TheNewswire / January 12, 2016 - <u>Berkwood Resources Ltd.</u> (TSX-V: BKR) ("Berkwood" or the "Company") is pleased to announce that it successfully completed a ground geophysics (magnetics and electromagnetics) program on its Lac Gueret South Graphite Project in Quebec. The program better assessed two large targets with several anomalies interpreted to be prospective for a large volume of graphite mineralization.

The purpose of this program was to ground truth and in priority to better delineate two principal targets (named Zone 1 and Zone 2) characterized by large electromagnetic anomalies that were previously detected by an airborne survey performed in the late 2014 (see Berkwood news release dated February 10, 2015). A third target area (named Zone 4) characterized by a smaller and weaker anomaly was also surveyed during this ground program (see maps on Berkwood website at www.berkwoodresources.com).

A total of 30.67 line kilometers of PhiSpy TDEM (time domain electromagnetic), 38.56 line kilometers of Magnetic and 1.15 line kilometer of VLF-EM ground surveying was completed with nearly-continuous (<0.5 meter spacing) readings on Zones 1, 2 and 4 along north-south lines variably spaced 50, 100 and 200 meters apart.

As previously defined by the TDEM airborne survey, Zone 1 is characterized by two individual limbs over a 2 kilometer length and 50 meters to 600 meters in width. The western part of this zone is now better delineated with four VLF-EM and 22 PhiSpy ground geophysical anomalies over an apparent 800 meters length and up to a 300 meters width. This western area is interpreted as a potential bulk graphite zone interlayered within the hinge of a complex fold. The limbs thin to 50 meters in width further to the east.

Zone 2 lies immediately south of the Mason Graphite claim boundary and along strike from the graphite zones of Mason Graphite, which are being readied for production (see below for details). A total of two VLF-EM and 15 PhiSpy ground geophysical anomalies confirm the occurrence of two parallel east-west anomaly limbs with the main anomaly limb measuring 1 kilometer in length and 60 meters in width.

The ground data have been acquired, processed and analyzed as a whole in conjunction with previously existing airborne data by Joel Dube, Engineer and senior geophysical consultant for Dynamic Discovery Geoscience of Ottawa, Ontario. Geological information collected during the field work and pending results of twelve (12) grab rock samples collected during the ground geophysics survey will also help refine the interpretation of these data.

Further exploration in the form of trenching and drilling is planned for the Lac Gueret South Graphite property during next spring on Zones 1 and 2 TDEM anomalies in order to evaluate the size, continuity, quantity and quality of any potential graphite mineralization.

Berkwood has an option to earn a 100%-interest in the 5,788 ha Lac Gueret South Graphite Property, which borders the southern boundary of Mason Graphite's Lac Gueret Graphite Project. A NI 43-101 compliant mineral resource estimate for Mason Graphite's Lac Gueret property indicates a measured & indicated mineral resource of 65.7 million tonnes grading 17.2% Cgr (Carbon as Graphite), which includes a higher grade resource of 9.7 million tonnes grading 31.2% Cgr\*. Berkwood's rational for exploring its Lac Gueret South Graphite Project is to find similar graphite mineralization to that of Mason Graphite.

To view details, maps and photos of Berkwood's properties please click the following link: http://www.berkwoodresources.com/properties.html.

Alain Berclaz, P.Geo., a Qualified Person under the definition of Canadian National Instrument 43-101 and a consultant to the Company supervised the line cutting, geological and geophysical work programs and approved the technical information in this news release.

On behalf of Berkwood Resources Ltd.

"George Gorzynski"

George Gorzynski, CEO & Director

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## Cautionary Statements

This Berkwood News Release may contain certain "forward-looking" statements and information relating to Berkwood that are based on the beliefs of Berkwood's management as well as assumptions made by and information currently available to Berkwood's management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitation, competitive factors, general economic conditions, relationships with strategic partners, governmental regulation and supervision, seasonality, technological change, changes in industry practices, and one-time events. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein. Except as required by law, Berkwood does not assume the obligation to update any forward-looking statement.

\*The Mason Graphite NI 43-101 mineral resource estimate was sourced from the Mason Graphite news release dated December 15, 2014. The Qualified Person has been unable to verify the information contained within the Mason Graphite news release and the mineralization on the Mason Graphite property is not necessarily indicative of the mineralization on the Company's property.

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