Berkwood reports high grade Graphite assays with large true thickness intersections up to 40.3 m on Zone 1 at Lac Gueret South Graphite Project

28.11.2017 | The Newswire

VANCOUVER, November 28th, 2017 - Berkwood Resources Ltd. (TSX-V: BKR, FSE: BK2, WKN: A110N3) ("Berkwood" or the "Company") is pleased to announce the assay results from the drill program on the Zone 1 geophysical prospect at the Company's 100% owned Lac Gueret South Project. Thirteen holes were drilled in the first Phase drill program with every hole intersecting visible Graphite. Sections of the drill core were sent for assay and we are pleased to confirm High grade Graphite with average grades in the range of 14.39 to 25.52% Cgr and true thicknesses ranging 22.1 to 40.3 m.

Mr. Edward Lyons PGeo (BC, QC, NL) has worked extensively on the Lac Gueret Property, now owned by Mason, states "The analyses show that the thick unit on Section 3100E as well as shorter intervals showed a similar range of grades that occurs at Mason Graphite's Lac Gueret deposit nearby."

The Zone 1 target is a conductive and magnetic system with a 2.2 km east-west strike length and 0.6 km width. It shows two parallel zones which may be a large-scale fold. The Zone 1 drill program intersected graphite in each of the 13 holes drilled on the west end of the Zone, and with which initial metallurgical assessment is in progress.

Certificates of Analyses # YVR1710850 and # YVR1717850A contain analytical results for all samples taken in the 13 HQ diamond drill holes on Zone 1. Nine sites contained the 13 drill holes oriented north with inclinations varying from -45? to -75? on a cut grid. The sites were spaced about 70-100 m apart on north-south sections which were spaced about 100-m apart. Significant results are described below:

Significant Drill Intersections

DDH ID	From (m)	To (m)	Sample length (m)	Cg% avg	True thickness (m) **
BK1-01-17	40.23	45.00	4.77	28.61	4.48
BK1-01-17	99.48	137.77	38.29	14.68	36.0
includes	101.98	110.19	9.83	29.17	9.2
BK1-02-17	43.05	46.38	3.33	15.16	9.75
BK1-02-17	60.85	80.45	19.60	24.01	15.5
includes	64.38	74.40	10.02	32.95	6.4
BK1-03-17	20.79	47.69	26.90	24.40	26.9
includes	24.28	26.94	2.66	31.08	2.6
includes	34.69	44.06	9.37	35.34	9.3
BK1-03-17					

93.40

99.38

5.98

13.11

5.98

BK1-04-17	26.68	79.24	52.56	21.01	40.3
includes	26.68	54.55	27.87	28.38	21.4
includes	69.19	71.71	2.52	31.72	1.9

DDH ID	From (m)	To (m)	Sample length (m)	Cg% avg	True thickness (m) **
BK1-05-17	31.4	43.86	12.46	20.72	8.8
includes	36.21	39.41	3.2	33.69	1.4
BK1-06-17	16.39	28.34	11.95	25.52	22.1
BK1-07-17	112.75	118.61	5.95	10.83	4.4
BK1-08-17	139.42	160.63	17.17	20.04	16.4
includes	150.37	155.83	5.46	31.19	4.5
BK1-08-17	169.83	177.04	7.11	28.02	6.2
BK1-09-17	114.25	142.34	21.33	12.27	18.5
BK1-10-17	133.98	148.75	16.27	9.10	14.1
BK1-11-17	19.84	24.17	4.33	11.39	3.8
BK1-12-17	30.62	33.93	3.31	11.23	2.7
BK1-13-17	38.44	46.59	8.15	19.20	6.9
BK1-13-17	99.64	105.57	5.93	18.84	4.9
BK1-13-17	117.60	120.13	2.53	18.52	2.0

True thickness was estimated based on foliation to core axis and the initial interpretation

The drillholes were completed on western three Sections 3100E through 3300E. Other narrower intervals with graphite greater than 10% Cgr occur, particularly on sections 3200E and 3300E, but are not listed above.

The initial interpretation of Section 3100E geology suggests an asymmetrically dipping and moderately plunging antiform to the west that includes a relatively thick band of graphite schist with average grades in the range of 14.39 to 25.52% Cgr and true thicknesses ranging 22.1 to 40.3 m in the lower parts of BK1-01-17 and BK1-04-17 and the upper parts of BK1-03-17 and BK1-05-17. There are thinner units both above and below this horizon. How these relate to the sections 3200E and 3300E to the east is under review. It is possible that the thicker graphite schist horizon may subcrop between 3100E and 3200E; there is sparse outcrop in the heavily forested area. The possibility of testing the specific horizon by electromagnetic charging the horizon in a borehole and mapping the traces of the unit on surface can constrain interpretations. This "mise a la masse" EM technique successfully demonstrated the two main Quinto/Mason's Lac Gueret showings were connected. The area west of section 3100E has west-dipping topography that potentially could keep the horizon closer to the present surface.

Tom Yingling, President and CEO states, "I am pleased we have succeeded in demonstrating significant graphite in large true thicknesses early in our initial exploration program. Having had success in every one of

the 13 holes drilled to date on Zone 1 is very exciting. Drilling on Zone 2, reported on 21 November 2017, will assist the Company in prioritizing the most compelling prospect for potential development. Our fall drill program is fully financed, and the field project is managed by the same team that discovered Berkwood's Zone 1 discovery and the Mason Graphite deposit. I am thrilled with our shareholder and financing support, and with our capital structure - we still only have approximately 32.5 million shares outstanding."

The Company has extended road access and trails to develop the initial group of targets at Zone 1, and drill pads have been prepared for the further planned drill program to test the targeted PhiSpy conductive anomalies.

Lac Gueret South Zone 1

Lac Gueret South is located in Cote Nord, Quebec, a three hour drive from Baie-Comeau in an area of very good infrastructure. The Project lies directly south of Mason Graphite's (TSX-LLG) advanced Lac Gueret Project. Mason is developing one of the largest medium to high grade graphite deposits in the world.

Success in this drill program confirms that a significant component of the distinct electromagnetic conductors that occur over a two kilometer length and 50 meters to 600 meters in width as defined by airborne EM geophysics (see the Berkwood news release dated February 10, 2015) includes graphite.

Sampling & Analytical Procedures

Sample intervals were marked based on the presence of graphite-bearing lithology and significant visual changes in graphite appearance and range from 0.88 to 3.2 m in length. Most were between 1.1 to 2.2 m. Bracket samples to a maximum of 3.0 m length of unmineralised or very low grade (<3% Cgr) mineralisation were taken to join groups of narrower graphite intersections for continuous data for future calculations. The samples were cut lengthwise with rock saw perpendicular to the foliation. One half was placed in plastic bags with numbered tags and arranged in sequence of collection. The other half was retained in core trays on site.

Field QA/QC materials consisted of granitic gneiss rock with nil graphite and sulphide as blank material and quarter-cut drill core for duplicate samples. No standards or certified reference material (CRM) were used in the field. Visual inspection of blank material analyses showed the expected nil values for blank rock, which indicated no contamination from prior samples. Duplicate samples showed the close but not exact correlation with the original half-core samples as is typical of layered material. The laboratory includes five QA/QC materials in each batch of 35 client samples.

Sampling of sawn drill core was completed, weighed, and packed in rice bags under supervision by the QP, and was shipped from Baie-Comeau, QC by truck on pallets to MS Analytical Laboratories in Langley, BC.

Standard sample preparation included crushing and pulverising with silica sand "wash" prior to each sample at both stages on all samples to reduce contamination. The pulps of all samples were analyzed by MS Analytical's SPM-140 method for graphitic carbon by ashing the sample followed by an acid digestion to eliminate carbonate and SPM-210 for total sulphur by oxidation in a LECO furnace. SPM-140 analyses carbon as graphite (Cgr) to a maximum grade of 50% Cgr, while Total Sulfur has no upper interference level. ICP-MS analyses were run on two longer series of graphite samples from the thickest intervals to test for potential deleterious elements; nothing exceptional was found. Rejects and pulps are presently stored at the MS Analytical warehouse for future metallurgical tests.

Discussion of Results

The analyses show that the thick unit on Section 3100E as well as shorter intervals showed a similar range of grades that occurs at Mason Graphite's Lac Gueret deposit nearby. The cut-off grade used to define the intervals was the same 5% Cgr level used for Mason's Lac Gueret resource and reserve estimations with a denser data set, published on SEDAR. One difference is that the highest grades found in one area at Lac Gueret, just over 60% Cgr, were not matched here. Another is that the population of analyses around 5% Cgr constitute a small proportion of samples; the data are generally significantly higher or lower. Three levels of graphite concentration were codified in the field based on local observations as well as known data from

Lac Gueret: graphite-bearing schist less than 5% (to 3%) Cgr as low grade; graphite schist with grades between 5% and 25% Cgr as medium grade; and high grade (HiG) material where the sample grades exceeded 25% Cgr and makes visual estimation is impossible in core.

Comparison between South Lac Gueret and Lac Gueret deposits

The comparison between Berkwood's Zone 1 and Lac Gueret, now owned by Mason Graphite, is that in the early stages of exploration by Quinto Mining, abundant outcrop on burned and logged areas was identified on the initial site visit by the QP. Minor stripping and clearing of the shallow overburden exposed extensive graphite zones with good quality mapping and intense surface sampling prior to drilling. The works by Quinto and Mason are documented in various technical reports posted on SEDAR between 2001 and 2015. Berkwood's property, which is at the initial stages of exploration, is forested making the development of equivalent exposures difficult. Thus, it faces more work to expose the same showings.

New Property Acquisition

Berkwood is pleased to announce that it has expanded its Lac Gueret Extensions project (Northern blocks). Owing to the success of its Phase 1 drill program and the success of Phase 1 drill program assays the Company decided to immediately acquire additional claims.

Berkwood has acquired a further fifty three (53) claims in its Lac Gueret Extensions project (Northern block) region, to extend the previously held 19,884 ha (hectares) covered by 368 claims to a new total of 22,739.46 ha covered by 421 claims. Berkwood is acquiring The Turkey Lake Property by payment to 1131348 BC Ltd of 630,000 common shares and $15,000. Berkwood will own 100% of the property with no royalties attached. The transaction remains subject to TSX-V approval.

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

To view a virtual reality video of the autumn Zone 1 drill program, visit our home page at: http://www.berkwoodresources.com

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 100 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

FOR MORE INFORMATION, PLEASE CONTACT:

Investor Relations:
info@berkwoodresources.com or 1-778-945-2935 www.berkwoodresources.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Disclaimer for Forward-Looking Information:

Certain statements in this release are forward-looking statements, which reflect the expectations of management. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions, which may prove to be incorrect.