EnGold Reviews 2018 Results and Provides Outlook for 2019

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VANCOUVER, Jan. 29, 2019 - David H. Brett, President & CEO, <u>Engold Mines Ltd.</u>, (TSX-V: EGM, "EnGold" or the "Company") provides the following summary and review of recent exploration of the Company's sole exploration projec 100% owned Lac La Hache copper, gold, silver property in the Cariboo region of BC.

2018 was a busy year for EnGold at Lac La Hache. Based on EnGold's fiscal year which ends September 30th, \$1,745, exploration costs were incurred on the Lac La Hache property including 9,653 metres of drilling in 22 holes, and \$93,77 ground geophysical expenditures. This was down from the same period in 2017, when \$2,627,057 in exploration costs incurred, including 15,407 metres of drilling. Exploration expenditures incurred up to 2017 have now been applied as assessment work, such that the claims are now in good standing until at least 2028, not including the 2018 work. Since resumption of exploration at Lac La Hache in 2015, following a period of low activity, EnGold has carried out 31,995 mediamond drilling. This drilling has produced some very significant, positive results.

EnGold's Emerging, Evolving Exploration Strategy

EnGold's corporate strategy is to maximize stakeholder value by advancing the Lac La Hache Project (the "LLH Projec way that adapts to an often rapidly changing array of variables that the Company encounters, such as stock and metals conditions, new exploration results, and the availability of investment capital. What follows is a review of EnGold's strat the last several years and discussion of the Company's plan and outlook for 2019.

A notable feature of the LLH Project is that it hosts multiple, distinct prospective zones exhibiting different styles of mineralization. These occurrences of gold, copper, silver and magnetite are located along a 7-kilometre trend that EnG refers to as the "core" of the property, which is where most of the exploration has been focused over the years. The moccurrences can be divided into three main types: 1) copper-magnetite skarns (Spout & G1); 2) gold-copper hydrotherr breccias and quartz veins (Aurizon); 3) copper-gold porphyry mineralization (Berkey/Ann North & new IP anomaly).

Spout Copper Versus Aurizon Gold

From 2011 to 2013, EnGold focused significant resources to defining a mineral resource at Spout based on an open pit configuration in part because the economics of a near surface, bulk tonnage operation were, at that time, supported by demand and high prices for the abundant magnetite that accompanies the copper mineralization. The market for magnetized in subsequent years, undermining the economics of the Spout Deposit as an open pit target.

In 2015, with copper prices on a downtrend and the low grade Spout deposit showing weak economics, the Company of that the high grade Aurizon Gold zone had the best potential to drive shareholder value, initiating drill campaigns in 201 2016, and even changing its name to include the word gold. Drilling of the Aurizon structure in 2015 and 2016 produced impressive high-grade gold intercepts, leading to a \$1 million financing near the end of 2016.

Gravity Drilling

The gold focus of EnGold changed dramatically in February of 2017 when a planned single drill hole was carved out of Aurizon Gold budget to test a compelling gravity anomaly that had come to light through a low-budget test survey carrie 2015. EnGold Vice President of Exploration Rob Shives astutely decided to see what kind of response the gravity meth would produce over the Spout Deposit and surrounding area. Drilling of the gravity anomaly located 1.8 km south of Sp returned a spectacular 26.6 metre true-width intersection of semi-massive magnetite-copper grading 1.76 % Cu, 0.27 g 10.3 gpt silver & 35.8 % Fe, with geological characteristics similar to Spout North Zone. This discovery radically chang EnGold's exploration strategy.

Although additional drilling has been carried out at Aurizon Gold since the "G1" discovery, and an Aurizon Gold inferred

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resource calculation was completed and published, the bulk of EnGold's exploration budget and energy in 2017 and 20 been dedicated to the discovery and delineation of high-grade copper resources in the G1 – Spout area.

The G1 - Spout Campaign

A remarkable feature of the G1 discovery is the consistent high grades over significantly broader true widths than Spoul However, given the depth of the intercepts, at roughly 350 metres below surface, the G1 mineralization can only be devalued as an underground minable target. The magnetite-rich skarns of G1 and Spout are very similar in minerology, with notal differences, such as the higher gold and silver content at G1. Also, G1 is a horizontal structure, whereas Spout consists near vertical component (Spout North) and a more horizontal section (Spout South).

EnGold's initial outlook was that the G1 zone could be connected to the Spout Deposit 1.8 km to the northwest, but as a campaign rapidly advanced with two drills and new funding in place, it became apparent that G1 was not uniformly thick discreet boundaries to the zone emerged based on a 50-metre drill pattern. Another challenge that emerged was the interpretation of the gravity data, which was augmented by a large amount of additional surveying. While the discovery was extraordinarily well correlated with the centre of the gravity anomaly, drilling of subsequent even stronger gravity another produced disappointing results.

An important feature of both the Spout and G1 copper-magnetite-gold-silver skarns is that they both occur within a carbonate-rich volcaniclastic layer that is pervasive in the area, a layer dipping gently to the southeast at approximately degrees, coming to surface at Spout. Skarn-style mineralization typically occurs where intrusive rocks such as granites varying kinds, are proximal to carbonate-rich sedimentary host rocks such as limestones, where the extreme heat of the intrusive magma causes minerals to remobilize and seep into the chemically receptive host rocks, which act somewhat sponge. At the LLH Project, the layer that is receptive to metal deposition through this "skarnification" or replacement p is a submarine unit comprised of pieces of angular volcanic and sedimentary rock ("clasts") with abundant carbonate as minerals. EnGold geologists often call this layer "the container." Sometimes the container is full, such as at G1, but it al occurs as an "empty" sedimentary layer.

Geophysical Surveys

The pervasiveness of "the container" in the Spout – G1 area adds strong exploration potential to the LLH Project the very high magnetite content of the skarns and extreme density of the better mineralized zones enhance the utility of magnetic and gravity geophysical surveys. For this reason, in 2017 EnGold increased its geophysical budget to include closely spaced airborne mag and gravity survey over the Spout-G1 corridor. Additional, closely spaced surface gravity were also added.

The additional mag and gravity surveying outlined several high priority anomalies over a 7 km trend. Initial drill tests at these large anomalies in 2017 had inconclusive results. To add another targeting layer to aid exploration, EnGold adde Induced Polarization ("IP") surveys in 2017 and 2018. IP is a proven exploration tool used and refined over numerous of work around the world and involves sending electrical charges into the bedrock and measuring the responses along surveyed lines that measure the affects of the electricity, with certain patterns being well known to indicate potential for deposits.

A challenge at the LLH Project is the depth of the G1 mineralization, which reduces the detectability of the zone using a geophysical method. However, in spite of these challenges, geological, geophysical and assay results provide a compecase for persistent drilling to test "the container" along the entire prospective trend.

Notwithstanding the Company's exploration efforts directed at G1 and hoped for extensions and/or duplications of it alottend, the much better-known Spout Deposit became the focus of renewed attention for EnGold in 2018. Given the suc G1 and its potential to develop into an underground copper mine, the Company decided to revisit the Spout Deposit as high-grade underground target. As a result, EnGold planned a series of 6 "deep" holes to extend the higher-grade portithe steeply dipping Spout North zone to depth, as a way to expand the resource in advance of a planned recalculation resource using an underground, high-grade deposit model. The six-hole Spout North deep drilling effort, comprising a to 2,961 metres, successfully extended the known mineralization from an average of 100 m depth to more than 400 m depart along a 550 m strike length. Hole SL18-181 intersected 8.8 m core length (true width not determined) below 400 m, grade 3.3 % Cu, 0.83 gpt gold, 16.9 gpt silver and 26.7 % Fe. These grades at depth remain open and will add significantly to depth potential of the copper-magnetite (+ gold + silver) Spout Deposit.

Porphyry Potential

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The 2018 IP survey was designed to improve resolution of earlier IP results, with emphasis on the weaker anomaly rec defined at G1 and its relationship to a much stronger, but poorly defined IP response to the east. The work showed a la high intensity IP anomaly to the east of G1 that has many of the characteristics of anomalies associated with large porp copper deposits. The anomaly had appeared on the edges of a prior IP survey, but the new work completed the picture "porphyry" deposit is characterized by mineralization that is distributed relatively uniformly in granitic rocks, which, becarbeir consistency and size, comprise many of the largest mineral deposits in the world, and are especially economically attractive if they are close to surface and can be mined by bulk, open-pit methods. Porphyry deposits, if they are large can be mined profitably at much lower grades than skarn or other kinds of smaller, high-grade copper deposits.

Porphyry deposits often display a "pyritic halo" around them. Iron pyrite is not itself an economically attractive mineral, I typically responds well to IP surveys. In the fall of 2018, EnGold's drill hole 18-44 targeted the middle of the IP anomaly encountered highly pyritized granitic rocks but only minor copper mineralization. A second hole located within the south of the IP anomaly ended due to bad ground short of the target depth, but also failed to intersect much copper enrichme However, hole GP18-42, drilled prior to definition of the larger IP anomaly, encountered 58 m of porphyry style copper mineralization suggesting the large IP anomaly remains a compelling, ongoing exploration target for EnGold.

High Grade Gold Quartz Veins

Near the end of EnGold's 2016 drill program, a narrow but very high-grade gold-bearing quartz vein was encountered hole AZS16-56 which was targeting the much larger Aurizon Gold hydrothermal breccia structure deeper down. The qui was traced to surface and identified over 150 m strike length. Due to the discovery of the G1 Zone in February of 2017, follow up work in the area of the high-grade quartz vein was done until the summer of 2018, when a relatively small but spaced soil sampling program was undertaken to see if more gold bearing quartz mineralization could be discovered. To survey indicated numerous gold anomalies which when investigated on surface turned up a number of new high-grade occurrences, some with visible gold.

In the fall of 2018, a limited series of short drill holes tested the surface occurrences with very encouraging results. The of this work is that a new exploration front has been opened up at the LLH Project, a front of potential we hope to follow in 2019.

Outlook for 2019

Subject to additional financing management is aiming to secure in Q1 of 2019, EnGold's 2019 exploration plan will entabudget of approximately \$2 million deployed as outlined below.

Spout G1 Gap

One outcome of EnGold's 2018 "Gap" drilling was that the high potential stratigraphy and geophysical signature was ac extended to the southeast of G1, where the best hole of 2018 was drilled. Planned 2018 drilling of the Gap area was no carried out due to the program not being fully funded, and as such, EnGold's 2019 plan entails the drilling of many of the undrilled 2018 Gap holes, but this time with significantly enhanced data that came by way of the 2018 expansion of the survey.

As described above, the skarn-style mineralization at Spout and G1 is caused by "intrusive" activity (magma that rises deeper in the earth, cooling slowly and producing the "chunky" larger crystal textures of granitic rocks), giving rise to be mineralizing fluid flow into the receptive, sedimentary "container" unit. Understanding the location of the intrusive "heat helps in building a robust exploration model, and it is possible that the intrusive body identified by the 2018 IP survey is "genetically" linked to the copper-magnetite rich skarn occurrences. This new clue is the subject of current study and E hopes this will assist with high quality drill targeting in 2019.

A total of 5,000 metres of drilling in 10 holes is planned for the Spout – G1 Corridor.

Aurizon Gold Area

The encouraging high-grade gold results in soils, surface showing and in drilling in the area just west of the main Aurizo

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structure will be followed up by a significantly expanded soil sample grid, trenching of existing showings, and approximately 2.000 metres of additional drilling. EnGold believes the new area of interest not only represents potential for discreet. underground minable high-grade quartz veins, but also exhibits potential for bulk tonnage gold targets, if it can be show the gold mineralization is hosted in broader quartz stockwork zones or sheeted veins. Detailed geological mapping is a planned to better understand the newly discovered occurrences.

IP Zone

Additional modeling of all data in the G1 – IP Zone area will be completed to support best targeting in the area, both skarn (G1-style) and porphyry copper models, using 3,000 m drilling.

Additional work plans for 2019 include initial metallurgy of G1 mineralization, petrographic studies, and continued comr engagement. All-in, EnGold has budgeted \$2M for 2019 Program, subject to funding.

Rob Shives P.Geo., VP Exploration and a Qualified Person as defined under National Instrument 43-101, has reviewed approved the technical content of this release.

Engold Mines Ltd.

David Brett President & CEO

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