chris and his family lived in Prince George for the past 25 years and have just recently moved to the east shore of Kootenay Lake near Creston BC. In his spare time Chris enjoys hunting, fishing and traveling.

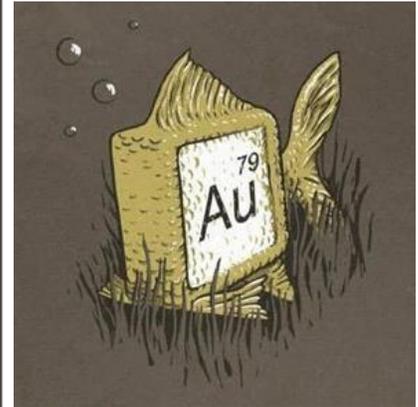
DID YOU KNOW?

Did you all know that gold is not always used for monetary purposes or in jewelry? Due to its many qualities, the precious metal has countless uses in other sectors including technology, medicine and art.

- 🌀 Gold was first recorded for use in dentistry in 1530! Since gold is a non-toxic and bio-compatible metal, it is still used for fillings, crowns, bridges and orthodontic appliances to this day.
- 🌀 Gold is chemically liquified and used as an injection for thousands of rheumatoid arthritis sufferers in the US – it is said that the treatment is successful in seven out of ten cases.
- 🌀 Gold is a highly efficient conductor of electricity and is used in most electronic devices. For example, a single mobile device contains up to 50 milligrams of gold in the form of connectors, switches, and relay contacts which allows them to remain free of corrosion.
- 🌀 Gold is used in space to reflect radiation and stabilize temperatures. For example, space vehicles are fitted with gold-coated polyester film to reflect infrared radiation and to help stabilize core temperatures and astronauts' helmet visors are coated with a thin layer of gold to filter out the sun's harmful rays.
- 🌀 Gold is highly malleable and flexible. It can be beaten into thin sheets, only a few millionths of an inch thick, known as gold leaf.
- 🌀 Gold is a highly esteemed precious metal with unparalleled beautiful qualities and rarity. As a result, it is one of the highest symbols of status making a natural appearance in crowns, awards (Academy Awards statues, Olympic and Nobel medals) and religious artifacts.

SOME FUN STUFF

M P R M D O P H F F P G A S B Z Z T R A U Q T
 G I H E A D F R A M E A H T T N G Y J D Q T Y
 F E N U A N T D E X P L O R A T I O N Y B Y V
 X I O E F K T X I S Z O A P Y R I T E A T L W
 F J C S R P C M I S Q K F O V K A S T J V S C
 H Z O S C A X Q K R I L J I H F U R L S B B D
 P I F G T I L P A C A P V R S C C F U S N C W
 O V X B K O E I N B K I I D L O G D T T V Z U
 R U J X X K C N Z U U E S Q I I L L G X J S J
 C D E I S T T K C A P K D E P O S I T C I D C
 T I V D Y L J C P E T W T F I R D K T G E P T
 U K T P L A C E R I G I K R Y T P H I V P Q D
 O L R G D Z O Z W R L C O Z H S D H D I O Z L
 A Y D Q J O C J I D F E B N B V K I A D T I A
 C J T H V S I C O N C E N T R A T E W I S S G
 B J A F Z V S U F M I A L C B M N E O D C I V



ADIT
 CLAIM
 CONCENTRATE
 DEPOSIT
 DRIFT
 EXPLORATION

GEOSCIENCE
 GOLD
 HEADFRAME
 MINERALIZATION
 OUTCROP
 PLACER

PYRITE
 QUARTZ
 RAISE
 STOCKPILE
 STOPE



Why did the prospector get kicked out of the pub?

- ❖ It's illegal to sell alcohol to miners

What kind of dogs do gold panners like most?

- ❖ Golden Retrievers

Silver walks up to Gold in a bar and says:

- ❖ AU, get out of here!

What do you call gold that is afraid of spiders?

- ❖ A chicken nugget

What kind of music does gold listen to?

- ❖ Heavy Metal

Why do miners make the best ghosts?

- ❖ Because they are pro specters.

Adit - horizontal opening to an underground mine from the surface
Claim - a mining right that grants a holder the exclusive right to search and develop any mineral substance in each area
Concentrate - a product containing a valuable mineral or metal and from which most of the waste material has been removed
Deposit - a natural layer or accumulation of rock, minerals, etc.
Drift - a horizontal underground opening that follows along the length of a vein or rock formation as opposed to a crosscut which crosses the rock formation
Exploration - the whole range of activity from searching for and developing mineral deposits
Geoscience - earth sciences, e.g., geology, geochemistry
Gold - a yellow malleable ductile high-density metallic element resistant to chemical reaction

Headframe - the structural frame above an underground mine shaft
Mineralization - the process by which a mineral is introduced into a rock resulting in a valuable or potentially valuable deposit
Outcrop - an exposure of rock or mineral deposit that can be seen on surface, that is, not covered by soil or water
Placer - a deposit of sand or gravel that contains particles of gold, gemstones, or other heavy minerals of value
Pyrite - a yellow iron sulphide mineral, normally of little value. It is sometimes referred to as "fool's gold"
Quartz - common rock-forming mineral made of silicon and oxygen
Raise - a vertical or inclined underground working that has been excavated from the bottom upward
Stockpile - an accumulation of rock gathered or piled in one area
Stope - a mine excavation from which ore is, or has been, extracted

WE WANT TO HEAR FROM YOU!

If you have any questions or comments, please contact us at our Community Relations Office:

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 E-Mail : feedback@barkervillegold.com



BGM Community Relations Office