Berkwood Resources Ltd. obtains robust pit constrained mineral resources at its Lac Gueret South Project

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>Vancouver, July 16th, 2019 - Berkwood Resources Ltd. (TSXV:BKR) is pleased to announce the results of a pit-constrained Mineral Resource Estimate regarding its Lac Gueret South Project. This maiden Mineral Resource Estimate for Lac Gueret South, Zone 1, is summarized in Table 5 (with annotation). The Mineral Resource Estimate is based on drilling campaigns in 2017 and 2018 totalling 6,232.49 meters and surface trench samples over 77 meters.

Table 1: Base Case Pit-Constrained Mineral Resource Estimate at the Lac Gueret South Project1

Mineral Resource Category	Current Resource (June 2019)8 Tonnage (Mt)5,7	Grade (% Cg)4	Cg (t)6
Indicated	1.76	17.00	299,200
Inferred3	1.53	16.4	250,200

Notes:

1. 1The 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. 2Mineral 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. 3Inferred Mineral Resource 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 Resource.
4. 4All analyses used for the Resource Estimates were performed by MS Analytical in Langley, BC with verification samples at ALS-Laboratory at Burnaby, BC and was tested for graphitic carbon ("% Cg"), internal analytical code SPM-140 and GE_CSA05V.
5. 5Current Resource effective June 30, 2019.
6. 6No recovery was applied in the calculation of tonnage of graphitic Carbon (90% recovery was applied in pit optimization to define pit constrain mineral resources)
7. 7The Current Mineral Resource are stated at a cut-off grade of 6.81% Cg.

Tom Yingling President and CEO states: "Berkwood has reached a significant milestone at our lac Gueret South project with the definition of 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 the resource 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 Gueret South will figure into the emerging Lac Gueret graphite production camp in the near future. Our exploration and metallurgical work has received enthusiastic support of our investors and financiers, and we will immediately embark 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(s) we can expect for eventual customers."

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 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. (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 core 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 Quebec City, QC using Genesis(C) mining software. The block model estimate was performed using interpolation according to the inverse of the distance from nearest sample composites and the ellipsoid influenced distance in calculation were adapted for the geology of the deposit using the special variable direction search ellipsoid tool available in Genesis software and designed for application to folded deposits.

The block size has been defined in order to respect the complex geometry of the envelopes of mineralization. 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 g.cm-3.

The envelopes have been filled by regular blocks and only composites within the envelopes were used to estimate the block grades. This represents a total of 3015 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 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 Section 13 of the upcoming NI 43-101 report presenting similar results aligned with an adjacent project. Duplessis elected to apply a conservative recovery of 90% as additional metallurgical testing is required to better define the flake class and pinpoint values of the eventual saleable products.

Table 4: Pit optimization Results (rounded)

	Mineral Resource					
Optimised Pit.	Indicated		Inferred		Waste(*)	Stripping Ratio
	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 (non-graphitic) samples inserted into the sample sequence every 20th sample as well as duplicated quarter-cut drill core. The blank samples were consistently of very low grade. The duplicate samples were near the initial analyses on the half-core; there is typically some variation in grade owing to the reduced volume of material in quarter-cut core vs. half-core plus the local variations 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 was delivered to ALS Laboratory for analyses that closely followed the original methods used by MS Analytical. These had a close correlation.

The database was reviewed by Lyons and GoldMinds. Several typographic errors were discovered and resolved, and the final database included these 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 Bumigeme Inc. for mineral processing and metallurgical testing.

Berkwood Resource Ltd is finalising a Mineral Resource Estimate technical report, in accordance with the National Instrument (NI) 43-101, detailing this important announcement: the report will be filed on SEDAR within the next 45 days.

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, and 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

FOR MORE INFORMATION, PLEASE CONTACT:

Investor Relations:
info@berkwoodresources.com or 1-604-343-7740 www.berkwoodresources.com

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