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Berkwood files robust pit constrained mineral resources at its Lac Guéret South Project on SEDAR

Vancouver, August 19th, 2019 --Berkwood Resources Ltd. (TSX-V: BKR) is pleased to announce the filing of a pit-constrained Mineral Resource Estimate technical report regarding its Lac Guéret South Project. The final edits and assembly of the report show no material differences between the earlier news release and the final, full version of the report filed on SEDAR.

The maiden Mineral Resource Estimate for Lac Guéret South, Zone 1, is summarized in Table 1 (with annotation). The Mineral Resource Estimate is based on drilling campaigns in 2017 and 2018 totalling 6,232.49 meters.

Table 1: Base Case Pit-Constrained Mineral Resource Estimate at the Lac Guéret South Project[1]

Mineral Resource Category	Current Resource (June 2019)[8]		
	Tonnage (Mt)[5,7]	Grade (% Cgr)[4]	Cgr (t)[6]
Indicated	1.76	17.00	299,200
Inferred[3]	1.53	16.4	250,200

Notes:

1 The mineral resources provided in this table were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definition and Guidelines.
2 Mineral resources that are not mineral reserves do not have demonstrated economic viability. Additional trenching and/or drilling will be required to convert Inferred and Indicated Mineral Resources to Indicated and Measured Mineral Resources.
3 Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resource to Indicated or Measured Mineral Resources/Reserves.
4 All assays used for the Resource Estimates were performed by MS Analytical in Langley, BC with verification samples analysed at ALS-Laboratory at Burnaby, BC for graphitic carbon ("% Cg"), internal analytical code SPM-140 and GE_CSA05V respectively.
5 Current Resource effective June 30, 2019.
6 No recovery was applied in the calculation of tonnage of graphitic carbon (90% recovery was applied in pit optimization to define pit constrained mineral resources).
7 The Current Mineral Resources are stated at a cut-off grade of 6.81% Cgr.

Tom Yingling President and CEO states: *"Berkwood has reached a significant milestone at our Lac Guéret South project with the definition of a significant pit constrained mineral resource. With this new data Berkwood has started the process of the permitting in order to permit forest logging in the area of a potential pit and to allow for stripping and bulk sampling at surface. This resource presents sufficient size and grade for the Company to move forward with immediate next step plans, as this maiden resource compares favourably with other developed and in-development projects. We are confident Lac Guéret South will figure into the emerging Lac Guéret graphite production camp in the near future. Our exploration and metallurgical work has received an enthusiastic reception among long-run graphite buyers and financiers, and we have embarked upon a program of resource expansion in the local area. We will immediately refine our current resource and increase our knowledge on the quality and size of the deposit and adjacent deposits which we expect will further add to our resource base."*

Edward Lyons, PGeo (BC,QC,NL) states: *"The results of the initial resource estimate and metallurgical testwork demonstrate that the Zone 1 deposit as tested to date has substantial resources and robust recoveries, subject to further testing. The deposit has not been closed off in the lateral extents and the several geophysical surveys suggest that the shallower mineralisation continues around the western fold hinge. The strike length has the potential to significantly increase resources with future development drilling. The Zone 2 target now in an early exploration stage, may add mineralisation as well."*

Table 2: Current Resource Pit Envelope Characteristics

Characteristics	Main	Layer 01
Length (m)[1]	290	340
Azimuth (°)	80	42
Maximum width (m)	130	35
Surface Area (km²)	0.13	

(1) Measured length is approximate.

Data Sources and Current Resource Estimation Methods

The block model used to generate this Resource is based on a total of 45 diamond drillholes and two trenches for a total of 6,232.49 metres and 77 metres of trenches with 1194 samples and 28 samples collected from trenches.

The present Resource block model was prepared under supervision of Claude Duplessis, P.Eng. of GoldMinds Geoservices Inc. of Québec City, QC using Genesis© mining software. The block model estimate was performed using interpolation according to the inverse of the distance from nearest composites and the ellipsoid influenced distance in calculation which were adapted for the geology of the deposit by application of the variable direction search ellipsoid special tool in Genesis software for folded deposits.

The block size has been defined in order to respect the complex geometry of the envelopes. The mineral resource estimate was carried out with a block size of twenty-seven cubic meters (3m (EW) x 3m (NS) x 3m (Z)). The density to convert volume to tonnage used is 2.9.

The envelopes have been filled by regular blocks and only sample composites within the envelopes were used to estimate the block grades. This represents a total of 3,015 sample composites.

The average percentage carbon (% Cgr) was calculated using interpolation according to the inverse of the distance from nearest composites and the ellipsoid influenced distance in calculation. Interpolation parameters were based on drill spacing, envelope extension and orientation.

Different numbers of runs and ellipsoid dimensions were used depending on the envelope. Two runs were used in envelope "Main" and only one run was used in each remaining envelopes (Layer 01, Layer A and Layer B), for the mineral Resource Estimate (see ellipsoids parameters in Table 3).

Specifically, run parameters were as follows: Main envelope: In run one (1), the number of composites is limited to nine (9) with a minimum of three (3) per block and a maximum of two (2) composites from the same drillhole. For run two (2), the number of composites was limited to nine (9) with a minimum of three (3) and no limit number composites per drillhole. For Layer 01, Layer A and Layer B: One run was executed with the number of composites limited to nine (9) with a minimum of three (3) per block and a maximum of two (2) composites from the same drillhole.

Table 3: Variable Search Ellipsoid Parameters

Ellipsoids Parameters	Main Pass01	Main Pass02	Layer01	Layer A	Layer B
Azimuth	80	80	50	50	50
Dip	0	0	0	0	0
Spin	5	5	35	35	35
Major	30	40	30	10	15
Median	40	60	40	15	15
Minor	10	15	10	5	5

Within the folded or faulted nose of the Main envelope, a variable ellipsoid was used in the estimate, as Genesis software (chosen specifically for its features) has the capacity to search along complex planes.

The classical method of distance and composites within the search ellipsoid was selected to classify the deposit where one defined class is used by ellipsoid. A total of two ellipsoids and two runs were applied. Two runs were performed for the Main envelope (indicated and inferred) and one run was done for each envelope Layer 01, Layer A and Layer B (inferred).

The block model was afterward processed in MineSight software to provide an optimized pit envelope constraining the mineral resources (see Table 4 below). The technical and economic parameters used to generate the pit shell envelopes are listed in the Table 5 below. **The base case is in bold.**

The resource shell parameters were derived from comparable graphite projects in the region and preliminary metallurgical testing done at Met-Solve Laboratories of Langley, British Colombia in Item 13 of the filed NI 43-101 report presenting similar results aligned with adjacent project. Duplessis elected to apply a conservative recovery of 90% as additional metallurgical testing is required to better define the flake class and so to constrain the price point values of the eventual saleable products.

Table 4 Pit optimization Results (rounded)

Optimised Pit.	**Mineral Resource**				**Waste(*)**	**Stripping Ratio**
	Indicated		Inferred			
	Tonnes	Cg (%)	Tonnes	Cg (%)	Tonnes	
Pit 01	998 600	21.50	424,300	23.01	5,520,800	3.87
Pit 02	1,161,300	20.21	730,800	20.96	8,371,100	4.42
Pit 03	1,349,900	19.02	908,900	19.42	9,921,600	4.39
Pit 04	1,474,900	18.19	1,042,400	18.46	10.730,700	4.26
Pit 05	1 648 800	17,35	1,349,400	17.05	14,229,900	4.74
Pit 06 (base Case)	**1,755,300**	**17.00**	**1,526,400**	**16.39**	**16,774,000**	**5.11**
Pit 07	1,816,800	16.73	1,793,800	15.49	19,592,000	5.42

(*) “waste” here is not waste but is considered to be material which is not economic at the time of this pit optimization.

Table 5: Current Resource Shell Envelope Generation Parameters Base Case ($CDN)

Parameters	**Values**
Mining Cost	6 $/t
Transport	36 $/t
Processing	40 $/t
G & A	10 $/t
Recovery	90 %
Selling Price Cg	1,530 $/t

Quality assurance and control were maintained through the systematic use of blank samples (non-graphitic) inserted into the sample sequence every 20th sample as well as duplicate quarter-cut drill core samples. The blank samples consistently returned only trace Cg values. The duplicate sample results closely repeated the comparison sample analyses on the half-core, though there is typically some variation in grade owing to the lower material volume in quarter-cut core vs. half-core, in addition to the local variations in Cg at decimeter scale. Fifty (50) samples selected by Lyons were taken from the original rejects at MS Analytical and one-kilogram riffle-split coarse reject material was delivered to ALS Laboratory for analyses that closely followed the original methods used by MS Analytical. These had a close correlation, and the authors of the report are confident that the original assays are representative of the samples assayed.

The database was reviewed by Lyons and GoldMinds. Several errors were discovered and resolved, and the final database included the corrections.

The technical data included in this release was prepared by qualified independent experts, as defined by NI 43-101 Regulation, including Claude Duplessis Eng., of GoldMinds Geoservices Inc. (resource estimation), Edward Lyons PGeo (BC, QC,NL) of Tekhne Research Inc. (senior author and most of the report), and Florent Baril, Eng. of Bumigème Inc. (mineral processing and metallurgical testing).

Berkwood Resource Ltd has finalising the independently prepared Mineral Resource Estimate technical report, in accordance with the National Instrument (NI) 43-101, detailing this important work, and the report is now filed on SEDAR at www.sedar.com .

Edward Lyons PGeo (BC, QC, NL) is the Qualified Person under the definition of Canadian National Instrument 43-101 for Berkwood Resources and has approved the technical information in this news release. Ed has worked extensively on the Lac Gueret Property, now owned by Mason Graphite, and on neighbouring graphite properties since 2000.

About the Company: Berkwood is engaged in exploration for the commodities that enable the modern revolution in essential technologies. These technologies are dependent upon the ethical mining and supply of naturally occurring elements and minerals that enhance the performance of energy storage systems and permit the development and miniaturization of new electronics and structural components for the new suite of innovative tools. The Company is led by a team with collectively over 200 years experience and whose members have been involved with the discovery of several producing mines.

On Behalf of the Board of Directors
Berkwood Resources Ltd.

'Thomas Yingling'

President, CEO & Director

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