



rhstruthers@gmail.com

Know when to hold-em!  
Know when to fold-em!  
Know where to set stops!  
Know when to run!  
Never count your portfolio  
Until the sells are done..

\*\*\*\*\*

Gold is proving to be a coiled spring off a severely over sold condition. I think what the Gold market is telling us is how wrong everyone was near year end 2015. Those Funds that piled the shorts up at the bottom have been slaughtered again. It seems to happen at least once a year.



Please don't mind my last two crude candle sticks drawn in. I needed to show a weekly chart with this weeks trading to show this breakout. It seems we are going right through the resistance I thought there would be at this level, but perhaps we will do some consolidation. This move is also proving how hard the Fed interventions and shorts had to work to push Gold down to \$1050 only to see over 1 years work undone in 1 week. **Currently Gold is over \$1250**

After the Fed's idiotic move late last year, it now appears the markets are completely losing confidence in Central Banks. Sweden announced further negative rates today. Yellen has spoke the past 2 days before the Banking Committee and says it's too early to say the U.S. will be negatively affected by recent turmoil, yet both times mentions negative interest rates. It looks like a Fed that is gotten to high off their own B.S. for too long. Can you say waffle waffle waffle!!!!!!!

I am adding Barkerville Gold back on the Selection List. I started following BGM in 2014, but we got stopped out of the stock, like many others. I am basically going to talk about the changes with the company **since then and it has been huge and very good.**

**Barkerville Gold TSXV:BGM. OTC: BGMZF Recent Price C\$0.31**

Shares out 259.4 million approx.

At first site this appears like a lot of shares but most are held in very strong hands

Eric Sprott owns	90,783,131
Osisko Royalties	47,625,000
Management & Insiders approx	10 million

Sprott and Osisko have come in and supported this company through this huge down turn and now Barkerville is sitting well in excess of \$30 million in funding with strong partners. With Sprott and Osisko Royalties coming in big, they certainly brought some strong people into the company.

I also know with a lot of new and very strong management coming into the company, I am sure they have taken some big positions in the stock, meaning probably much more is in strong hands

New management/board since I followed BGM in 2014 and they moved to Toronto from Vancouver

## **Management**

### **In December 2014, Thomas Obradovich became President and CEO**

Mr. Obradovich has more than 30 years experience in mining exploration, development and financing. He is President and CEO of Canadian Continental Exploration (private), and he was one of the key individuals behind Aurelian (acquired by Kinross Gold Mines for \$1.2 billion in 2008), which discovered the Fruta Del Norte gold deposit in Ecuador. Mr. Obradovich was also the co-founder of Canadian Royalties Inc., which discovered and developed the Raglan south nickel belt. Mr. Obradovich acquired most of the Matachewan gold camp and, through a reverse takeover of Young-Davidson Mines Ltd., upgraded and doubled the resource which was subsequently acquired by Northgate Minerals in 2005. In 2011, Mr. Obradovich was appointed to the board of Dalradian Resources Inc. and he was appointed Chairman in 2012. Dalradian is currently developing the mesothermal high grade Curraghinalt gold deposit in Northern Ireland.

### **Paul Geddes VP Exploration joined in March 2015**

Mr. Geddes has more than 20 years of exploration and development experience in Canada and the United States, with a strong background in delineating structurally complex gold deposits and building minable resources in a cost-effective and timely manner. His most recent accomplishment with Rainy River Resources Ltd. was the nearly thousandfold increase in global gold resources for the recently permitted Rainy River gold project, west of Fort Frances, Ont., prior to its takeover by New Gold in October, 2013. During his career, Mr. Geddes has held various senior geological roles for both major and junior mining companies, including Noranda Mining and Exploration Ltd., Teck Exploration Ltd., INCO Technical Services Ltd., North American Palladium Ltd., and Rainy River Resources.

### **In May 2015, Andres Tinajero took over as CFO**

Mr. Tinajero has over 20 years of business experience, having supported a broad range of industries, including mining, manufacturing and technology. During this same period, he has served as CFO and Vice President of Finance of several medium sized public companies across Canada. He holds a degree in Business Administration and an MBA, and is also a Member of the Canadian Institute of Certified Management Accountants, the Certified Practicing Accountants of Australia and he is a Certified member of the Institute of Corporate Directors.

### **Morris Prychidny, Director also came on board in May 2015**

He is a graduate of the University of Western Ontario and is a chartered accountant with more than 35 years of experience in the mining and real estate industries. Mr. Prychidny brings strong portfolio management, accounting and financing expertise to the company. He is currently a director and audit committee member of several public companies and private investment companies, including Nighthawk Gold Corp., Northfield Capital Corp., Corporate Catalyst Acquisition Inc., GC-Global Capital Corp., Orion Capital Corp. and Woodbine Downs Ltd.

### **Greg Gibson, Chairman - came on board in January 2015**

Gregory Gibson has over 30 years experience in the mining industry. He has worked as a mine manager in gold and copper mines in Australia, a nickel mine in Timmins, Ontario, and a gold mine in British Columbia. He has held positions with JS Redpath in Canada and in the United States, Dynatec Mining Ltd. in Canada and the United States, and Yilgarn Star Gold Mine in Australia and Copper Mines of Tasmania in Australia. Mr. Gibson successfully led Trelawney Mining and Exploration Inc. as President and CEO and a director, to a \$608 million plan of arrangement with IAMGOLD Corporation in June 2012.

### **Anthony Makuch, Director was also appointed in January 2015**

Anthony (Tony) Makuch is a professional engineer (Ontario) with over 25 years of management, operations and technical experience in the mining industry, having managed numerous projects in Canada and the United States from advanced exploration through production. Since 2008 he is President and CEO of Lake Shore Gold. Between 2006 and 2008, Mr. Makuch was Senior Vice President and Chief Operating Officer for FNX Mining Company Inc. From 1998 to December 2005 he held several positions with Dynatec Corporation, including Operations Manager and VP, Operations. Mr. Makuch holds a Bachelor of Science Degree (Honours Applied Earth Sciences) from the University of Waterloo in Ontario, and both a Masters of Science Degree in Engineering and a Masters of Business Administration from Queen's University in Ontario.

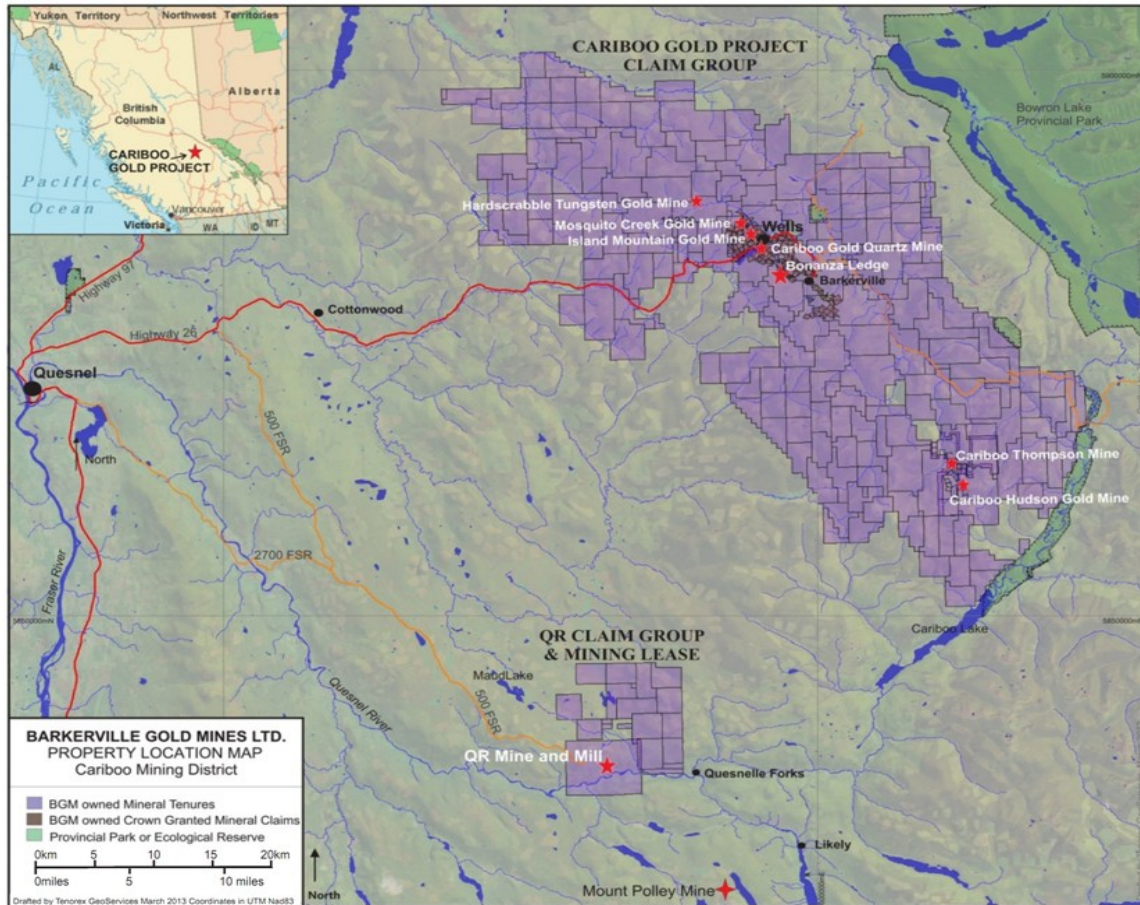
### **Ian Gordon, Director joined October 2014**

Mr. Gordon was educated at the Royal Military Academy, Sandhurst in England, and was commissioned into a Scottish infantry battalion. Following his immigration to Canada, Mr. Gordon received a Bachelor of Arts Degree in history from the University of Manitoba and worked in human resources management for diverse companies for fifteen years. Thereafter, Mr. Gordon was employed in the investment dealer industry, where he served as very successful investment advisor; as well as the retail sales manager for three different investment dealers and after 2000 he became a leading financier for junior precious metals mining companies. With his business partner he co-founded Woodstone Capital, a small investment boutique. Mr. Gordon left the investment industry in 2008 to found his own business, the Long Wave Group - an economic / financial forecasting publisher -which has garnered subscribers in fifty countries.

### **Project – Cariboo Gold District British Columbia**

BGM has fully consolidated 1,177 square kilometres of land in the Cariboo Gold District, a historically profitable yet still underexploited area of south-central British Columbia. Within it, BGM already boasts one active high-grade mine alongside six past-producing mines

There are three main areas – **Bonanza Ledge, Island Mountain Cow Mountain**



**The Bonanza Ledge Mine** at Barkerville Mountain is BGM's most prospective asset in the short-term. The company received a positive pre-feasibility study for Bonanza Ledge in September 2009 (updated in June 2013), and on April 23rd, 2015, announced the completion of Phase I test mining, with 91,234 tonnes processed at a head grade of 8.66 grams per tonne, yielding 23,726 ounces and a total recovery of 93.4%.

The mine is situated on the southwest flank of Barkerville Mountain, about two kilometres northwest of the Barkerville Historic Town site. The company began an extensive drill program in 2015 in this area and has so far reported on 163 drill holes to complete phase I

They have now begun a phase II in fill drill program

I just highlighted some below and would say results were very good, but just got no respect in the poor market of the past year.

### The last results were released January 7, 2016

- BGM-15-145: 18.95 g/t gold (0.55 ounce per ton) over 4.40 metres, including 37.82 g/t (1.10 ounces per ton) Au over two metres, including 65.82 g/t (1.92 ounces per ton) Au over one metre;
- BGM-15-148: 120.43 g/t (3.51 ounces per ton) Au over 2.50 metres, including 332.16 g/t (9.69 ounces per ton) Au over 0.90 metre;
- BGM-15-149: 11.70 g/t (0.34 ounce per ton) Au over 5.30 metres, including 57.33 g/t (1.67 ounces per ton) Au over one metre;

- BGM-15-160: 10.06 g/t (0.29 ounce per ton) Au over 19.40 metres, including 16.12 g/t (0.47 ounce per ton) Au over 9.70 metres, including 33.18 g/t (0.97 ounce per ton) Au over 2.70 metres and 15.40 g/t (0.45 ounce per ton) Au over three metres;
- BGM-15-162: 21.49 g/t (0.63 ounce per ton) Au over four metres, including 27.80 g/t (0.81 ounce per ton) Au over three metres, including 44.50 g/t (1.30 ounces per ton) Au over 1.50 metres;
- BGM-15-163: 43.48 g/t (1.27 ounces per ton) Au over 7.95 metres, including 54.88 g/t (1.60 ounces per ton) Au over 5.95 metres, including 209.33 g/t (6.11 ounces per ton) Au over one metre.

### **Some previous results**

- BGM-15-151: 21.06 g/t (0.61 ounce per ton) Au over two metres, including 25.96 g/t (0.76 ounce per ton) Au over one metre and 16.15 g/t (0.47 ounce per ton) Au over one metre;
- BGM-15-159: 28.99 g/t (0.85 ounce per ton) Au over 2.55 metres, including 13.95 g/t (0.41 ounce per ton) Au over 1.15 metres and 41.34 g/t (1.21 ounces per ton) Au over 1.40 metres;
- BGM-15-064: 27.93 grams per tonne (0.81 ounce per ton) gold over 3.9 metres, including 118 grams per tonne (3.44 ounces per ton) gold over 0.8 metre;
- BGM-15-070: 21.72 grams per tonne (0.63 ounce per ton) gold over 3.75 metres, including 38.98 grams per tonne (1.14 ounces per ton) gold over two metres;
- BGM-14-045 10.52 g/t (0.31 ounce per ton) Au over 4.50 metres, including 32.53 g/t (0.95 ounce per ton) Au over 1.10 metres;

Barkerville also discovered a new high-grade gold horizon (the KL horizon) 500 metres east of the Bonanza Ledge open pit and has released some very good results there as well

This area has seen all the recent drilling and can quickly be put into production with existing infrastructure. The mill can currently run at 550 tonnes/day and can easily go up to 700 tonnes/day.

### **Island Mountain**

Gold-bearing quartz veins have been worked on Island Mountain since the 1870s. The Island Mountain claim group consists of 34 Crown-granted mineral claims and fractions comprising 446 hectares on Island Mountain, northwest of Jack of Clubs Lake and just west of the town of Wells. Island Mountain operated from 1934 to 1967, exploiting both quartz vein and replacement-style mineralization for a total reported production of 603,800 ounces of gold. The mine closed in 1966 due to low metal prices.

Mosquito Creek claim group is composed of 29 Crown-granted mineral claims consisting of 404 hectares contiguous within the Island Mountain claim. It hosts the Mosquito Creek Gold mine, a small historic mine located 750 feet above the upper workings of the Aurum Mine. The mine was developed by Mosquito Creek Gold Mines Ltd. and operated from 1980 to 1983.

### **Cow Mountain**

Cow Mountain contains an NI 43-101 compliant mineral resource that was updated on March 31, 2015 and hosts a number of past-producing gold mines. It also holds great potential for continued exploration and future extraction of high-grade ore. In particular, the Cariboo Gold Quartz Mine (CGQM), historically exploited primarily quartz vein mineralization. From 1933 to 1959 it is reported to have produced 1.68 million tonnes grading 0.37 ounces per tonne (621,000 total ounces of gold).

Previous at Cow Mountain BGM completed an extensive diamond drill program—both within and

beneath the mine. The company also undertook similar drilling in a newly discovered area just outside of the proposed pit area. Cow Mountain has been determined to contain 2.8 million ounces of indicated gold and 2 million ounces inferred.

2015 COW MOUNTAIN MINERAL RESOURCE  
(reported at a cut-off grade of 0.5 g/t Au)

Classification	Tonnes (millions)	Au grade (g/t)	Au (3) (Moz)
Indicated	35.8	2.4	2.8
Inferred (2)	27.5	2.3	2.0

This exploration area and what BGM reported is was what caused the previous problems under the old management. Since new management took over:

The Cow Mountain database was updated with the results of the re assay program outlined in the recommendations section of the 2012 report (Geoex, Apex and Snowden, 2012). A total of 27,473 coarse reject samples in drill holes from 2009 to 2012, which were originally assayed with standard fire assay method with atomic absorption finishing, were re assayed using screen metallic analysis. A total of 7,698 non-assayed intervals in pre-existing drill holes from 2007 to 2011 were also assayed and incorporated into the estimate.

In 2014, 10 new drill holes were drilled logged and assayed; five of these drill holes are outside of the main estimation domain. There was no drilling in 2013. In addition, results from the re assaying project carried out in 2014 were included in the updated database. **In total, 1,464 drill holes were utilized to inform the 2015 resource update.**

Cow Mountain gives a solid resource base to build on and the new drill programs at Bonanza Ledge are going to significantly add to BGM's totals

## Financial

Last Financials on Nov 30 2015 showed \$5.3 million cash and no long term debt, but since then considerable funds have been raised.

On Nov. 30, 2015, Osisko Gold Royalties Ltd. (TSX:OR) and Barkerville announced that they had entered into a binding letter agreement whereby Osisko agreed to purchase 32 million common shares, issued on a flow-through basis of Barkerville.

On Dec. 24, 2015, Osisko and Barkerville announced the completion of the first portion of the private placement, whereby Osisko subscribed for 18.75 million flow-through shares at a price of 32 cents per share for gross proceeds of \$6-million.

Then Feb., 5, 2016, the companies announced that Osisko has purchased an additional 13.25 million flow-through shares at a price of 32 cents for total gross proceeds of \$4.24-million, representing the balance of flow-through shares issuable pursuant to the private placement.

So this raised \$10.24 million in flow through funding

Osisko Gold Royalties Ltd also closed the acquisition of a 1.5-per-cent net smelter return royalty on the Cariboo gold project for a cash consideration of \$25-million, as previously announced on Nov. 30, 2015.

Not many companies did large financings in this recent market, so \$35 million in funding speaks very highly about some of the best investors in the Gold market buying into Barkerville

## Summary

For an advanced junior exploration company BGM has everything going for it:

- Exceptional management that has had past huge success
- A very good project with 2.8 million ounces resource and growing
- The Bonanza Ledge is very high grade and they have an operating mill
- Plenty of funds with \$35 million in new funding just raised
- Strong backing with Sprott and Osisko

What was missing was a half decent Gold market, but this last piece of the equation is coming together now so this is why I believe this is the ideal time to buy this stock.

There is going to be plenty of news flow with drilling underway that will probably intensify with the added funding

At 260M shares at C\$0.31 the market cap is C\$80.6 or less than \$US60 million. This values their 2.8 million ounces at about \$20 per ounce which is not very high, especially considering there will be plenty of high grade ounces added to this at Bonanza Ridge and they have an operating mill.



On the chart we can see a very long and solid stage one base between about \$0.22 and \$0.30 over more than one year period. I think this represents the transition of the company with new management and support. It looks like we are on the verge of a break out. And with a bit more strength we should see a Golden Cross, where the 100 day MA crosses to 200 day.

I currently own 10,000 shares

<http://www.barkervillegold.com/>

**CORPORATE OFFICE** 365 Bay Street Suite 400 Toronto, Ontario Canada M5H 2V1

**HEAD OFFICE** 11th floor - 1111 Melville St. Vancouver, BC Canada V6E 3V6

Tel: (604) 661-4100

### (c) Copyright 2016, Struther's Resource Stock Report

*All forecasts and recommendations are based on opinion. Markets change direction with consensus beliefs, which may change at any time and without notice. The author/publisher of this publication has taken every precaution to provide the most accurate information possible. The information & data were obtained from sources believed to be reliable, but because the information & data source are beyond the author's control, no representation or guarantee is made that it is complete or accurate. The reader accepts information on the condition that errors or omissions shall not be made the basis for any claim, demand or cause for action. Because of the ever-changing nature of information & statistics the author/publisher strongly encourages the reader to communicate directly with the company and/or with their personal investment adviser to obtain up to date information. Past results are not necessarily indicative of future results. Any statements non-factual in nature constitute only current opinions, which are subject to change. The author/publisher may or may not have a position in the securities and/or options relating thereto, & may make purchases and/or sales of these securities relating thereto from time to time in the open market or otherwise. Neither the information, nor opinions expressed, shall be construed as a solicitation to buy or sell any stock, futures or options contract mentioned herein. The author/publisher of this letter is not a qualified financial adviser & is not acting as such in this publication. Struther's Resource Stock Report is not a registered financial advisory. Investors are advised to obtain the advice of a qualified financial & investment adviser before entering any financial transaction*

Chris Lodder was a previous director, knows Bobby well, hence Ron K

Mr. Chris Lodder has 25 years' experience working on and managing Greenfields and Brownfields exploration with major and junior mining companies worldwide with the majority of his career focused in the Americas. Mr. Lodder is the President of Talisker Exploration Services Inc., an Ontario based Mining and exploration services company founded by Mr. Lodder in 2010, whose principal clients are Osisko Gold Royalties and their associated companies. From 1999 to 2010 he was South American Exploration Manager and later the Americas Exploration Manager for AngloGold Ashanti. He is widely recognized as the person responsible for the proposal, execution and management of AngloGold Ashanti's successful Greenfields exploration program in Colombia, with the discoveries of the La Colosa and Gramalote deposits. Mr. Lodder's team also discovered the La Rescatada Project now known as the Andres Mine in Peru.