NI 43-101 TECHNICAL REPORT

MINERAL RESOURCE ESTIMATE

on the

LAC GUÉRET SOUTH GRAPHITE PROPERTY

Lac Manicouagan area, MRC Manicouagan, Côte-Nord Region, Québec, Canada

by

Edward Lyons, PGeo (BC, QC, NL) Senior Author
TEKHNE RESEARCH INC.
Victoria, BC

&

Florent Baril, *ing* (QC) (Mineral Processing and Metallurgical Testing)
BUMIGEME INC.
Montreal, Québec

&

Claude Duplessis, *ing* (QC) (Mineral Resource Estimate)
GOLDMINDS GEOSERVICES INC.
Québec, Québec

for

BERKWOOD RESOURCES ltd.
Vancouver, BC

Effective Date 19 June 2019

Issue Date 30 June 2019

CERTIFICATE OF QUALIFIED PERSON

I, Edward Lyons, P.Geo., as an author of the technical report entitled "NI 43-101 Technical Report: Mineral Resource Estimate on the Lac Guéret South Graphite Property, Lac Manicouagan area, MRC Manicouagan, Cote-Nord Region, Québec, Canada" with the issue date of 30 June 2019 and the effective date of 19 June 2019 and prepared for Berkwood Resources Ltd. ("Issuer"), do hereby certify that:

I am currently employed as a Geological Consultant and President of Tekhne Research Inc. with offices at 1067 Portage Road, Victoria, BC V8Z 1L1 and furthermore:

1) I graduated with a Bachelor of Science (Honours) degree in Geology from the University of Missouri at Rolla in 1970.
2) I am a Professional Geoscientist enrolled with the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC) (Member # 122136), the Ordre des géologues du Québec (OGQ) (Member # 701), and the Professional Engineers and geoscientist of Newfoundland and Labrador (PEGNL) (Member # 05711).
3) I have worked as a geologist for a total of 45 years since my graduation from university. My experience has included exploration and technical management on base-metal sulphide deposits in Canada for over 30 years and base-metal oxide deposits in Chile and Mexico (4 years), precious metal (Au-Ag) in Canada and Mexico (6 years), graphite in Canada (14 years), including Qualified Person for 10 NI 43-101 reports), and iron deposits in BC, QC, and NL 7 years, including acting as Qualified Person on five NI 43-101 reports). All works were mainly on site. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that, because of my education, affiliation with a professional association as defined in NI 43-101, and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
4) I am responsible for part of Item 1, all of Items 2 through 12 and 23 and parts of Items 25 through 27 of the technical report entitled "NI 43-101 Technical Report: Mineral Resource Estimate on the Lac Guéret South Graphite Property, Lac Manicouagan area, MRC Manicouagan, Côte-Nord Region, Québec, Canada" with the issue date of 31 June 2019.
5) I visited the Lac Guéret South Graphite Property for at least one month during each of the four phases of drilling between 15 August 2017 and 20 December 2019.
6) As of the effective date of the certificate, to the best of my knowledge, information, and belief, the Technical Report herein contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
7) I have no personal knowledge, as of the date of this certificate, of any material fact or material change which is not reflected in this Technical Report.
8) I am independent of the Issuer and of the Issuer, Berkwood Resources Ltd., applying all the tests in section 1.5 of the NI 43-101 instrument. Berkwood granted me share options which total less than 0.03% of the outstanding shares.
9) My prior involvement with the Property was the geologist for Quinto Mining Inc.'s Lac Guéret property, now owned by Mason Graphite, the subject property was dropped in 2003 for logistical reasons; no work was done on it by Quinto.
10) I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated on 30 June 2019

< signed and sealed in the original >
Edward Lyons, P.Geo.

CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled **"NI 43-101 Technical Report MINERAL RESOURCE ESTIMATE on the LAC GUÉRET SOUTH GRAPHITE PROPERTY, Lac Manicouagan area, MRC Manicouagan, Côte-Nord Region, Québec, Canada**, dated 30 June 2019 with an effective date of 19 June 2019) (the "**Technical Report**").

I, Florent Baril, B.Sc., Senior Metallurgical Engineer and President of Bumigeme Inc. do hereby certify that:

1. I reside at 624 Jean Deslauriers, Condo 17, Boucherville. Québec J4B 8P5;
2. I am a graduate from Laval University, Québec with a B.Sc. Degree in Metallurgy (1954), and I have practiced my profession for over 60 years;
3. I am the Owner and President of Bumigeme Inc, a firm of consulting engineers, which has been incorporated in 1994;
4. I am a Professional Engineer registered with the Ordre des Ingénieurs du Québec (OIQ) with membership number 6972;
5. As a result of my experience and qualifications, I am a Qualified Person as defined in National Instrument 43–101 Standards of Disclosure for Mineral Projects (NI 43–101);
6. I have not visited the property;
7. I have no personal knowledge as of the date of this certificate of any material fact or change, which is not reflected in this report;
8. I, as a Qualified Person, I am independent of Berkwood Resources Ltd. I am responsible of Sections 13 of the technical report. I have had no prior involvement with the subject property;
9. I have been involved with the **LAC GUÉRET SOUTH GRAPHITE PROPERTY** during the preparation of this technical report. I have read NI 43–101 and the sections of the technical report for which I collaborate and have been prepared in compliance with that Instrument;
10. I have not received, nor do I expect to receive, any interest, directly or indirectly, in the **LAC GUÉRET SOUTH GRAPHITE PROPERTY** or securities of **BERKWOOD RESOURCES LTD.** or any related subsidiary;
11. That, as of the effective date of this technical report, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Signed and dated this 30th day of June 2019.at Montreal (Québec)

Original document signed and stamped by Florent BARIL, P.Eng

Florent Baril, P.Eng.
President
Bumigeme Inc.

CERTIFICATE OF QUALIFIED PERSON

I, Claude Duplessis, Eng. - GoldMinds Geoservices Inc. 2999 Chemin Sainte-Foy, suite 200, Québec, Qc Canada G1X 1P7

To accompany the Report entitled: "NI 43-101 Technical Report: Mineral Resource Estimate on the Lac Guéret South Graphite Property, Lac Manicouagan area, MRC Manicouagan, Cote-Nord Region, Québec, Canada" with the issue date of 30 June 2019 and the effective date of 19 June 2019 and prepared for Berkwood Resources Ltd. ("Issuer"), do hereby certify that:

a) I am a graduate from the University of Québec in Chicoutimi, Québec in 1988 with a B.Sc. in geological engineering and I have practised my profession continuously since that time;
b) I am a registered member of the Ordre des Ingénieurs du Québec (Registration Number 45523). I am also a registered engineer in the province of Alberta, Ontario and Newfoundland & Labrador. I am a Member of the Canadian Institute of Mining, Metallurgy and Petroleum. I am a Senior Engineer and Consultant at GoldMinds Geoservices Inc.;
c) I have worked as an engineer for a total of 31 years since my graduation. My relevant experience for the purpose of the Technical Report is: Over 25 years of consulting in the field of Mineral Resource estimation, orebody modelling, mineral processing, mine design, mineral resource auditing and geotechnical engineering, cash flow analysis, commodity market and economic analysis;
d) I have prepared, written, participate in the technical report. I am responsible of Item 14 while co-author on Items 1, 25, 26 and 27. I did not visit the site;
e) I am independent of the issuer as defined in section 1.5 of NI 43-101("The Instrument");
f) I have read the definition of "qualified person" set out in the National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements to be an independent qualified person for the purposes of NI 43-101;
g) I have read NI 43-101 and Form 43-101F1 and have prepared the technical report in compliance with NI 43-101 and Form 43-101F1; and have prepared the report in conformity with generally accepted Canadian mining industry practice, and as of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading;
h) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the property or securities of BERKWOOD RESOURCES LTD. or any related subsidiary
i) I have no personal knowledge as of the date of this certificate of any material fact or material change, which is not reflected in this report.

This 30th day of June 2019.

Original signed and sealed in the original
(Signed) "Claude Duplessis"

Claude Duplessis Eng.
Senior Geological Engineer
GoldMinds Geoservices Inc

TABLE OF CONTENTS

Illustrations

Tables

Appendices

1 SUMMARY

The objective of the recent drilling was to generate the initial mineral resources estimate based on the 45 drillholes drilled between August 2017 and December 2018. The estimate has been prepared by GoldMinds Geoservices under the supervision of Claude Duplessis, *ing (OIQ)*

The mineral resource at Lac Gueret South Project includes in-pit constrained resource totalling 1,755,300 tonnes of indicated resources at 17.00 % Cgr and 1,526,400 tonnes in inferred resources at 16.39 % Cgr.

Table 1 In-pit Resource at Lac Gueret South Project (rounded numbers)

Mineral Resource Category	Current Resource (as of June 17th, 2019)		
	Tonnage (Mt)	Grade (% Cgr)	Cgr (t)
Indicated	1.76	17.0	299,200
Inferred	1.53	16.4	250,200

The mineral resources were modeled on 3m (EW) x 3m (NS) x 3m (Z) block size within the 3D envelopes. A fixed density of 2.9 was used to convert volumes to tonnages. The blocks were interpolated from equal length composites calculated from the mineralized intervals. With the faulted shape of Main envelope, a variable ellipsoid was used in this estimate. Genesis™ software has the capacity to use search ellipsoids along complex planes.

The classical method was selected to classify the deposit where one defined class is used by ellipsoid. Two runs were used in the Mineral Estimation on the Main envelope and one run was used on other envelopes. In runs one (1), the composites were limited to nine (9) with a minimum of three (3) per block and a maximum of two (2) composites from the same drillhole were used. For run two (2), the composites were limited to nine (9) with a minimum of three (3) and no limit number composites per drillhole were established. Layer 01, Layer A and Layer B used one were run composites limited to nine (9) with a minimum of three (3) per block and a maximum of two (2) composites from the same drillhole were used.

The classification parameters used:

For the indicated mineral resource, a maximum of nine (9) and a minimum of three (3) composites per block and a limit of two (2) composites per drillhole were established.

For the inferred mineral resource, a maximum of nine (9) and a minimum of three (3) composites were established per block. No limit number of composites per drillhole was established.

- Search ellipsoid radius indicated (Main envelope): 30m x 40m x 10m.
- Search ellipsoid radius inferred (Main envelope): 40m x 60m x 15m.
- Search ellipsoid radius inferred (Layer01 envelope): 30m x 40m x 10m.
- Search ellipsoid radius inferred (Layer A envelope): 10m x 15m x 5m.
- Search ellipsoid radius inferred (Layer A envelope): 15m x 15m x 5m.

Additional details can be found in Item 14 of this report.

The Issuer engaged the services of Edward Lyons PGeo (BC, QC, NL) through Tekhne Research Inc. on 15 January 2019 as the Senior Author to coordinate and write an independent NI 43-101 Technical Report on the Lac Guéret South Property located in northeast Québec. Item 13 – Mineral Processing and Metallurgical Testing was contracted by the Issuer to Bumigeme Inc. (Montreal, Québec) under the guidance of Florent Baril, *ing.(OIQ*) on 27 February 2019. Item 14 – Mineral Resource Estimate was contracted by the Issuer to GoldMinds Geoservices Inc (Québec City, Québec) under guidance of Claude Duplessis *ing.(OIQ*) for the initial scoping level mineral resource estimation.

The centre of the Lac Guéret Property is in MRC Manicouagan on NTS map 22N03 with latitude 51.051° N and 69.130° W (UTM NAD83 Zone 19: 5,655,700N and 490,000E). It lies 215 kilometres north of Baie-Comeau, QC and west of the Reservoir Manicouagan in the Côte-Nord area. As of 15 March 2019, the SIGEOM Online database records that the Property includes 64 CDC mineral claims. The mineral rights apply to all minerals hosted in the bedrock directly beneath the claim boundaries.

The property is accessible by traveling Highway 389 to Km 202 or to Km 211 (Motel de L'Energie) then turning west onto gravelled logging roads. From Km 212, the haul roads continue another ~75 km through the former Lac des Passes campsite to an older logging access that turns north for ~7 km to Zone 1. This accessible by truck. From the end of the road, an access trail passable by all-terrain vehicle or snowmobile into the drilling and geophysics grid.

Berkwood Resources Ltd, ("Issuer") is the sole owner of the mineral rights on both claim blocks. Only the Lac Guéret South Property is discussed in this report. The property is subject to a 3% royalty under the Québec-Innu Nation treaty.

The Exploration Permit (*Permis d'interventionpour les activiés minières – projet lac Gueret Sud")* number 3022533, issued by the *Ministère des Forets, de la Faune et des Parcs (MFFP),* was renewed in March 2019 for another year under the same conditions as the original permit and is valid until April 2020. This part of a five-year work permit initiated in April 2017.

There is a moderate risk to development or exploration in reaching an agreement with the Pessamit Innu Band. Québec government and the Innu Nation have a broad treaty to encourage economic development, while respecting traditional Innu uses. The Issuer plans to develop its engagement process more directly as the project develops.

There are low to moderate risks associated with executing the technical program recommended in this report.

Water and space for future development, expansion, and road transportation of concentrates are available on and around the Property. Development of infrastructure will need careful planning.

No other environmental, social, or community risks are foreseen.

The property is accessible from Baie-Comeau, Québec via the all-weather paved Highway 389 where it has its southern terminus from Highway 138, the main road from Québec City east-northeast along the north shore of the St. Lawrence River. Baie-Comeau is serviced by scheduled air flights daily with several airlines including Air Canada. The Highway 138-389 corridor is the only truck route between Baie-Comeau and Happy Valley-Goose Bay, Labrador. Access to the project is via a network of logging roads developed since the early 1990s. One route turns west at Km 202 from Highway 389 and is the most recent heavy-duty haul road; it is not maintained in the winter. The second access point is the older Hydro-Québec road which goes west of Highway 389 at Km 212 and joins the Km 202 haul road near Lac Jean. The main Hydro-Québec transmission lines for north-east Québec and Churchill Fall (NL) passes through town which has developed a mixed manufacturing base. There are no hydro lines near the property and any extraction on-site would require the construction of ~80 km of powerlines from the Manic-5 generating station on Highway 389 to the site.

The climate is a typical boreal climate with temperatures reaching 30°C in the summer with scant rain and high fire hazard to -50°C and snow in the winter. There can be frost in any month. The summers have variable precipitation from year to year. Fall and spring have frequent rain and snow with the snow staying on the ground from late October to early May. Winter typically has frequent snowstorms and winds that can cover a freshly plowed road in a few minutes.

The area is generally rolling, forest covered hills with moderate to steep slopes and knobs of resistant bedrock. Elevation on the property ranges from 510 to 645 m ASL. The extensive forest fires in the mid-1990s passed through the Manic-5 region. The property lies on the western side of the burned areas and it has retained its mature forest cover.

The earliest known exploration on the Lac Guéret South Property was done when Quinto Mining Inc. optioned initial discovery claims from Phil Boudrais (Exploration Esbec, Sept-Îles QC) and expanded its Lac Guéret claim group in 2000. In

2000, Quinto and SOQUEM (Québec City, QC) entered a joint exploration agreement wherein Quinto was responsible for the north claims which included Quinto's holdings while SOQUEM operated the claims south of the present property, named Lac Guéret Sud. In 2001-02, SOQUEM undertook an airborne Falcon EM and magnetic survey of the two claims groups with a small hiatus in coverage across the southern part of present Lac Guéret South Property south to the Allocthonous Boundary Thrust feature. The survey detected several EM anomalies as well as geologically informative magnetic patterns.

The senior author guided the exploration of the Quinto claims in the field through from 2000 through 2004 as well as coauthoring several NI 43-101 reports for Quinto and coauthored two with Mason Graphite, who acquired the Quinto claims. One subproject in 2003 was to have a dedicated team of two geologists and helpers visit as many anomalies as they could locate on the surface. Numerous indications of graphite schist were located and described. The present Zone 1 was looked at briefly by the team in one day but failed to find outcrops of graphite on top of the Zone 1 hill. It appeared to be an outlier of the favourable Menihek Formation paragneiss host which forms a plateau to the north, but the dense mature forest covered, albeit slightly, the bedrock. The decision to drop some peripheral areas with relatively smaller and/or isolated EM anomalies was made in early 2003, since the major exploration effort on what is now Mason Graphite's Lac Guéret deposit was yielding large stripped areas *(decapages)* in the GR (Graphite Road) and GC (Graphite Cliff) zones with continuous graphite schist bands with minimal overburden. This has become the locus of Mason Graphite's deposit.

Only the units in the Parautochthonous Belt north of the Allochthon Boundary Thrust (ABT) are shown and discussed, since the Allocthonous Belt units, complex as they are, do not affect the potential mineral deposits to the north.

Since the mid-2000s, the numerous studies of the Grenville Orogeny which extends from northern Mexico though southeastern Canada and east to Scotland and Scandinavia have changed the understanding of relationships among the constituent units that comprise the older Parautochthonous and the younger Allocthonous Belts. Rivers (2015) compiled numerous studies that show the two belts are separated by the Allocthonous Boundary Thrust Fault (ABT). The ABT is a shallow-dipping series of thrust faults that mark the northern limit (in Québec and Labrador) of the hot orogenic Allocthonous Belt over the Parautochthonous Belt. The northern limit of the Parautochthonous Belt is another complex of shallow, south dipping thrust fault which marks the docking of the Grenville Orogeny against the southern limit of the Archean Superior Craton. The orogenic collision has many more local components of intrusions and partially melted migmatites in the south.

The Parautochthonous Belt in the region around Reservoir Manicouagan is composed principally of the basement Ulamen Complex overlain by the Gagnon Terrane. The Ulamen Complex was proposed by Moukhsil et al., 2013 for the Neoarchean basement complex. Radiometric dates reported by Jordan, et al., 2006 and Moukhsil returned ages ranging from 2780 to 2680 Ma. These dates correlate with the ages of samples from the Ashuanipi Complex in eastern Québec and Labrador in the Grenville Province. Little is known about these basement complexes between the eastern side of Reservoir Manicouagan and Labrador City NL due to poor access and little geological mapping outside of iron oxide exploration in the Ferriman (Gagnon) Group

Exploration for graphite around Lac Guéret area on the southwest side of Reservoir Manicouagan from 2000 to present, aided by log road access, has shown more complexity in what is called the Ulamen Complex. The distribution of the Ferriman (Gagnon) Group forms a series of synclines trending northeast along the western shore of Reservoir Manicouagan beyond the north limit of Figure 4. Earlier regional mapping, based on the pre-Reservoir rivers, indicates that these Ferriman Group synclines extend to Île Rene-Levasseur and sometimes beneath the Manicouagan Impact Crater cap. Regional magnetic surveys show magnetic anomalies in these areas The Ferriman Group complex north of the Property and west of Mason Graphite deposit marks the southwesternmost expression of the iron formation. Mapping compilation by Moukhsil et al. (2013) was done at 1: 125,000 scale, whereas exploration typically is done at a finer scale. As a result, we appreciate that there is more infolding of the Ferriman Group units that contain graphite and iron oxide into the Ulamen Complex than is shown by Moukhsil, et al. The edge of the Ferriman basin to the south and west of the Lac Guéret iron formation complex appears to be marked by changes in lateral facies equivalents where the iron oxides are absent and the Wishart and Denault Formations are absent, leaving lateral iron silicate layers (grunerite) and the overlying Menihek Formation, host of the graphite as markers for the Ferriman Group.

The youngest geological event is the famous Manicouagan Impact Crater (214 Ma) which occupies the large island in the center of the Reservoir. The effects of the impact are regionally localised with some shocked quartz and similar diagnostic features up to five km from the inner ring. The debris annulus was mostly eroded by the two rivers that are now impounded by the Manic-5 Dam. There are also isolated outcrops of fossiliferous limestone of Ordovician age that are correlated with the St. Lawrence River Paleozoic platform about 200 km south of the Reservoir.

The Property lies 12 km NNE of the ABT. The principal units are the Ulamen Complex while the graphite occurs in the Ferriman Group as described above. The Ferriman in this area is less clearly demarked than to the north at the Lac Guéret deposit. The Sokoman Fm is represented mainly by bands of grunerite, a low-Al, Fe>Mg amphibole with minor disseminated magnetite and pyrrhotite. The Menihek Fm is a high-quartz, mica, garnet gneiss and schist with horizons of synsedimentary carbon, metamorphosed to graphite. The Wishart quartzite and Denault marble are absent in the core, but these units throughout the Ferriman (Gagnon) are variable and are often absent. Although not on the legend above, due to scale, locally so-called "pegmatite" occurs as steep-dipping gash intrusions generally trending northerly can either parallel but often crosses schistosity. These are often in the order of several to 10 metres long. This northerly extension has been observed at Lac Guéret deposit area where the extension occurs but can affect any lithology, including metabasalt and graphite, where the same bulk chemistry recrystallises with adjacent elements. Upper amphibolite facies with minor sillimanite affects the metamorphic rocks on the property.

The principal structure affecting the region is the Allocthonous Boundary Thrust (ABT) fault. It marks the suture between the older Parautochthonous Belt and the younger Allocthonous Belt. The ABT is a shallow dipping thrust emplaced from the south to south-southwest in a hot orogenic collision with multiple thrust sheets (Rivers, 2015). Folding and metamorphism is more intense closest to the ABT and decreases gradually to the north. The main D1 folding strikes parallel with the fault which forms an open arc oriented west-northwest in the west to east to northeast towards Reservoir Manicouagan and is overturned to the southwest at moderate to steep axial planes. Closer to the ABT, a second principal fold, D2, refolded the older event essentially parallel with D1 strike but with steep to vertical plunging fold noses and steeply overturned southern limbs. These can be seen in EM anomalies south of the Property as well as forming the western end of Zone 1. Later thrust faults trending NNW to north offset units within the Ferriman Group.

Organic carbon was deposited as beds in basins in pelitic (fine sediment) beds of the Menihek Fm as part of the sedimentary sequence during deposition ~ 1.8 Ga at the end of the basinal Ferriman iron formation deposition. These can occur in beds that may lie on the Sokoman Fm contact or as much as several hundred metres stratigraphically above that contact. This indicates a stratigraphic range over some period of time. The present distribution is controlled by the complex structural history post ~1.7 Ga to the onset of the Grenville orogeny ~1.1 Ga. These multiple periods of deformation metamorphosed the carbonaceous sediments into graphite

The graphite units were divided based on grade ranges with the high grade being greater than 25% Cgr, medium grade 7 – 25% Cgr, and low grade 5-7% Cgr and correlated as stratigraphic units. The textures of the high-grade graphite are distinctly different from the medium-grade graphite. The former fills distinctive wispy fractures and extension bands with coarse graphite flakes with sharp margins in a matrix of finer graphite. The texture is easily recognisable in outcrop and core. The medium- and low-grade graphite tends to form more isolated crystals and crystal clusters. The contacts between high- and medium-grade varieties is sharp and sometimes are interlayered on the decimetre scale.

No evidence has been observed of any hydrothermal alteration in the ten graphite deposits the senior author has seen across the Gagnon Terrane in the eastern Grenville Province. Had there been such alteration, one would recognise the fact by the presence of unusually high amounts of aluminosilicate minerals, such as kyanite, sillimanite or andalusite. This is not to be confused with the small amounts of sillimanite/kyanite typically found in metapelitic rocks affected by upper amphibolite or granulite facies metamorphism.

The deposit type is bedded organic carbonaceous pelitic sediments which have been is highly metamorphosed to form flake graphite and metamorphic host minerals. There is no evidence of hydrothermal alteration or overprinting of the graphite. Local “pegmatite” dykes and migmatitic intrusions can remobilize the minerals in the host rock to coarser-grained equivalents but these are at a small-scale overall.

The Issuer initiated exploration in 2014 with an airborne magnetic and time-domain electromagnetic (TDEM) survey of the original Lac Guéret South Property. The Property at the date of this report covers the eastern 60% of the original claims. TDEM and magnetic anomalies delineated two principal targets, 1 and 2. Zone 1 was the focus of the subsequent exploration projects, while Zone 2 had one inconclusive drillhole which needs further investigation. The remaining anomalies were considered to be too small or of lower intensity to signify potential graphite deposits; the western part of the original claim block was allowed to lapse.

In October 2015, follow-up work on the Property lead to ground magnetic and ground portable TDEM (PhiSpy) surveys. These were conducted by and reported by Dubé as before (Dubé, 2015). The target zones were Zones 1, 2 and 4. Zone 4 is a small zone that has not been prospected but its geophysical signatures suggest that it has the lowest priority of the three zones.

In Zone 1, the magnetometer survey covered 21.44 ln-km with continuous readings while the PhiSpy TDEM survey covered 18.21 ln-km over 24 lines plus the cross-lines and access trails aligned north. Line spacing was variable 50 to 100 m apart with line lengths of 250 to 700 m.

The PhiSpy portable TDEM system uses a small horizontal coil carried by two operators that can be walked through sparse forest. The lines do not have to be straight nor are wires laid out on the traverse lines. A separate GPS unit records the path of the traverse to ± 3m. The continuous reading mode results in a sample spacing of 0.08 m spacing. The depth of penetration is 10 to 15 m with a spread at the metric level. This system is considered as a deeper penetrating version of the prospector’s BeepMat.. As with all TDEM systems, the strongest conductors are likely to be connected massive to semi-massive graphite and sulphides, which are commonly associated together in graphite deposits in the Gagnon Terrane.

After drilling started in the first two phases, the goal became to identify shallow graphite targets. The area is covered by mature boreal forest and glacial soils. The method chosen was the *mise a la masse* (MALM) electromagnetic technique. It is an older system and operates by charging a known conductive horizon and tracing the decay responses on surface. Drill hole BK1-27-18, located in the south centre of Zone 1, intersected two graphite units. These were charged by a transmitter lowered down the open hole to charge the units at 130 m and 170 m length. Cut lines and access trails were used for traverses with the receiver. Nine north-oriented lines spaced 100 m apart were sampled every 25 m for both points of charging and covered 5.925 km for each depth charging. The work was done in October 2018 and reported in Simard (2018). Both levels show a continuous conductive horizon in a syncline. The data does not give any estimation of elevation, and the lower beds are projected through what is probably non-graphitic rock overlying the conductors. The survey cannot distinguish where graphite schist is at or near surface. This uniform pattern closely mimics the airborne TDEM (Dubé, 2014).

Other exploration works included modeling the structural data. This was done on drill from BK1-18-18 through BK1-45-18 (Phases 2, 3 and 4). A Reflex Act III core orientation tool was used to show alignment on the core. Terrane Geosciences Inc. (Halifax, NS) provided training on techniques for reading the data using a Reflex EZ-Mark tube. A logging geologist read and recorded the data on a laptop. The data was sent to Terrane for input into the emerging model. Experience showed that the drillers were able to shear the core in a run, which made some marks unusable. By fitting the run together in the highly competent rock typical of region, most intervals were useable. The ones that were not were annotation in the logs and discarded by Terrane. The drill collar surveys were used to control the precision of the topography and the original GPS altimeter readings were shown to be systematically lower by 7-12 m. The average was applied to the 12 holes whose collars were not located due to the lack of casing and depth of snow. The resulting structural model was used as a guide by GoldMinds Geoservices to build their model for resource estimation

In early December 2018, the bulldozer used in drill moves scraped snow from bedrock during a drill move and exposed two crests of graphite schist on the western end of the drill grid. The graphite and bracketing unmineralised rock was channel-sampled using a gas-powered rock saw. Trench BKTR-01-18 exposed 43 m of continuous graphite schist with a weighted-average of 24.17% Cgr. Trench BKTR-18-02, about 25 m north of the first trench, had a minimum of 15.0 m with a weighted-average of 27.87% Cgr. In both trenches, the intense cold hindered cleaning the bedrock and it appears that there may be more graphite schist; further trenching is required in milder conditions. At the same time, the bulldozer operator noticed graphite schist near a drillhole about 13 m east to the origin point of BKTR-18-01 and ripped out 3 x 3 to 5 x 5 areas which contained high grade graphite schist (>25% Cgr); four grab samples were taken by collecting small pieces from across each pile and they returned grades ranging from 39.45% to 23.68% Cgr.

Diamond drilling was conducted in four phases starting on 16 August 2017 and ending on 18 December 2018. Table 2 summarises the key metrics:

Table 2 Summary of Lac Guéret South Zone 1 Drill Program

Phase	Hole ID start	Hole ID end	Date start	Date end	# DDHs	Length (m)
1	BK1-01-17	BK1-13-17	16 Aug 2017	7 Sept 2017	13	1,806.54
2	BK1-14-17	BK1-18-17	6 Dec 2017	18 Dec 2017	5	718.67
3	BK1-19-18	BK1-28-18	2 Feb 2018	1 Mar 2018	10	1,487.48
4	BK1-29-18	BK1-45-18	30 Nov 2018	18 Dec 2018	16	2,078.30
Total					**45 DDHs**	**6,090.99 m**

Every hole encountered graphite schist except BK1-28-18 (6.1 m total length) which started without the geologist's approval at the end of Phase 3.

HQ diameter core was drilled in Phases 1 though 3; the Phase 4 contract specified NQ core in error. The drilling contractor for Phases 1 through 3 was Full Force Diamond Drilling Ltd. of Peachland, BC. The contractor for Phase 4 was Forage Gyllis of St-Jerôme, Québec. Winter drilling conditions slowed the production in Phase 2 through 4 when the winter for 2017 and 2018 had higher than normal snowfall and blizzards.

Each site was located with a handheld GPS and a flag and foresights were made with compass and flagging tape. The field geologist was responsible for aligning the drill and checking the inclination of the head. Core was brought to the core logging area, initially at Camp Francofor about eight km from the drill grid for Phase 1 and later to the core logging area at Transport Savard at Km 211 on Highway 389 for the last three phases.

When the core was received, it was organised in sequence, opened and inspected for meterage block errors and similar issues. Geological logging of the metamorphic rocks is better done on dry core, so fans were placed to dry the core overnight. In the winter, the core was often frozen and required heating and fans to defrost and dry. The following day, geologists checked the core for matching pieces, collected geotechnical data including recovery and RQD logging into a laptop. When the oriented core started in phase 2, those measurements were taken by a trained geologist. Then the core was logged for geology by an experienced geologist who also made the sample selection according to a protocol. Afterwards, the coreboxes were photographed and moved out to temporary pallet storage. The samples core went to a core cutting facility where it was sawn lengthwise. The finished core was assembled and covered with a tarp. Production was keyed to ensure that all core on the logging bars in the morning were completed by the end of the day and outside the logging facility. If needed, sampled core was maintained overnight to retain heat but moved out early the following day. As the core bars were emptied, fresh core was brought in for defrosting and/or drying.

The primary laboratory used on the project in all four phases was MS Analytical Services (MSA) in Langley, BC. The samples were received, dried, and weighed as needed. The samples were crushed, split to a 1 kg aliquot, and pulverised to 85% passing -75 microns. Barren material was passed through the crusher and pulveriser between each sample preparation to minimise cross-sample contamination. The pulps were analysed for Graphite carbon by LECO, Total carbon and sulfur (to 50%) by LECO, and Multielement analysis with aqua regia digestion and ICP-AES/MS finish. Specific gravity by weight of core was performed on 137 samples throughout the drilling.

The QA/QC material used in the field were blank material and duplicate ¼ cut core. No certified reference materials (CRM) were inserted into the sample stream, since finding a suitable CRM proved difficult. The laboratories used several CRMs specifically for graphite with inherited sulfur throughout the analytical process and these are listed on the Certificates of Analysis.

The review of the blank results showed that the last material showed very minor traces of graphite occasionally, whereas the first two types were consistently less than 0.1%Cgr. In some cases, the blank material was inserted after a high-grade or medium grade sample with no carry-over from the high graphite to blank material.

The duplicate sample was a quarter saw cut made lengthwise to the core axis and handled like all sampled core. Duplicate samples were taken every 20th sample in the number sequence. The correlation between original and duplicate samples was 0.99.

Check analyses selected by the author were conducted at the end of Phase 4 drilling by selecting 67 samples. This included high-grade, medium grade, low grade, and bracket sample 250-gr coarse rejects from MSA. SGS-Geochem Laboratory in Burnaby, BC was chosen to make the analyses using methods similar to the original analyses at MSA. The sample preparation and analytical techniques matched those of MSA. All check samples were measured for specific gravity by pycnometer, due to the smaller initial material size.

There were no significant factors in the drilling that would affect the accuracy of the results. Core recovery was consistently very high, approaching 100%. Minor core was ground but not in the mineralisation and the run lengths were accounted for during logging. In the author's opinion, the methods for sample collection, security, and analytical procedures described above provided sufficient thoroughness in sampling the mineralisation and the QA/QC methods used are robust for the needs of this project.

Duplicate samples totalling 50 samples had a highly linear correlation of $R^2 = 0.9909$. The differences are inherent in the duplicate sample which is a ¼ core cut compared with the original ½ core cut. There does not appear to any preferential change whether the original core was HQ or NQ. The variations lie in the layered nature of the mineralisation where smaller samples are more variable than larger ones.

The senior author selected 67 check samples of various grades ranging from waste to 35%Cgr for check analyses. MS Analytical, the original laboratory, riffle split 250-gr aliquots of coarse reject material from the sample list provided by the author. The samples were delivered to SGS Geochemical Laboratory in Burnaby, BC after inserting new sample number tags in the bags. These samples were under the author's control during the transfer. The methods employed by SGS were as close as possible to the original analytical methods used by MSA. The samples show an R^2 value of 0.995 with a slight but persistent tendency for the SGS data to be higher than MSA's. The pattern is consistent throughout the grade range.

Met-Solve Laboratories Inc. (Langley, British Columbia) was commissioned to perform the characterisation testing of the graphite schist by the Issuer. From the two batches of samples sent to Met-Solve, six composites were prepared as follows: three composites of medium grade (13%Cgr) and three of high grade (33%Cgr).

Characterization tests were done to determine the recoverability of the coarse graphite (+100 mesh) minerals by gravity concentration and achievable graphite concentrate grades.

The first series of metallurgical tests consisted of gravity concentrations using the Met-Solve analytical table (MAT) on the 20x50 mesh and on the 50x100 mesh fractions.

The %Cgr size distribution indicated that the medium graphite grade composites have more graphite reporting to the commercial sizes of 20x50 mesh and 50x100 mesh (80%) and less in the high grade (68.5%)

The initial gravity tests using a simple gravity separation process with a MAT super-panner concentrator have not given satisfactory results in terms of grades and recoveries for the coarse fractions (+100Mesh).

A second phase of test work was undertaken in April 2018 at Met-Solve with the objectives:

- to determine the amenability of gravity concentration, flotation and leaching processes to recover and upgrade the graphite;
- to establish a preliminary flowsheet using the above processes to be tested in the next campaign; and
- to generate a bulk graphite concentrate with a graphite carbon grade >94% using the partially optimised flowsheet to provide to potential clients.

A series of flotation tests conducted on 20x100 mesh and 100X200 mesh fractions using flotation steps alone (rougher and cleaner) have given good recoveries (96.5%Cgr for 100x200 mesh fraction and 87.7%Cgr for 20x100 mesh fraction with respective low grades of 43.8%Cgr and 51.5%Cgr). A polishing treatment of the cleaner concentrates with H_2SO_4-HF method has given a final concentrate at 97%Cgr while the treatment with NaOH-HCl has produced concentrates of a lower grade at 90%Cgr.

The above results have been obtained from a preliminary test program and for the next campaign, it is recommended to orient the metallurgical test program, on the following flowsheet:

1. Grind the ore at 16 mesh in a semi-autogenous (SAG) mill or Rod mill;
2. Flotation in a bank of flash cells or Eriez hydrofloat cells to produce a bulk rougher concentrate;
3. Regrind of the rougher tails to the granulometry indicated by metallurgical studies, followed by flotation;
4. Mix the rougher scavenger concentrate with the primary rougher concentrate for further upgrading tests;
5. Final treatment of the concentrates could be done by gravity to possibly replace the polishing treatment with H_2SO_4 – HF;
6. Screen the final concentrates in coarse and fine fractions (20-50 mesh, 50-100 mesh and -100 mesh). This flowsheet with minor possible modifications according to the test results should produced flake concentrates at 94-96% Cgr with overall recoveries at 90-92%.

More details can be found in Item 13 below.

The graphite mineralisation was drill-tested in the area of highest potential for grade and geometry. The horizons remain open in the nose as well as principally along the southern limb of the Zone 1 syncline with areas apparently shallow as shown by the PhiSpy TDEM anomalies. The northwestern lobe of Zone 1 TDEM anomaly may lie deeper than the shallow TDEM system can reach, as well. These areas within Zone 1 warrant additional drill-testing.

The next phase of work is proposed to include 2,400 m HQ drilling with analyses, upgraded structural data collection and modeling, metallurgical testwork, Lidar topographic survey, monumentation and surveying of old and new drill collars, and organisation of existing core to a more permanent facility. This will prepare the property and data for more detailed studies as the project to support the transition into development. The total cost is estimated at C$ 855,000 including contingency but before taxes.

2 INTRODUCTION

2.1 Issuer

The Issuer of this report is Berkwood Resources Ltd., based at #2410 – 610 Granville Street, Vancouver, British Columbia, Canada V6C 3T3. It trades on the Toronto Stoc Exchange – Venture (TSX-V) under the symbol BKR.

2.2 Term of Reference

The Issuer engaged the services of Edward Lyons PGeo (BC, QC, NL) through Tekhne Research Inc. on 15 January 2019 as the Senior Author to coordinate and write an independent NI 43-101 Technical Report on the Lac Guéret South Property located in northeast Québec. Item 13 – Mineral Processing and Metallurgical Testing was contracted by the Issuer to Bumigeme Inc. (Montreal, Québec) under the guidance of Florent Baril, ing. (QC) on 27 February 2019. Item 14 – Mineral Resource Estimate was contracted by the Issuer to GoldMinds Geoservices Inc (Québec City, Québec) under guidance of Claude Duplessis, ing. (QC) for the initial scoping level mineral resource estimation.

2.3 Sources of Information

The Lac Guéret South Property has undergone grass-roots prospecting level exploration for graphite since 2016 by the Issuer. The works are documented in assessment reports filed with the Québec government as part of property maintenance. These include airborne and ground geophysics, access construction, diamond drilling, and analyses of core. Preliminary mineral characterisation and initial metallurgical recovery testwork reports were done The Issuer provided the original documents and a database to the authors.

The authors reviewed documents made available by the Vendor to the Issuer and the author initially in May and June 2017 with subsequent information in July 2018, as well as independent data research by the author. The Issuer provided a copy of the executed revised Property Agreement dated 27February 2019. The author has summarised the details herein; no independent legal opinion was requested or provided.

The historical and scientific sources are publications listed under References herein. They include regional geological surveys done by Geológie Québec (Minister of Natural Resources) and the Geological Survey of Canada. Assessment reports on the claims were provided by the Issuer directly.

The Senior Author visited the property and area for at least one month during each of the four phases of diamond drilling. He has also been active in the discovery and early exploration development of Mason Graphite's Lac Guéret graphite deposit north of the subject property.

2.4 Units and Abbreviations

Units of measurement in this report are quoted in the metric system. Assay and analytical results are quoted in percent (%). Other acronyms and abbreviations are listed below in Table 3. The currency used is Canadian dollars.

Table 3 Units and abbreviations

AA	Atomic Absorption Spectrometry analytical technique
ATV	All Terrain Vehicle
ASL	Above Sea level
BC	British Columbia
BCGSB	BC Geological Survey Branch
˚C	degrees Centigrade
%Cgr	Carbon as graphite percent
cm	centimeter = 0.3937 inch
DGPS	Differential global positioning surveying system (accuracy to 3 mm)
Ga	Billion years old
GIS	Geographic Information System

GPS	Global Positioning System satellite-based navigation system
GSC	Geological Survey of Canada
Ha	hectare = 2.471 acres
ICP/MS	Inductively Coupled Plasma Mass Spectrometry analytical technique
IP	Induced-Polarization geophysical surveying method
kg	kilogram = 2.205 pounds
km	kilometer = 0.6214 mile
KMt	thousand metric tonnes
Kv	kilovolt = 1000 volts
l	liter = 1.057 US quart
Ma	million years old
µm	micron = one millionth of a meter
m	meter = 3.2808 feet (1,000 meters = 1 kilometer)
MMt	million metric tonnes
Mt	metric tonne = 1.1023 short tons
NL	Newfoundland & Labrador
oz.	troy ounce (1 troy ounce = 34.2857 g)
ppm	parts per million (1 ppm = 1 g/t)
ppb	parts per billion (1,000 ppb = 1 ppm)
SEM	Scanning Electron Microscope
SG	specific gravity or density
t	short ton (= 2000 lbs. or 907.2 kilograms)
T	metric tonne (= 1000 kg or 2204.62 lbs)

3 RELIANCE ON OTHER EXPERTS

The author relied on data from the SIGÉOM on-line database reviewed on 3 March 2019 for the list of current claims status and ownership listed in Appendix 1 that includes claims registered as recently as 30 days from the search date. The information about the Issuer's interest was provided by the Issuer.

4 PROPERTY LOCATION AND DESCRIPTION

4.1 Location

The centre of the Lac Guéret Property is located in NTS 22N03 with latitude 51.051° N and 69.130° W (UTM NAD83 Zone 19: 5,655,700N and 490,000E). It lies 215 kilometres north of Baie-Comeau, QC and west of the Reservoir Manicouagan in the Côte-Nord area. The property is accessible by traveling Highway 389 to Km 202 or to Km 211 (Motel de L'Energie) then turning west onto gravelled logging roads. From Km 212, the haul roads continue another ~75 km through the former Lac des Passes campsite to an older logging access that turns north for ~7 km to Zone 1. This is accessible by truck. From the end of the road, an access trail passable by all-terrain vehicle or snowmobile leads into the drilling and geophysics grid.

4.2 Property Description and Ownership

The Lac Guéret Property is in the MRC Manicouagan on NTS map 22N03. The UTM coordinate system used is NAD 83 Zone 19. As of 15 March 2019, the SIGEOM Online database records that the Property includes 64 CDC mineral claims. The mineral rights apply to all minerals hosted in the bedrock directly beneath the claim boundaries.

The subject property is the older part of a large block of contiguous claims all in the name of the Issuer. The larger holding was divided into the subject property and a larger block called Lac Guéret Extension which lies west and north of the Mason Graphite Lac Guéret claims. The division is made because the geology is different between the two claim groups and because the topography with wide swampy lakes prohibits a ready connection between them should economic deposits be located on them. The Lac Guéret Extension claims are considered under Item 23 – Adjacent

Properties.

Figure 1 Location of Lac Guéret Berkwood Property Côte-Nord region, Québec, Canada (data from Poznikoff, 2019)

The Issuer is the sole owner of the mineral rights on both claim blocks. Only the Lac Guéret South Property is discussed in this report. Figure 2 shows the claims of this property. Appendix 1 lists the claims details as well as a detailed claims map.

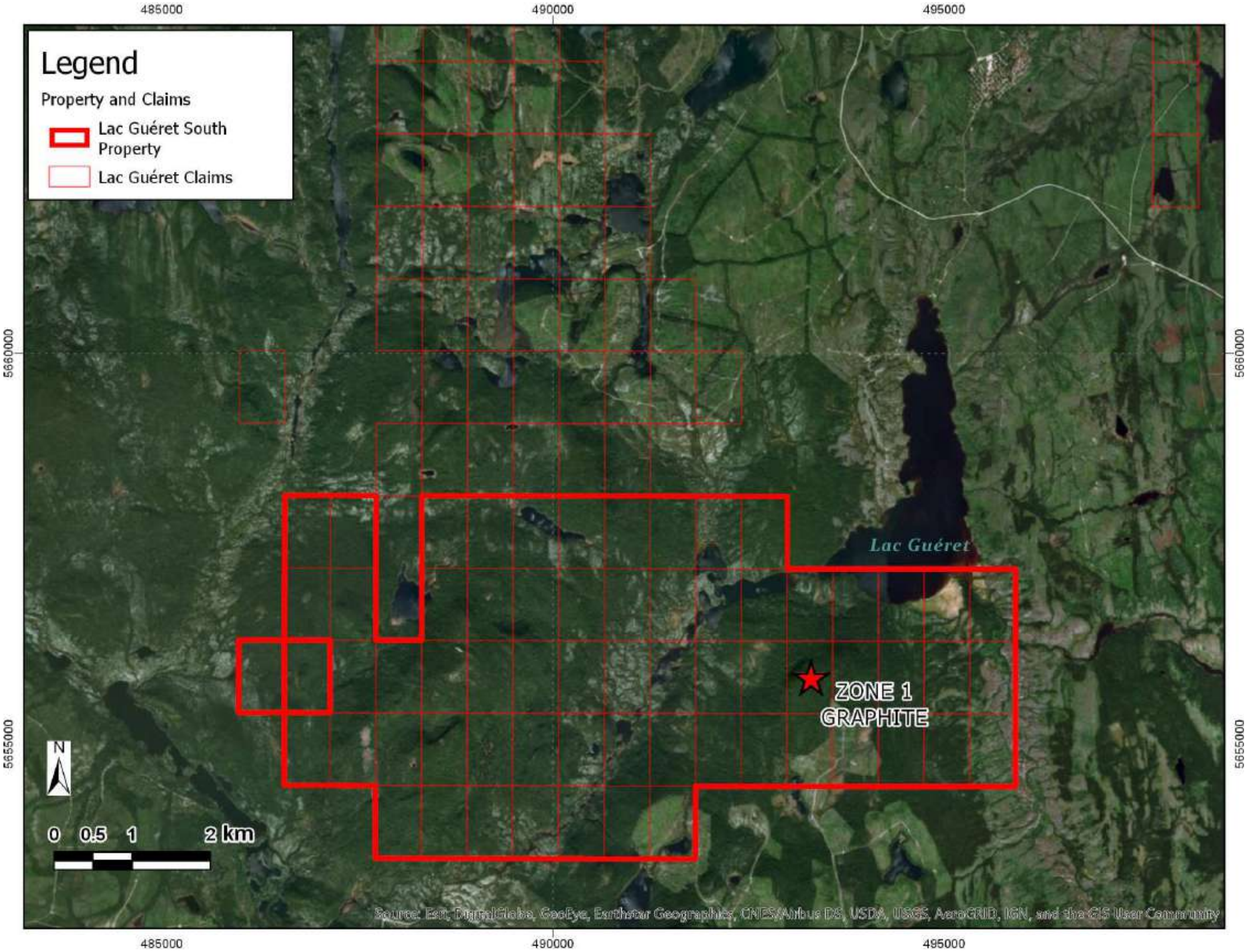


Figure 2 Mineral Rights Map : Lac Guéret South Property

(claim data from SIGEOM (QC) database maps, topography from Canvec 1:50,000 Topo Base, assembled by Poznikoff, 2019)

4.3 Issuer's Interest

The Issuer owns 100% of the mineral rights on the CDC claims of the Lac Guéret South and Extension Properties, subject to maintaining these rights by filing annual reports and paying the required fees to the Québec government.

The titles records show that 61 of the 64 CDC claims are subject to either "Territoire visé par une entente" or"affecté par EPOG" governmental-Innu agreements meaning that the territory is covered by an agreement with First Peoples. EPOG stands for "Entente de Principe d'Ordre Général" meaning "Agreement in principal of a general nature". These agreements are between the Québec government and the Innu First Nation of the Côte-Nord in this case. The agreements ensure the involvement of the Innu in the management of natural resources by considering their rights, interests and concerns, and rewards them with 3% of the royalties from the exploitation of mineral resources.

No other encumbrances are known on the property.

4.4 Environmental Liabilities

No known environmental liabilities exist on the Property, since it has never been explored prior to the Issuer's works. Logging occurred on the south, east and west parts of the property in the late 1990s and ceased on the property in 1998. The area of the deposit has surface disturbance limited to line-cutting, trails for drill access, and drill pads, all of which were made under the guideline of the Exploration Permit from the Québec government.

4.5 Permitting

The Exploration Permit (*Permis d'interventionpour les activiés minières – projet lac Gueret Sud")* number 3022533, issued by the *Ministère des Forets, de la Faune et des Parcs (MFFP),* was renewed in March 2019 for another year under the same conditions as the original permit and is valid until April 2020. This part of a five-year work permit initiated in April 2017.

4.6 Social or Community Impacts

No towns are within 200 kilometres of the project. Several gas station-restaurant-motel complexes exist in the region, the nearest being Motel de L' Energie at KM 211 on Highway 389 south of the Manic-5 dam. Baie-Comeau, Québec is about 215 km south of the property and is the regional centre for administration, services, and potential workforce.

The mineral claims were overlain by logging licenses held by Kruger Inc. or its subsidiaries. The status of the licenses was not verified for this report. However, there is no active logging within 50 km of the property and the main Kruger camp, Lac des Passes, was demolished around 2012.

The claims are subject to the EPOG or *entente* discussed above. The link below explains this agreement more thoroughly, although it is in French: http://petapan.ca/page/presentation-de-entente-de-principe-ordre-general-epog The Innu First Nation of the Côte-Nord negotiated this agreement with the federal and provincial governments with an aim to both preserve their culture and assist their socio-economic development. The agreement ensures the involvement of the Innu in the management of natural resources by recognising their rights, interests and concerns. The local Innu band is the Pessamit Innu Band (called Betsiamites pre-2008) which is centered around the village of Pessamit 54 kms southwest of Baie-Comeau on Highway 138. The exploration permit applications and renewals are sent to the Band Council by the Issuer for comments by the MFFP.

4.7 Risks

There is a moderate risk to development or exploration in reaching an agreement with the Pessamit Innu Band. Québec government and the Innu Nation have a broad treaty to encourage economic development, while respecting traditional Innu land uses. The Issuer plans to develop its engagement process more directly as the project develops.

There are low to moderate risks associated with executing the technical program recommended in this report.

Water and space for future development, expansion, and road transportation of concentrates are available on and around the Property. Development of infrastructure will need cconsidered planning.

No other environmental, social, or community risks are foreseen.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Accessibility

The property is accessible from Baie-Comeau, Québec via the all-weather paved Highway 389 where it has its southern terminus from Highway 138, the main road from Québec City east-northeast along the north shore of the St. Lawrence River. Baie-Comeau is serviced by scheduled air flights daily with several airlines including Air Canada. The Highway 138-

389 corridor is the only truck route between Baie-Comeau and Happy Valley-Goose Bay, Labrador. Access to the project is via a network of logging roads developed since the early 1990s. One route turns west at Km 202 from Highway 389 and is the most recent heavy-duty haul road; it is not maintained in the winter. The second access point is the older Hydro-Québec road which goes west of Highway 389 at Km 212 and joins the Km 202 haul road near Lac Jean. The Québec government's fire-control agency, SOPFEU, has a landing strip just west of that junction and there are 10 helicopter land pads there as well. As well, charter float plane service is seasonally available on the lake.

One follows the Km 202 haul road north from Km 11 to a west turnoff at Km 45. That road was the original access road for Kruger Inc.'s operations. It is a heavy-duty gravel road with 100 tonne capacity. This road leads west for about 37 km to where it passes through the former Lac des Passes Camp, the site Francofor is presently occupying for forestry works. The main road continues west-northwest into a network of haul roads. Seven kilometres after the camp is a turnoff to the north onto narrow gravel logging haul roads. Follow that to the end, about five kilometres. That is the staging area for the project works. Trails past the end of the road are suitable for ATVs (when dry), snowmobiles, and larger tracked vehicles.

5.2 Climate and Vegetation

The climate is a typical boreal climate with summer temperatures reaching 30°C in the summer with scant rain and high fire hazard to -50°C and snow in the winter. There can be frost in any month. The summers have variable precipitation from year to year. Fall and spring have frequent rain and snow with the snow staying on the ground from late October to early May. Winter typically has frequent snowstorms and winds that can cover a freshly plowed road in a few minutes.

The vegetation is typical boreal forest with mature stands of fir, hemlock, and black spruce undergrown with Labrador tea, a variety of berry bushes, willow, and moss. The more open swampy areas are mainly covered with dwarfed black spruce and willow. Roads become overgrown with tag alder and willow. Forest fires in the early 1990s burned extensive areas from the St Lawrence River to north of Reservoir Manicouagan over most of the Côte-Nord region and much of the mature forest was killed. The property retains more mature forest than areas east and north.

5.3 Local Resources and Infrastructure

The nearest town is Baie-Comeau with ~ 22,000 people and regional government and social services. Logging-and mining-related industrial support, heavy equipment, and operator services are available there, as well as transportation, food, and accommodation. The local airport has daily scheduled service. Car and passenger ferry services to the south side of the St Lawrence River is available from town as well as two nearby villages. There is also a rail ferry from Baie-Comeau Harbour. There is a skilled local workforce available.

The main Hydro-Québec transmission lines for north-east Québec and Churchill Falls (NL) passes through town which has developed a mixed manufacturing base. There are no hydro lines near the property and any extraction on-site would require the construction of ~80 km of powerlines from the Manic-5 generating station on Highway 389 to the site.

5.4 Physiography

The area is generally rolling, forest covered hills with moderate to steep slopes and knobs of resistant bedrock. Elevation on the property ranges from 510 to 645 m ASL. Figure 3 shows the Zone 1 hill looking east-northeast across the Lac Guéret glaciofluvial outwash. The far background is burned and logged areas cleared by Kruger pre-2000. See Figure 2 above for the plan view satellite image.

Figure 2 above shows that Lac Guéret is a remnant glacial lake basin at the confluence of two glaciofluvial river washes, the main one trending south to north and a secondary one crossing the centre of the Property into the west branch of the lake. The easternmost claims include the main channel while the secondary one crosses several of the northeastern claims and separates Zone 1 from Zone 2. Farther north, the main channel passes along the southeastern and eastern sides of Mason Graphite's claims, which sit on a plateau, to join a wider multi-channeled outwash flat that flowed into the western side of Reservoir Manicouagan.

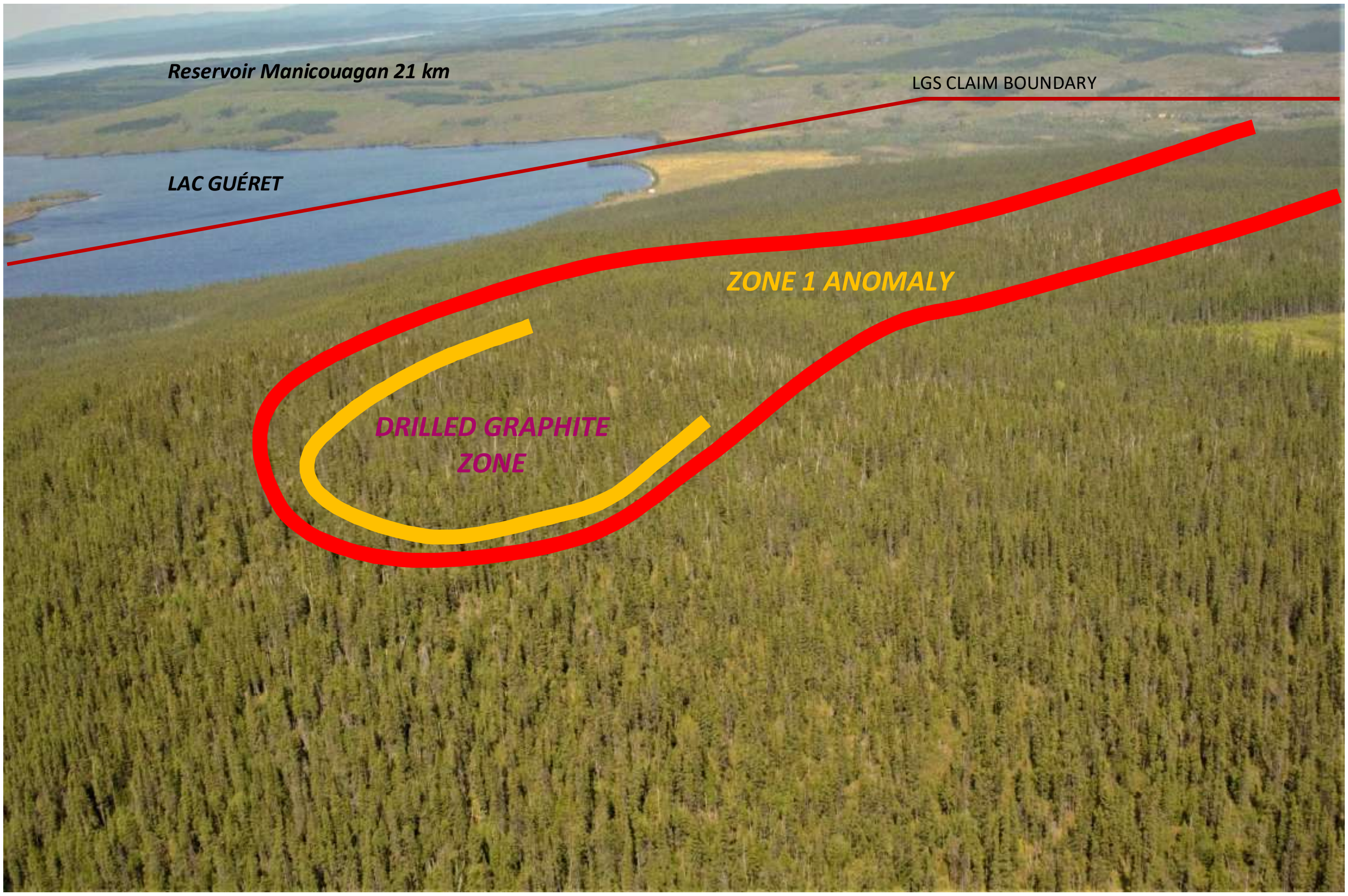


Figure 3 Typical landscape: Zone 1 EM anomaly west end facing ENE to Lac Guéret with drilled graphite horizon (*Lyons, 2017*)

6 HISTORY

The earliest known exploration on the Lac Guéret South Property was done when Quinto Mining Inc. optioned initial discovery claims from Phil Boudrais (Exploration Esbec, Sept-Îles QC) and expanded its Lac Guéret claim group in 2000. In 2000, Quinto and SOQUEM (Québec City, QC) entered a joint exploration agreement wherein Quinto was responsible for the north claims which included Quinto's holdings while SOQUEM operated the claims south of the present property, named Lac Guéret Sud. In 2001-02, SOQUEM undertook an airborne Falcon EM and magnetic survey of the two claims groups with a small hiatus in coverage across the southern part of present Lac Guéret South Property south to the Allocthonous Boundary Thrust feature. The survey detected several EM anomalies as well as geologically useful magnetic patterns.

The senior author guided the exploration of the Quinto claims in the field through from 2000 through 2004 as well as coauthoring several NI 43-101 reports for Quinto and coauthored two with Mason Graphite, who acquired the Quinto claims. One subproject in 2003 was to have a dedicated team of two geologists and helpers visit as many anomalies as they could locate on the surface. Numerous indications of graphite schist were located and described. The present Zone

1 was looked at briefly by a geology team for one day but failed to find outcrops of graphite on top of the hill in the foreground of Figure 3 above. It appeared to be an outlier of the favourable Menihek Formation paragneiss host, but the dense mature forest covered, albeit slightly, the bedrock. The Menihek-Sokoman Formations are synclines infolded into the basement complex. The Zone 1 hill appears to be an erosional outlier of the same geology. The decision to drop some peripheral areas with relatively smaller and/or isolated EM anomalies was made in early 2003, since the major exploration effort on what is now Mason Graphite's Lac Guéret deposit was yielding large stripped areas *(decapages)* in the GR (Graphite Road) and GC (Graphite Cliff) zones with continuous graphite schist bands with minimal overburden.

7 GEOLOLOGICAL SETTING & MINERALISATION

7.1 Regional Geological Setting

Figure 4 shows the regional geology around the Lac Guéret region with the legend following on Figures 4 and 5. Only the units in the Parautochthonous Belt north of the Allochthon Boundary Thrust (ABT) are shown and discussed, since the Allocthonous Belt units, complex as they are, do not affect the potential mineral deposits to the north.

Since the mid-2000s, the numerous studies of the Grenville Orogeny which extends from norther Mexico though southeastern Canada and east to Scotland and Scandinavia have changed the understanding of relationships among the constituent units that comprise the older Parautochthonous and the younger Allocthonous Belts. Rivers (2015) compiled numerous studies that show the two belts are separated by the Allocthonous Boundary Thrust Fault (ABT). The ABT is a shallow-dipping series of thrust faults that mark the northern limit (in Québec and Labrador) of the hot orogenic Allocthonous Belt over the Parautochthonous Belt. The northern limit of the Parautochthonous Belt is another complex of shallow, south dipping thrust fault which marks the docking of the Grenville Orogeny against the southern limit of the Archean Superior Craton. The orogenic collision has many more local components of intrusions and partially melted migmatites in the south.

The Parautochthonous Belt in the region around Reservoir Manicouagan is composed principally of the basement Ulamen Complex overlain by the Gagnon Terrane. The Ulamen Complex was proposed by Moukhsil et al., 2013 for the Neoarchean basement complex. Radiometric dates reported by Jordan, et al., 2006 and Moukhsil returned ages ranging from 2780 to 2680 Ma. These dates correlate with the ages of samples from the Ashuanipi Complex in eastern Québec and Labrador in the Grenville Province. Little is known about these basement complexes between the eastern side of Reservoir Manicouagan and Labrador City NL owing to poor access and little geological mapping outside of iron oxide exploration in the Ferriman (Gagnon) Group.

Exploration for graphite around Lac Guéret area on the southwest side of Reservoir Manicouagan from 2000 to present, aided by log road access, has shown more complexity in what is called the Ulamen Complex. The distribution of the Ferriman (Gagnon) Group forms a series of synclines trending northeast along the western shore of Reservoir Manicouagan beyond the north limit of Figure 4. Earlier regional mapping, based on the pre-Reservoir rivers, indicates that these Ferriman Group synclines extend to Île Rene-Levasseur and sometimes beneath the Manicouagan Impact Crater cap. Regional magnetic surveys show magnetic anomalies in these areas. The Ferriman Group complex north of the Property and west of Mason Graphite deposit marks the southwesternmost expression of the iron formation. Mapping compilation by Moukhsil et al. (2013) was done at 1: 125,000 scale, whereas exploration typically is undertaken at a finer scale. As a result, we appreciate that there is more infolding of the Ferriman Group units that contain graphite and iron oxide into the Ulamen Complex than is shown by Moukhsil, et al. The edge of the Ferriman basin to the south and west of the Lac Guéret iron formation complex appears to be marked by changes in lateral facies equivalents where the iron oxides are absent and the Wishart and Denault Formations are absent, leaving lateral iron silicate layers (grunerite) and the overlying Menihek Formation, host of the graphite as markers for the Ferriman Group.

The youngest geological event is the famous Manicouagan Impact Crater (214 Ma) which occupies the large island in the center of the Reservoir. The effects of the impact are regionally local with some shocked quartz and similar diagnostic features up to five km from the inner ring. The debris annulus was mostly eroded by the two rivers that are now impounded by the Manic-5 Dam. There are also isolated outcrops of fossiliferous limestone of Ordovician age that are correlated with the St. Lawrence River Paleozoic platform about 200 km south of the Reservoir.

Structures

The principal structure affecting the region is the Allocthonous Boundary Thrust (ABT) fault. It marks the suture between the older Parautochthonous Belt and the younger Allocthonous Belt. The ABT is a shallow-dipping thrust emplaced from the south to south-southwest in a 'hot' orogenic collision with multiple thrust sheets (Rivers, 2015). Folding and metamorphism is more intense closest to the ABT and decreases gradually to the north. The main D1 folding strikes parallel with the fault which forms an open arc oriented west-northwest in the west to east to northeast towards Reservoir Manicouagan and is overturned to the southwest at moderate to steep axial planes. Closer to the ABT, a second principal fold, D2, refolded the older event essentially parallel with D1 strike but with steep to vertical plunging fold noses and steeply overturned southern limbs. These can be seen in EM anomalies south of the Property as well as forming the western end of Zone 1. Later thrust faults trending NNW to north offset units within the Ferriman Group.

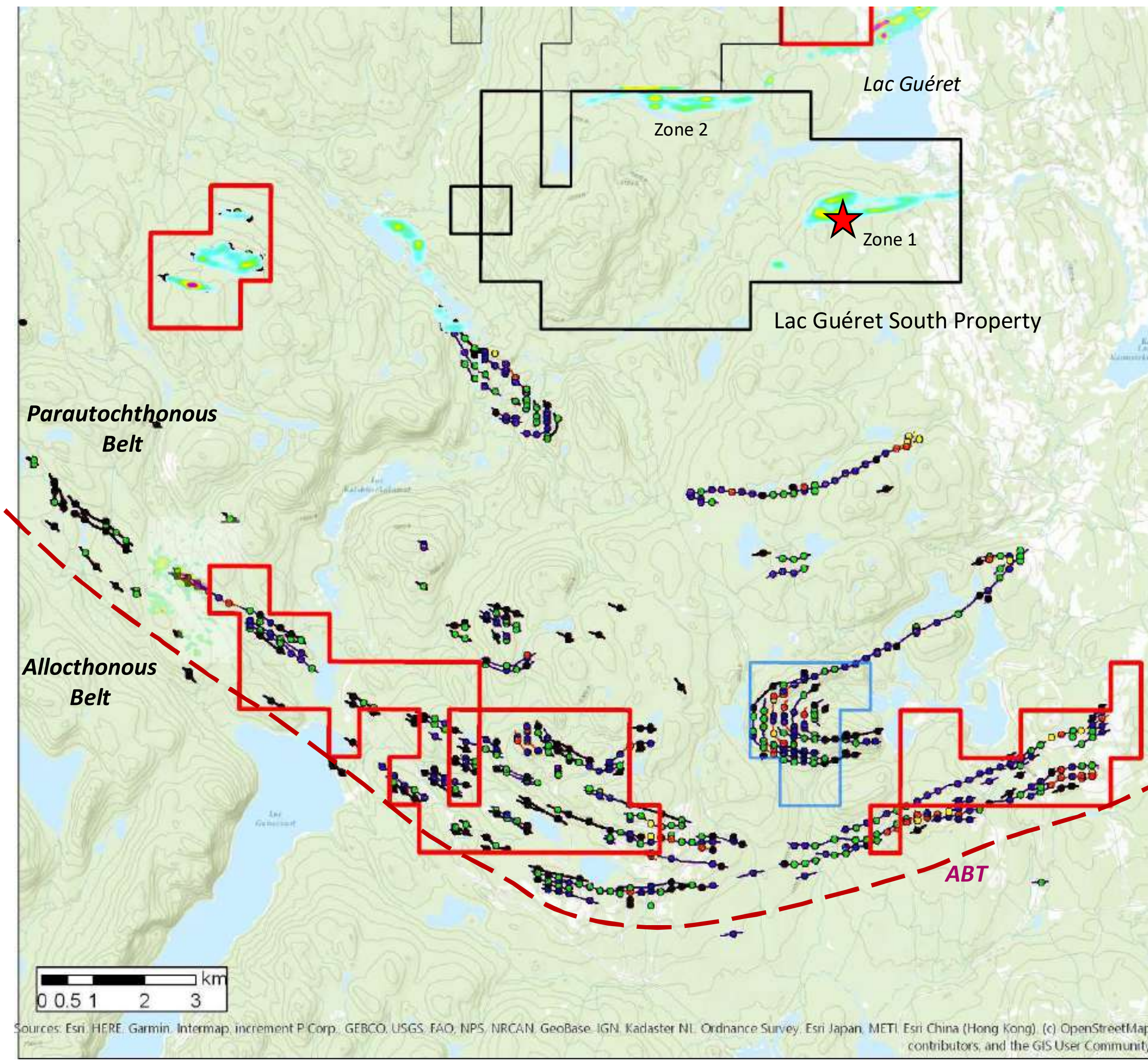


Figure 4 Refolded D_1 folds south of Lac Guéret South Property *(after SOQUEM 2002 (coloured anomalies in south) & Poznikoff 2019)*

Metamorphism

Metamorphism increases from lower greenschist facies in the north boundary of the Gagnon Terrane to upper amphibolite and possibly granulite facies north of the ABT (Rivers, 2015). The area around Lac Guéret is at least of upper amphibolite facies with sillimanite/kyanite in the metapelitic mudstone and fine clastic sediments. Mafic bodies, interpreted as metabasalt flows or sills, often show a coronitic texture. The higher quality graphite appears to be associated with the higher metamorphic facies.

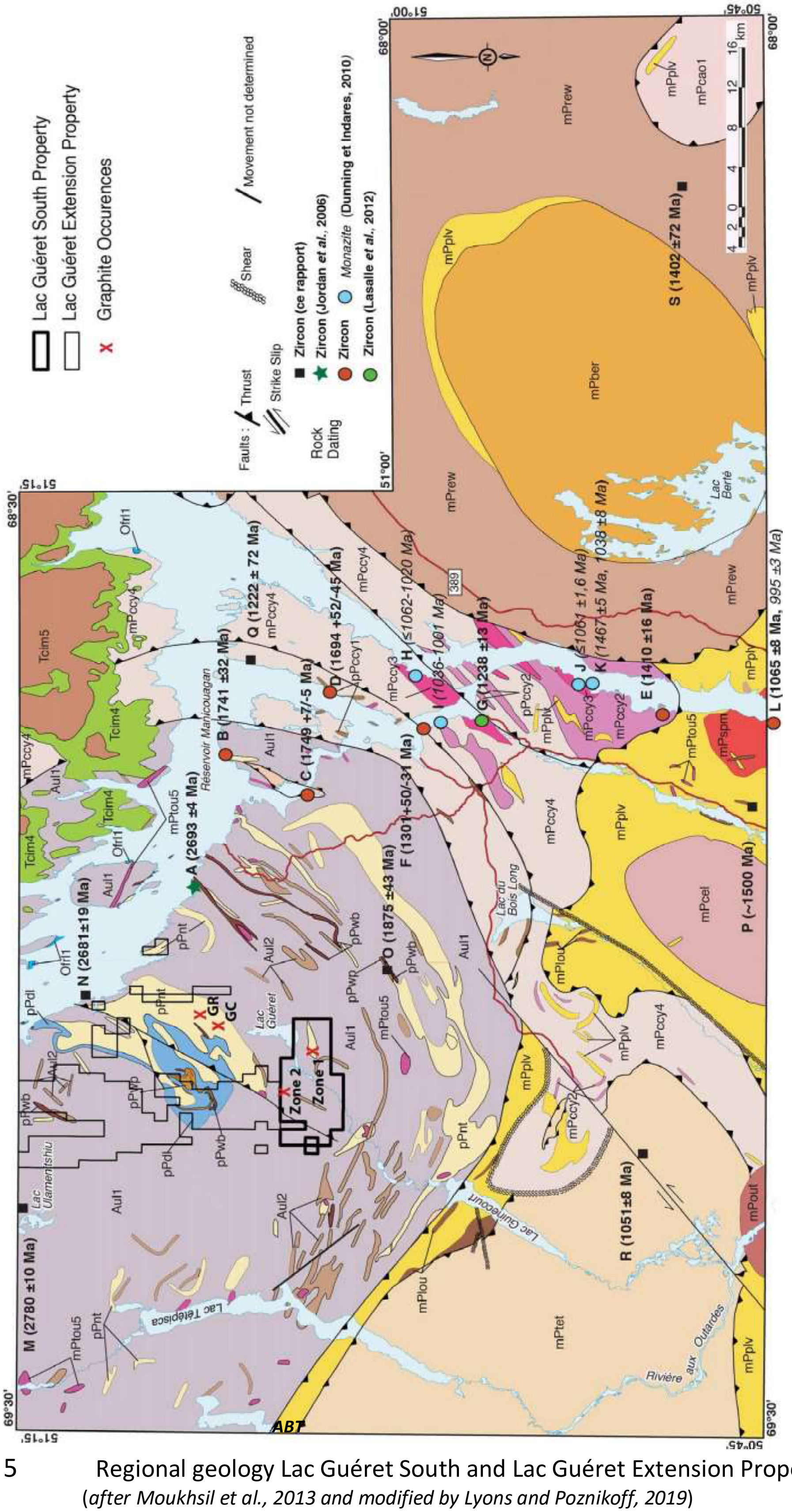


Figure 5 Regional geology Lac Guéret South and Lac Guéret Extension Properties
(*after Moukhsil et al., 2013 and modified by Lyons and Poznikoff, 2019*)

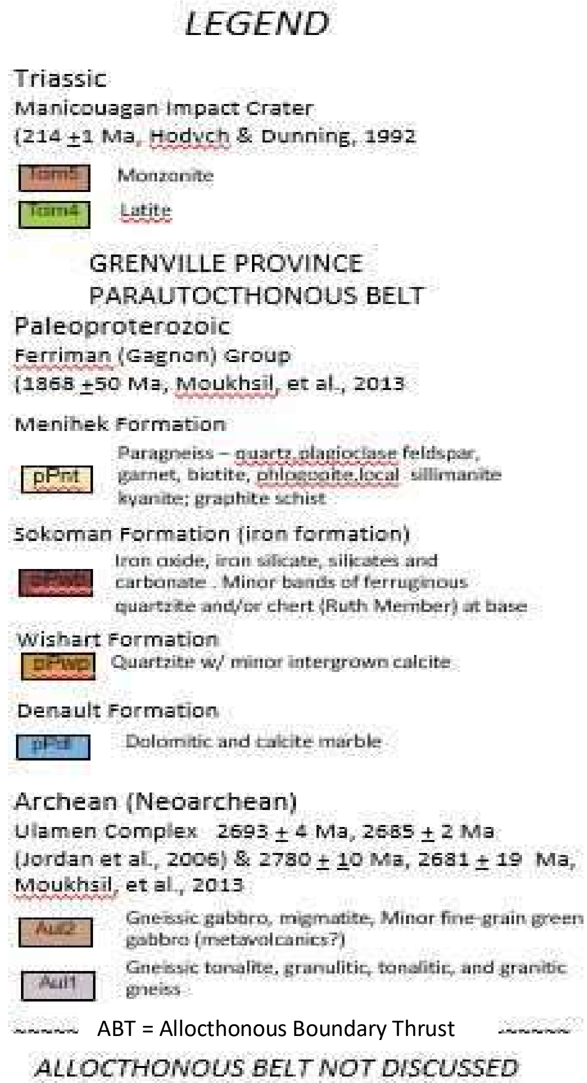


Figure 6 Legend to accompany Figure 5

7.2 Property Geology

7.2.1 Stratigraphy

The Property lies 12 km NNE of the ABT. The principal units are the Ulamen Complex while the graphite occurs in the Ferriman Group as described above. The Ferriman in this area is less clearly demarked than to the north at the Lac Guéret deposit. The Sokoman Fm is represented mainly by bands of grunerite, a low-Al, Fe>Mg amphibole with minor disseminated magnetite and pyrrhotite. The Menihek Fm is a high-quartz, mica, garnet gneiss and schist with horizons of synsedimentary carbon, metamorphosed to graphite. The Wishart quartzite and Denault marble are absent in core, but these units are variable throughout the Ferriman (Gagnon) and are often absent. Although not on the legend above, due to scale, locally so-called "pegmatite" occurs as steep-dipping gash intrusions generally trending northerly and can either parallel but often crosses schistosity. These are often in the order of several to 10 metres long. This northerly extension has been observed at Lac Guéret deposit area where the extension occurs but can affect any lithology, including metabasalt and graphite, where the same bulk chemistry recrystallises with adjacent elements. In core, the pegmatite can host very large garnet crystals, massive crystalline nonmagnetic pyrrhotite with classic parting cleavage, and books of biotite to 5 cm across.

7.2.2 Structure

The airborne survey conducted by the Issuer outlined four EM and magnetic anomalies. The two largest, Zones 1 and 2, show a linear east-west trends with closed fold noses. The smaller two are restricted in area and have not been tested. The principal drilling has been located on the west fold nose of Zone 1. Figures 7 and 8 show the complexity based on structural modelling by Terrane Geoscience Ltd. (Halifax, NS) based on oriented drill core in Phases 2 through 4.

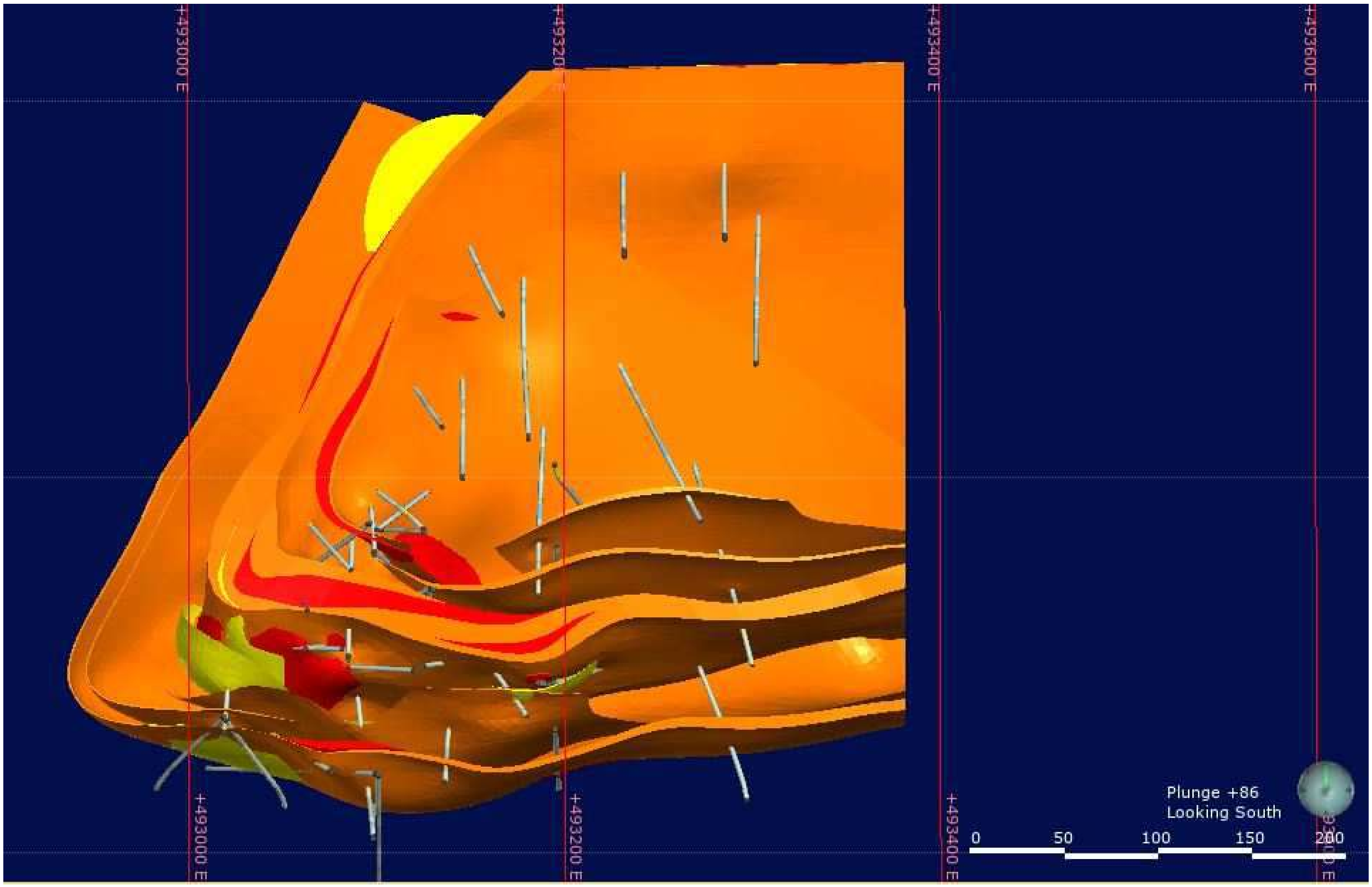


Figure 7 3D view of Zone 1 fold nose (north at top) *(Leapfrog, Terrane Geosciences 2019)*
[red = > 25% Cgr; orange = 7 to 25% Cgr; yellow = 5-7 % Cgr]

Note that the exact shape of the structural solids does not exactly match the solids used in constructing the solids for the resource estimation herein, due to differences in the data density between analyses and the intervals of oriented core, as well as differences in software being used. The resource modeling used the structural model as a guide and adjusted to best fit the detailed analytical data.

7.2.3 Metamorphism

Upper amphibolite facies with minor sillimanite affects the metamorphic rocks on the property.

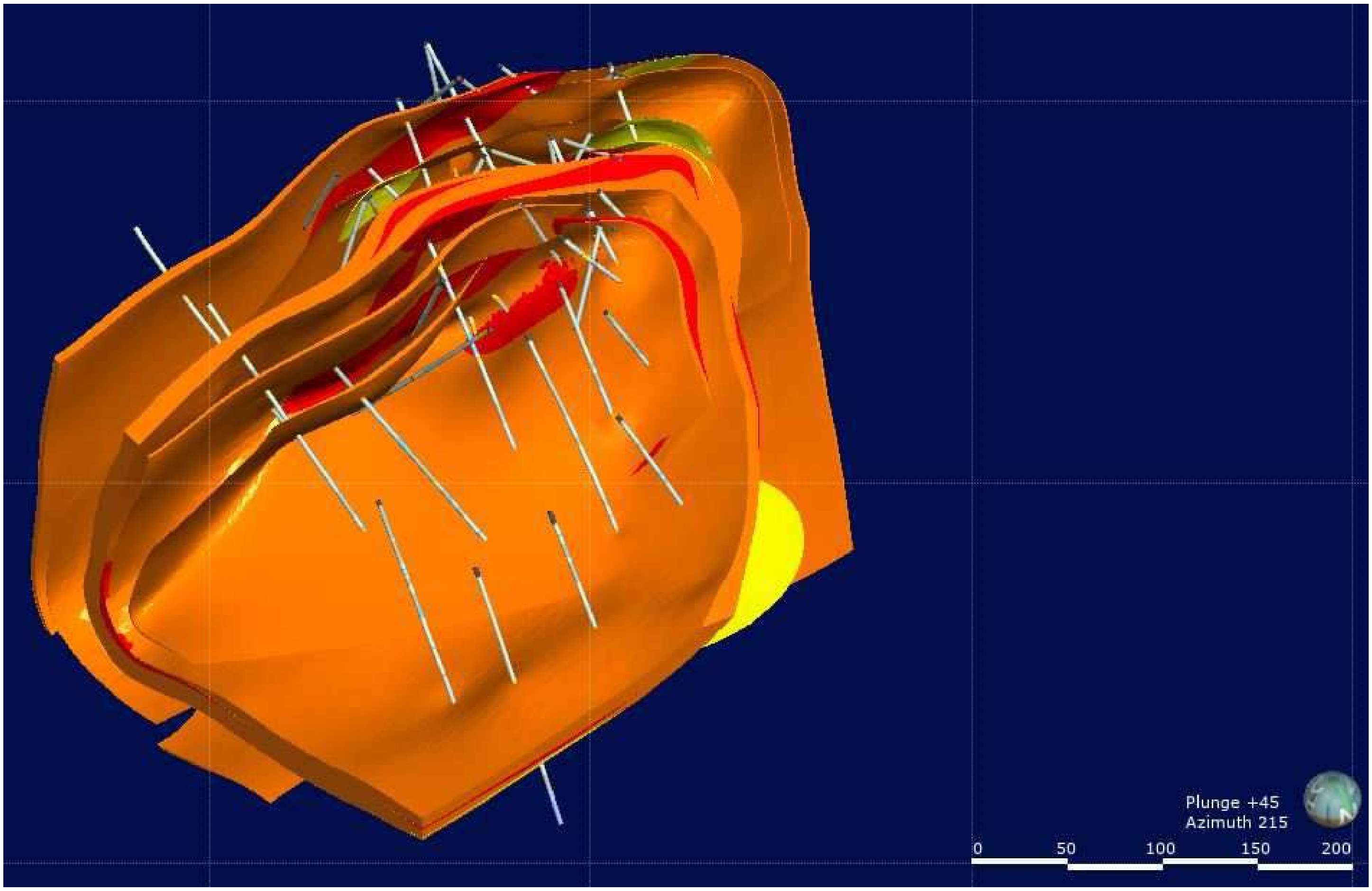


Figure 8 3D view of Zone 1 fold nose (southwest at top) *(Leapfrog, Terrane Geosciences 2019)*
[red = > 25% Cgr; orange = 7 to 25% Cgr; yellow = 5-7 % Cgr]

7.2.4 Alteration & Mineralization

Organic carbon was deposited in basins in pelitic (fine sediment) beds of the Menihek Fm as part of the sedimentary sequence during deposition ~ 1.8 Ga at the end of the basinal Ferriman iron formation deposition. These deposits can occur in beds that may lie on the Sokoman Fm contact or as much as several hundred metres stratigraphically above that contact. This indicates a stratigraphic range with variable amounts of Menihek clastics between the Sokoman Fm and the carbonaceous beds. The present distribution is controlled by the complex structural history post ~1.7 Ga to the onset of the Grenville orogeny ~1.1 Ga. These multiple periods of deformation metamorphosed the carbonaceous sediments into graphite.

The graphite units were divided based on grade ranges with the high grade being greater than 25% Cgr, medium grade 7 – 25% Cgr, and low grade 5-7% Cgr and correlated as stratigraphic units. The textures of the high-grade graphite are distinctly different from the medium-grade graphite. The former fills distinctive wispy fractures and extension bands with coarse graphite flakes with sharp margins in a matrix of finer graphite. The texture is easily recognisable in outcrop and core. The medium- and low-grade graphite tends to form more isolated crystals and crystal clusters. The contacts between high- and medium-grade varieties is sharp and sometimes are interlayered on the decimetre scale.

No evidence has been observed of any hydrothermal alteration in the ten graphite deposits the senior author has seen across the Gagnon Terrane in the eastern Grenville Province. Had there been such alteration, one would recognise the fact by the presence of unusually high amounts of aluminosilicate minerals, such as kyanite, sillimanite or andalusite. This is not to be confused with the small amounts of sillimanite/kyanite typically found in metapelitic rocks in upper amphibolite or granulite facies metamorphism.

8 DEPOSIT TYPE

The deposit type is bedded organic carbonaceous pelitic sediments which have been is highly metamorphosed to form flake graphite and metamorphic host minerals. There is no evidence of hydrothermal alteration or overprinting of the graphite. Local dykes and migmatitic intrusion can remobilize the minerals in the host rock to coarser-grained equivalents but these are at a small-scale overall.

9 EXPLORATION

The Issuer initiated exploration in 2014 with an airborne magnetic and time-domain electromagnetic (TDEM) survey of the original Lac Guéret South Property. The Property at the date of this report covers the eastern 60% of the original claims. A helicopter was used to fly the Geometrics G-822A magnetometer and the ProspecTEM-1 TDEM units over a single grid of 415 line-km with flight lines oriented north, spaced 200 m apart and 1500 m control lines. The magnetometer base station was located on the grid. The instruments were 65 m above ground (magnetometer) and 40 m (TDEM). Orientation was maintained by an Omnistar DGPS unit with an absolute accuracy of 5 m. The results are shown below where the main anomalies are defined:

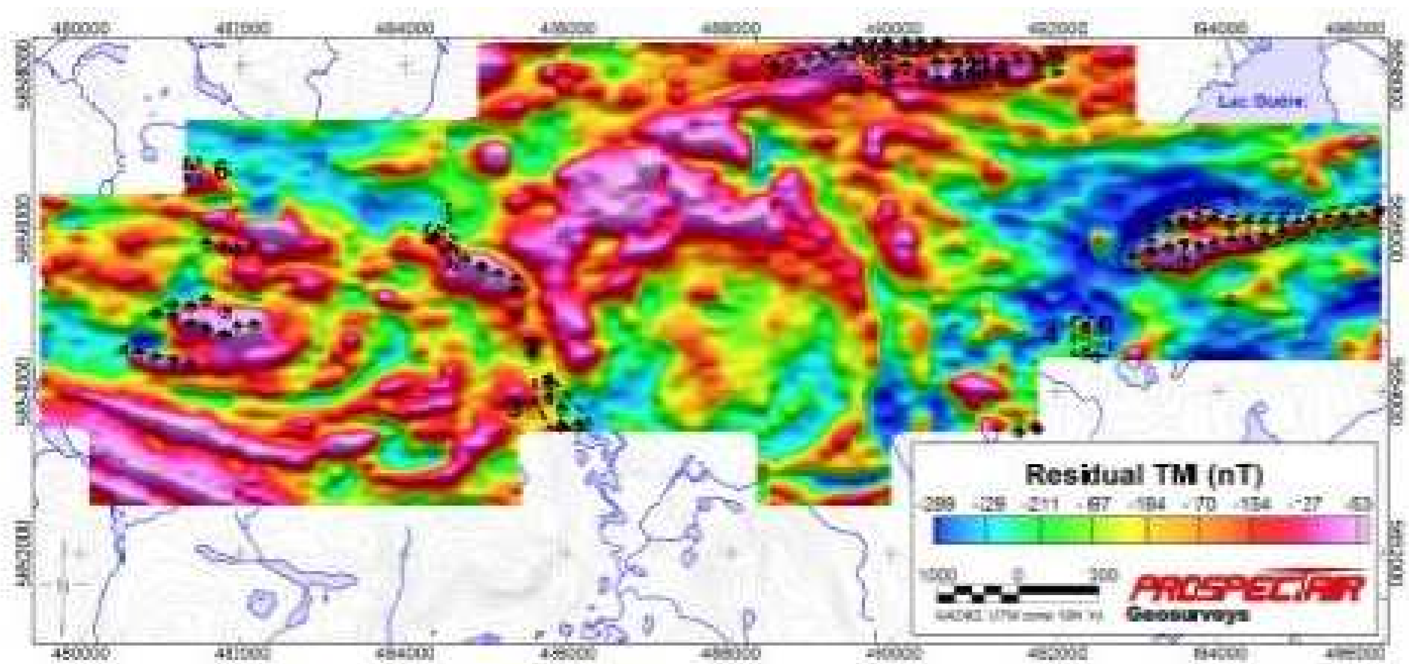


Figure 9 Total Magnetic Intensity (TMI) & Time Domain Electromagnetic (TDEM) Anomalies *(after Dubé, 2014)*

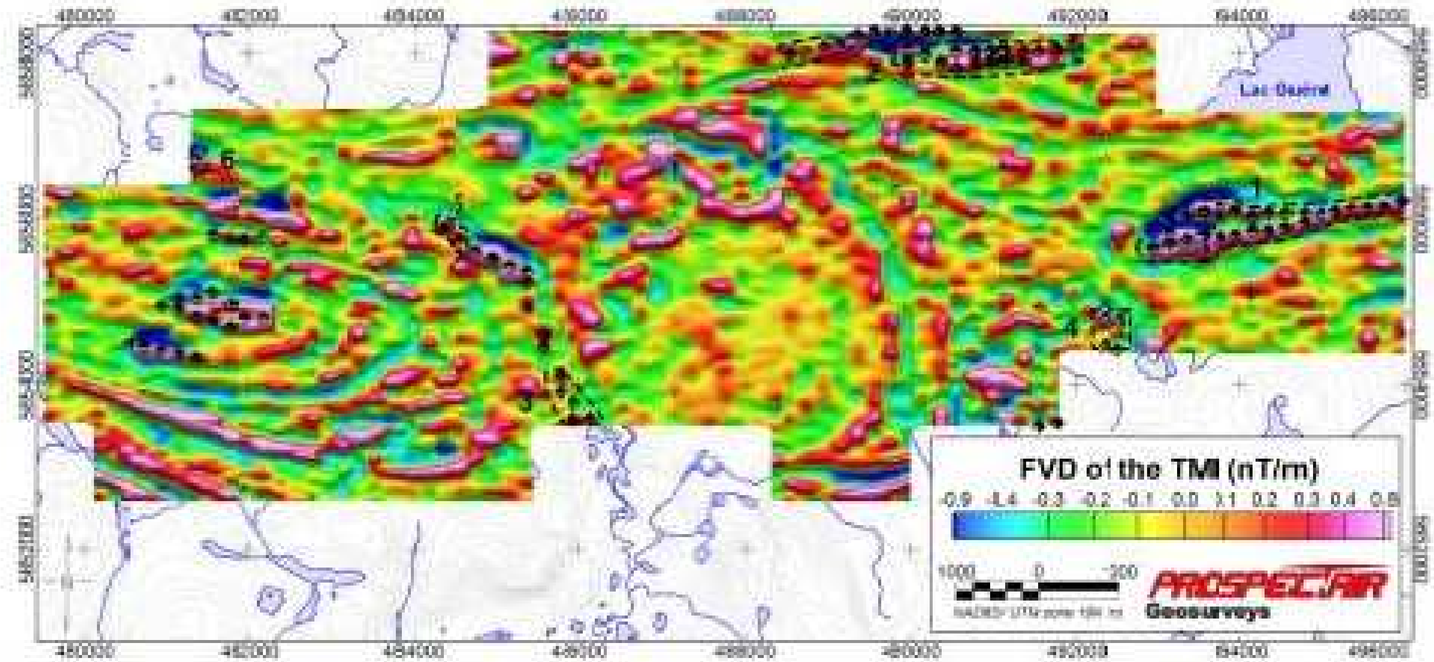


Figure 10 1st Vertical Derivative of TMI *(after Dubé, 2014)*

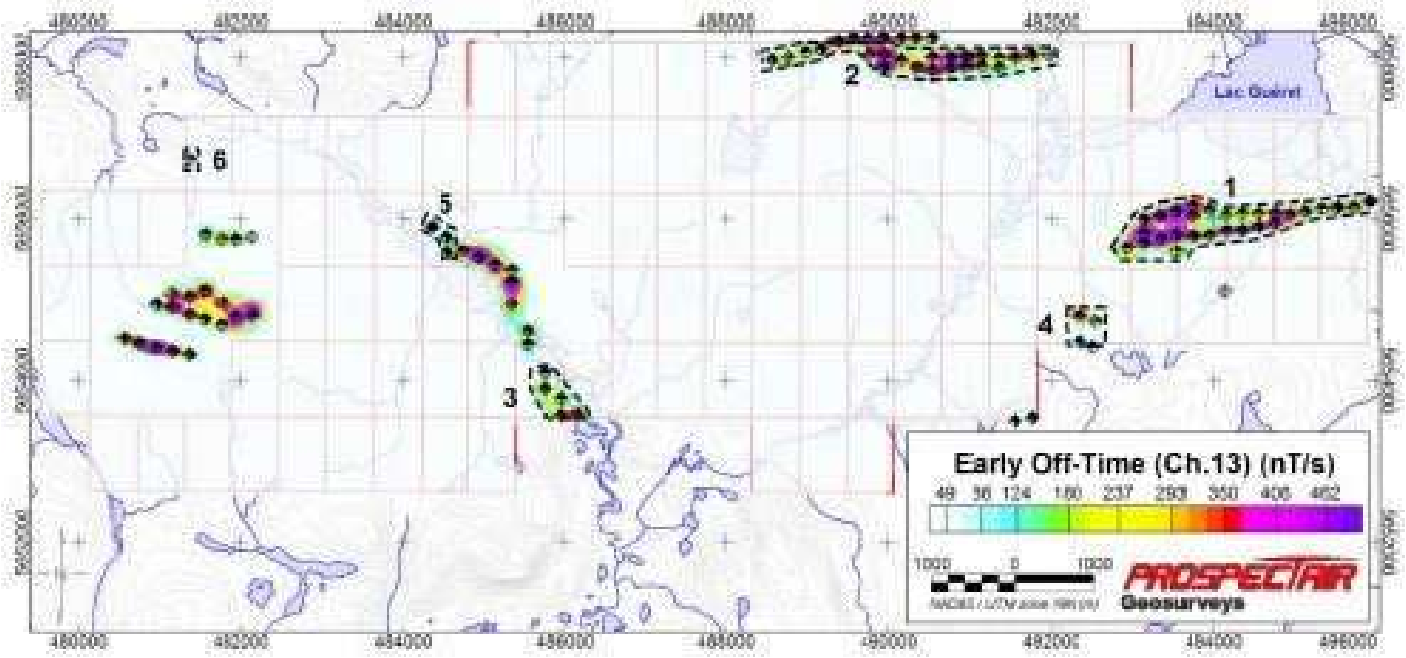


Figure 11 Early off-time of TDEM *(after Dubé, 2014)*

TDEM and magnetic anomalies delineated two principal targets, 1 and 2. Zone 1 was the focus of the subsequent exploration projects, while Zone 2 was tested by one inconclusive drillhole which needs further investigation. The remaining anomalies were too small or of lower intensity to signify potential graphite deposits; the western part of the original claim block was allowed to lapse.

In October 2015, follow-up work on the Property lead to ground magnetic and ground portable TDEM (PhiSpy) surveys. These were conducted by and reported by Dubé in 2015. The target zones were Zones 1, 2 and 4. Zone 4 is a small zone that has not been prospected but its geophysical signatures suggest that it has the lowest priority of the three zones.

In Zone 1, the magnetometer survey covered 21.44 ln-km with continuous readings while the PhiSpy TDEM survey covered 18.21 ln-km over 24 lines plus the cross-lines and access trails aligned north. Line spacing was variable 50 to 100 m apart with line lengths of 250 to 700 m. The magnetometer equipment included a GSM-19W (walking mode) and a GSM-19 base station. The GSM-19W records every 0.5 seconds which approximates 0.37 m between data points, while the base station records data every 3 seconds. A separate GPS unit records the path of the traverse to ± 3m.

The PhiSpy portable TDEM system uses a small horizontal coil carried by two operators that can be walked through sparse forest. The lines do not have to be straight nor are wires laid out on the traverse lines. A separate GPS unit records the path of the traverse to ± 3m. The continuous reading mode results in a sample spacing of 0.08 m spacing. The depth of penetration is 10 to 15 m with a spread at the metric level. This system is considered as a deeper penetrating version of the prospector's BeepMat.. As with all TDEM systems, the strongest conductors are likely to be connected massive to semi-massive graphite and sulphides, which are commonly associated together in graphite deposits in the Gagnon Terrane. The following three figures show the results of the ground surveys:

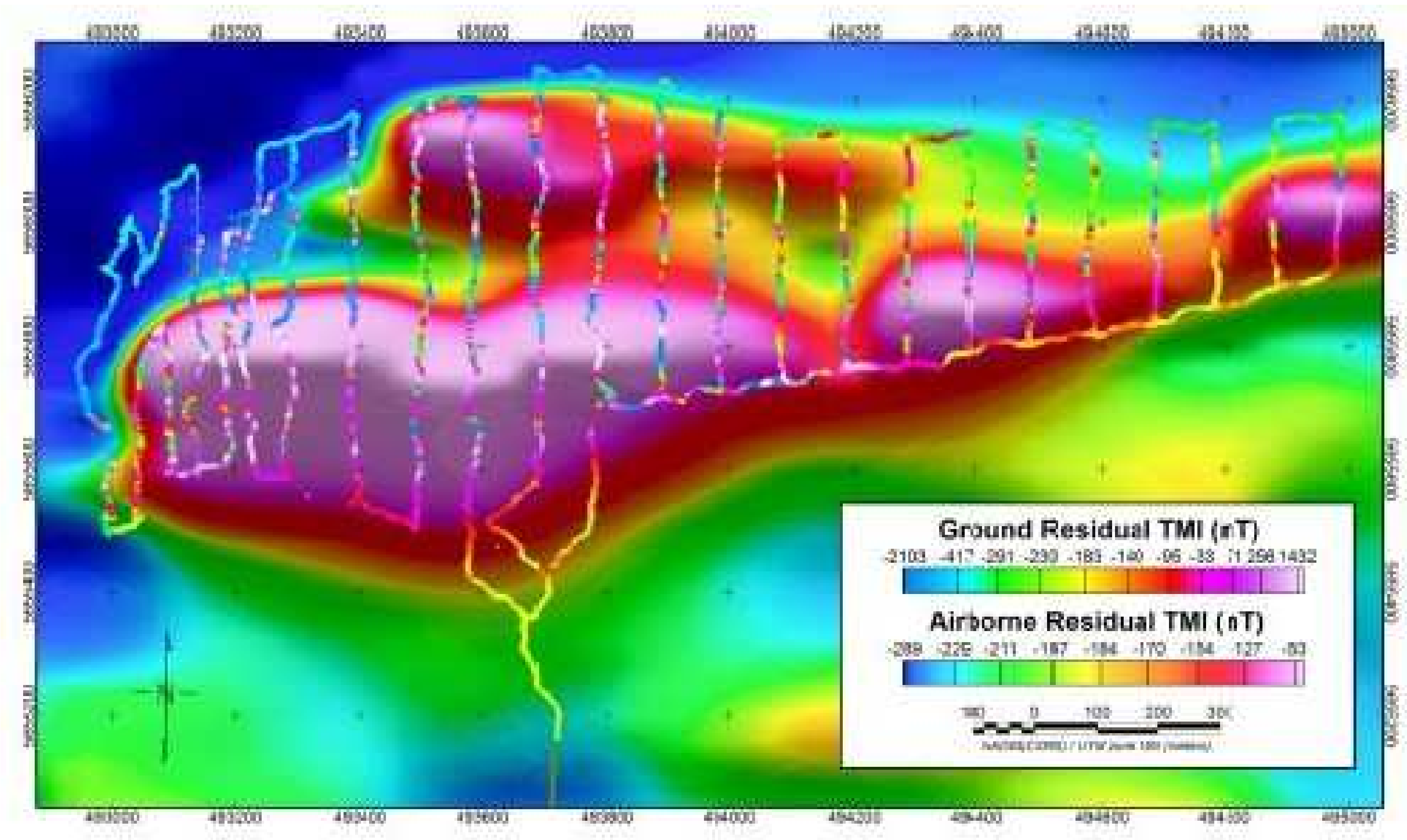


Figure 12 Ground TMI (lines) and airborne TMI *(after Dubé, 2015)*

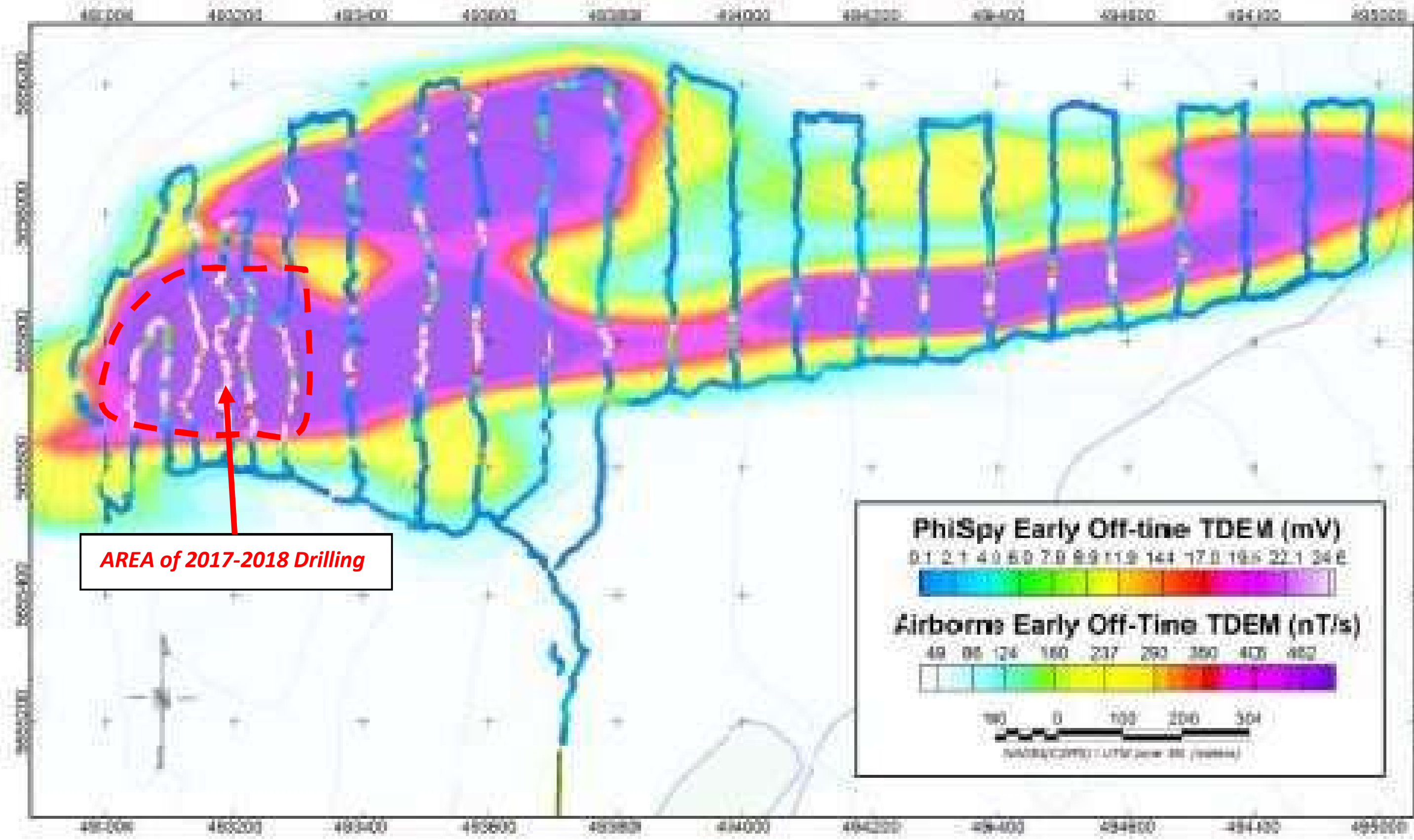


Figure 13 Ground TDEM (lines) and airborne TDEM surveys *(after Dubé, 2015)*

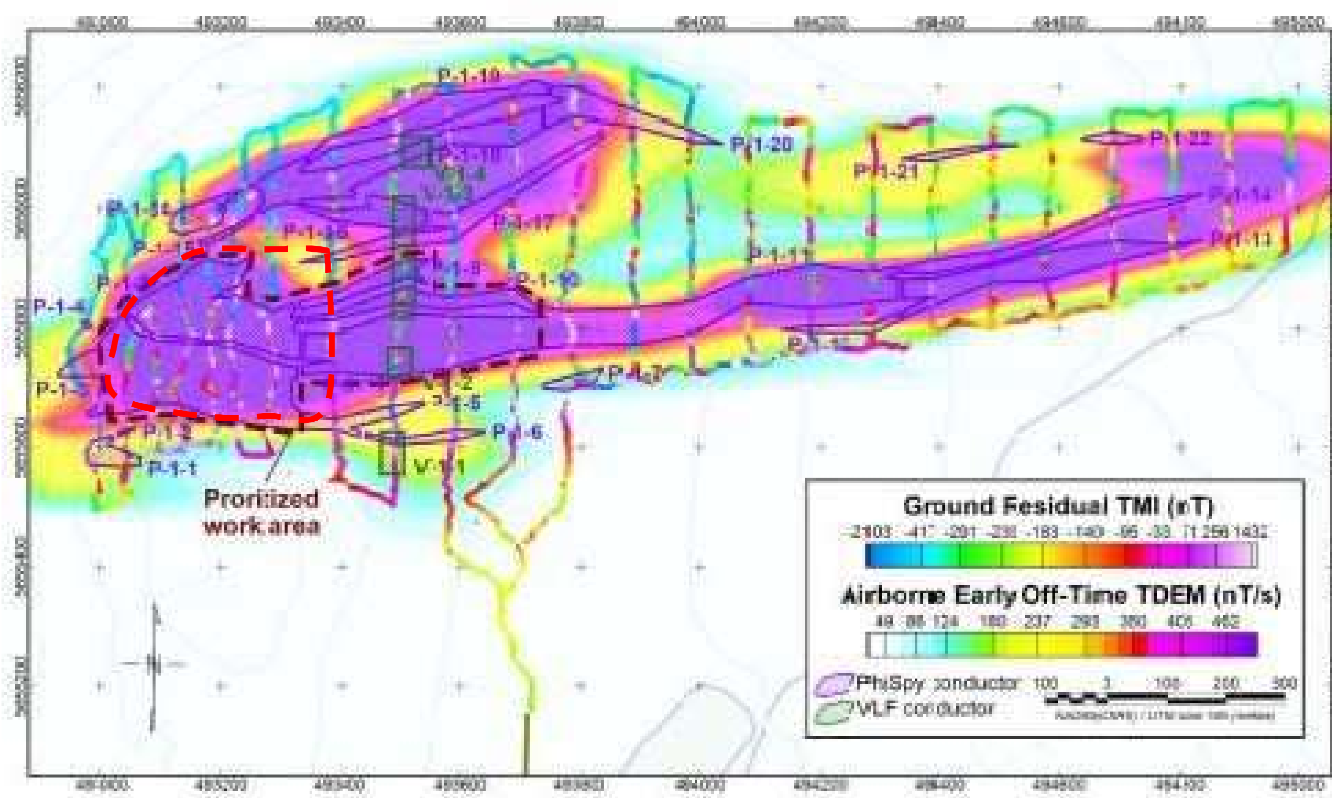


Figure 14 Interpretation of ground TMI and airborne TDEM *(after Dubé, 2015)*

The western end of Zone 1, where the drilling has been done to date comprises a nose of a synclinal fold plunging steeply to the east northeast. The partly separated northern sector may represent another fold or a repeated fold cut by a thrust fault striking east northeast. The eastern end appears to be another fold nose plunging to the west northwest.

After drilling started in the first two phases, the goal became to identify shallow graphite targets. The area is covered by mature boreal forest and glacial soils. The method chosen was the *mise a la masse* (MALM) electromagnetic technique. It is an older system and operates by charging a known conductive horizon and tracing the decay responses on surface. Drill hole BK1-27-18, located in the south centre of the area outlined in red dashed line (figure 14 above), intersected two graphite units. These were charged by a transmitter lowered down the open hole to charge the units at 130 m and 170 m length. Cut lines and access trails were used for traverses with the receiver. Nine north-oriented lines spaced 100 m apart were sampled every 25 m for both points of charging and covered 5.925 km for each depth charging. The work was done in October 2018 and reported in Simard (2018). The following three figures show representative data from the two charging points.

Both levels show a continuous conductive horizon in a syncline. The data does not give any estimation of elevation, and the lower beds are projected through what is probably non-graphitic rock overlying the conductors. The survey cannot distinguish where graphite schist is at or near surface. This uniform pattern closely mimics the airborne TDEM (Dubé, 2014).

The IP single line shown in the interpretation did not add any new information to the MALM survey.

The three figures below show electric potential in contours and profiles with an interpretation for the Length 130-m charging point. The Length 170-m equivalents showed some minor internal variations on internal contours but mimics the outline form of the figures below.

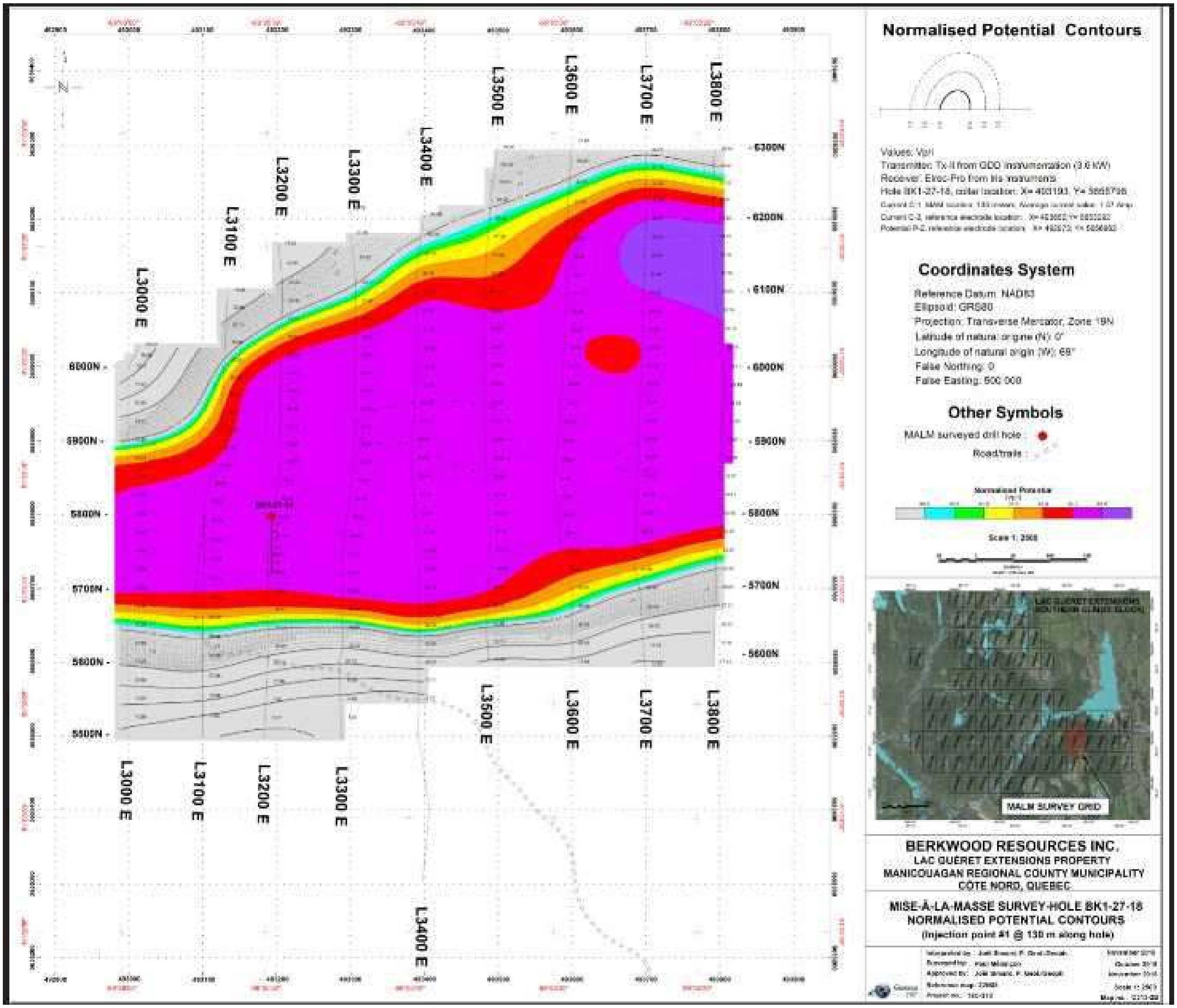


Figure 15 Normalised contours of 130-m length MALM anomaly *after Simard, 2018)*

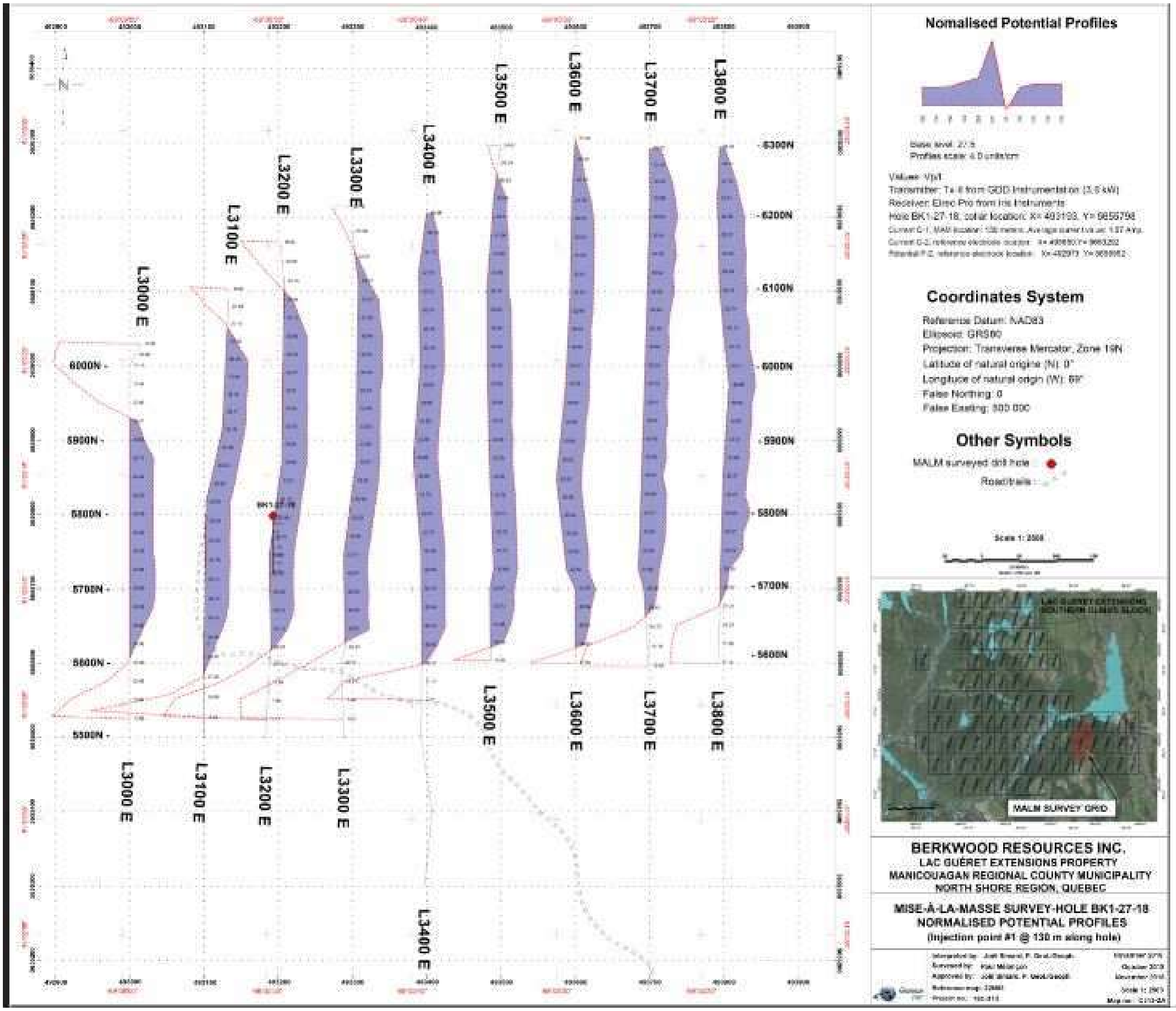


Figure 16 Normalised profiles of 130-m length MALM anomaly *after Simard, 2018)*

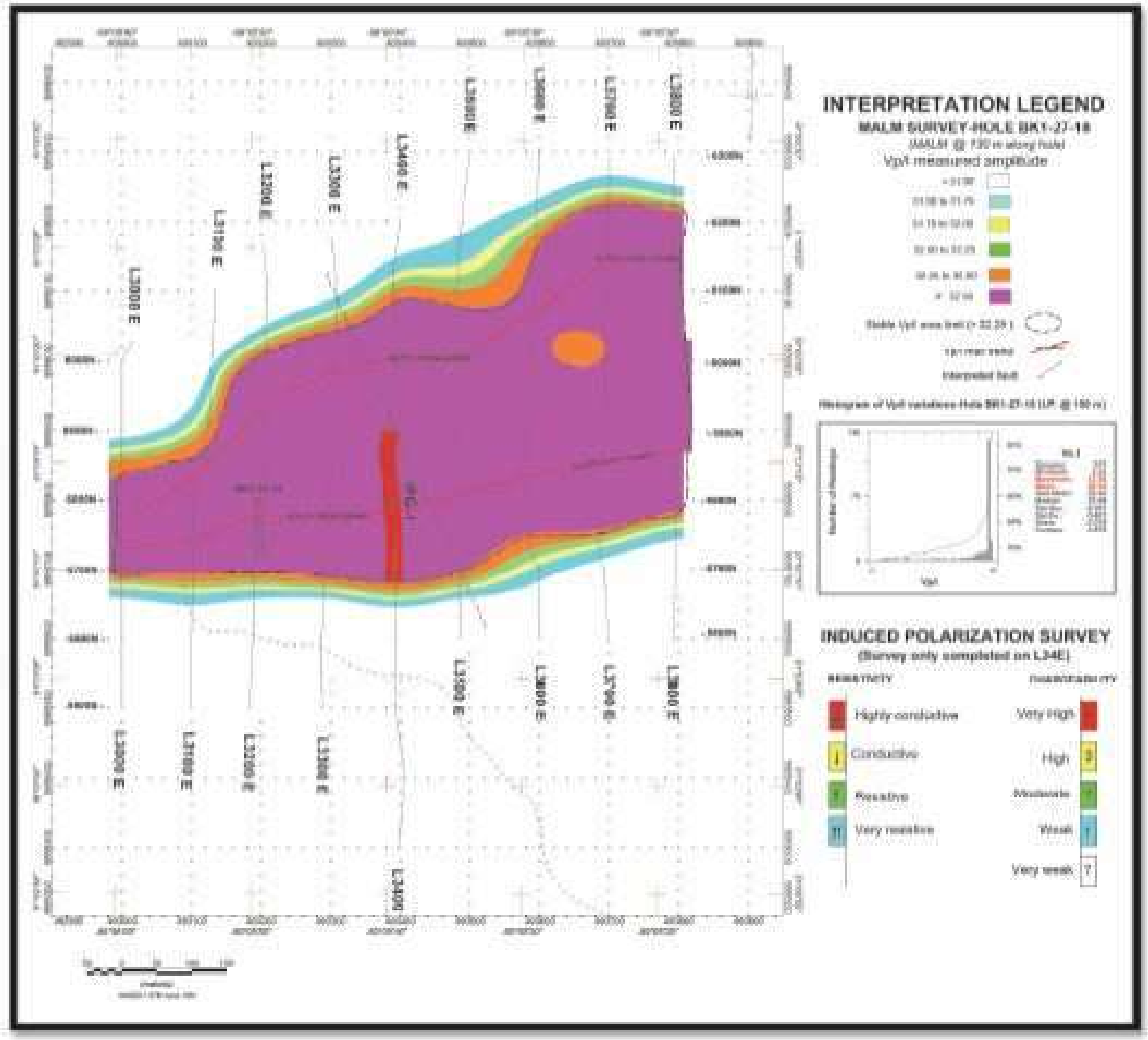


Figure 17 Interpretation of 130-m length MALM anomaly *after Simard, 2018)*

Kit Campbell (C &W Geophysics Ltd. of North Vancouver, BC) reviewed the geophysics after the completion of the previous geophysical surveys combined with the most recent structural model by Terrane Geosciences (Halifax, NS). He concluded that the early time-off anomalies from both the airborne and ground TDEM surveys showed primarily the deeper graphite layers. The late time-off anomalies are more indicative of thicker horizons of conductive (graphite + sulfides) especially near surface. The PhiSpy TDEM system has a limited depth penetration of 10-15 m, so these anomalies are very shallow (Campbell, C, 2019). Where overburden is less than that range, the anomaly can be interpreted as subcropping graphite. There is no other similar technique that can reach to 130 m depth, which still could be a viable target. No further geophysics was recommended.

Other exploration works included modeling the structural data. This was done on drill from BK1-18-18 through BK1-45-18 (Phases 2, 3 and 4). A Reflex Act III core orientation tool was used to show alignment on the core.

Terrane Geosciences Inc. (Halifax, NS) provided training on techniques for recording oriented core data using a Reflex EZ-Mark tube. A logging geologist read and recorded the data on a laptop. The data was sent to Terrane for input into the emerging model. Experience showed that the drillers were able to shear the core in a run, which made some marks unusable. By fitting the run together in the highly competent rock typical of region, most intervals were useable. The ones that were not were annotation in the logs and discarded by Terrane. The drill collar surveys (see below) were used to control the precision of the topography and on re-survey by DGPS the original GPS altimeter readings were shown to be systematically lower by 7-12 m. The average was applied to the 12 holes whose collars were not located due to the lack of casing and depth of snow. The resulting structural model is shown below. It was also used as a guide by GoldMinds Geoservices to build their model for resource estimation in Item 14.

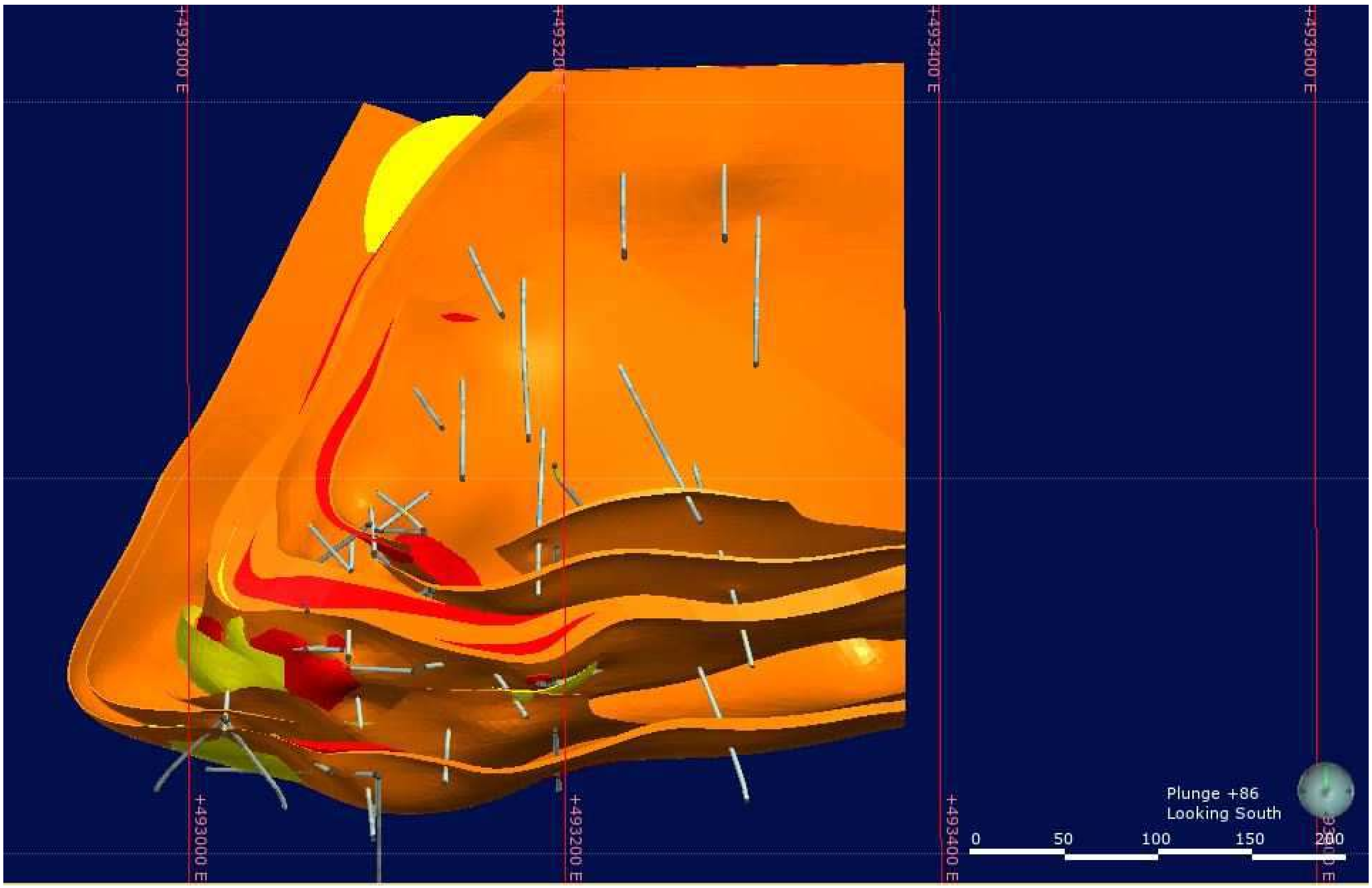


Figure 18 3D structural model with drillhole trace (north at top) *(after Terrane Geosciences Ltd, 2019)*
Red = high-grade graphite (>25% Cgr); Orange = medium grade graphite (7% to 25% Cgr); Yellow = low grade graphite (5% to 7% Cgr)

In early December 2018, the bulldozer used in drill moves scraped snow from bedrock and exposed two crests of graphite schist within the drill grid. The graphite and bracket unmineralised rock was channel-sampled using a gas-powered rock saw to cut two parallel sides then the centre was chiseled out. Samples were tagged and bagged before bringing them back to the core facility. Trench BKTR-01-18 had a minimum of 43 m of continuous graphite schist with a weighted-average of 24.17% Cgr. Trench BKTR-18-02, about 25 m north of the first trench, had a minimum of 15.0 m with a weighted-average of 27.87% Cgr. In both trenches, the intense cold hindered cleaning the bedrock and it appears that there may be more graphite schist; further trenching is required in milder conditions. At the same time, the bulldozer operator noticed graphite schist near a drillhole about 13 m east to the origin point of BKTR-18-01 and ripped out 3 x 3 to 5 x 5 areas which contained high grade graphite schist (>25%

Cgr); four grab samples were taken by collecting small pieces from across each pile and they returned grades ranging from 39.45% to 23.68% Cgr.

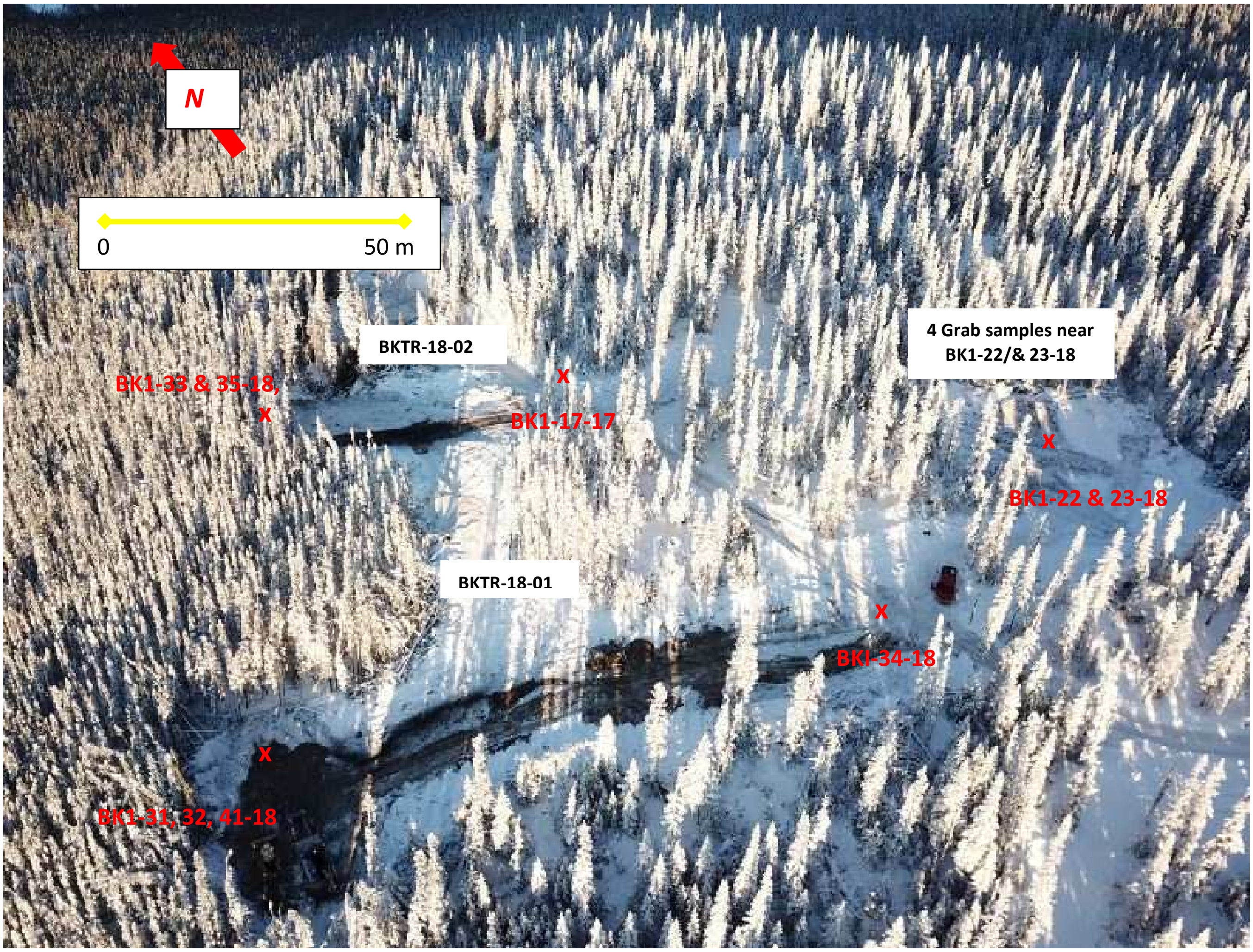


Figure 19 Trenches BKTR-18-01 & -02 with grab samples to right *(after R. Versloot drone image, 2018)*

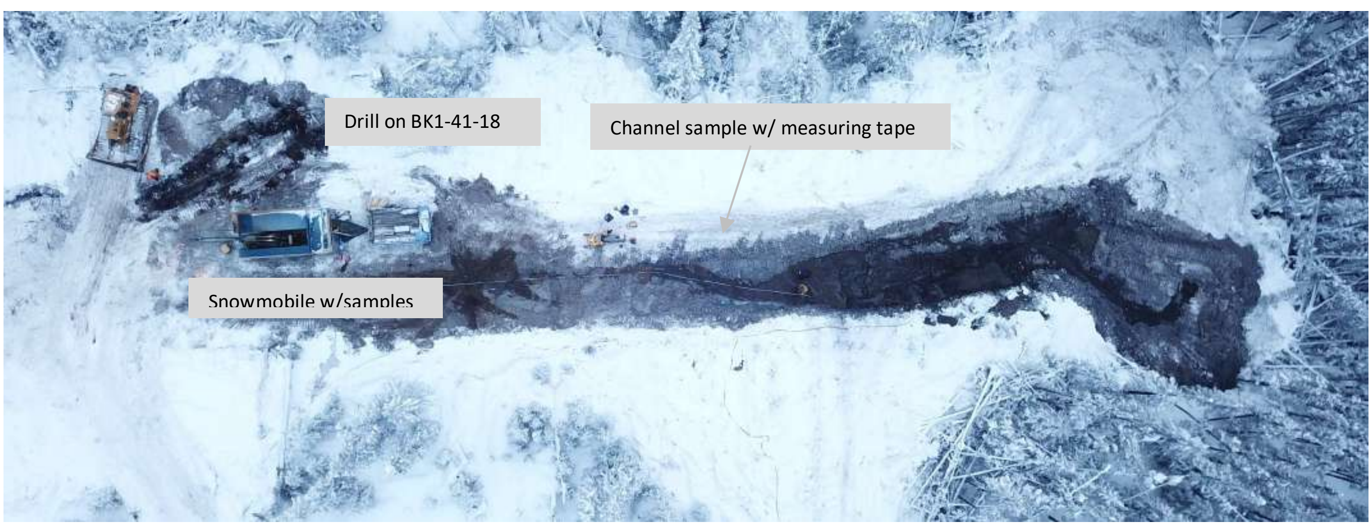


Figure 20 Trench BKTR-18-01 showing the channel sampling and drill on site of BK1-41-18 *(after R. Versloot drone image, 2018).*

10. DRILLING

Diamond drilling was conducted in four phases starting on 16 August 2017 and ending on 18 December 2018. Table 4 summarises the key metrics:

Table 4 Summary of Lac Guéret South Zone 1 Drill Program

Phase	Hole ID start	Hole ID end	Date start	Date end	# DDHs	Length (m)
1	BK1-01-17	BK1-13-17	16 Aug 2017	7 Sept 2017	13	1,806.54
2	BK1-14-17	BK1-18-17	6 Dec 2017	18 Dec 2017	5	718.67
3	BK1-19-18	BK1-28-18	2 Feb 2018	1 Mar 2018	10	1,487.48
4	BK1-29-18	BK1-45-18	30 Nov 2018	18 Dec 2018	16	2,078.30
Total					**45 DDHs**	**6,090.99 m**

Every hole encountered graphite schist except BK1-28-18 (6.1 m total length) which started without the geologist's approval at the end of Phase 3.

HQ diameter core was drilled in Phases 1 though 3; the Phase 4 contract specified NQ core in error. The drilling contractor for Phases 1 through 3 was Full Force Diamond Drilling Ltd. of Peachland, BC. The contractor for Phase 4 was Forage Gyllis of St-Jerôme, Québec. Winter drilling conditions slowed the production in Phase 2 through 4 when the winter for 2017 and 2018 had higher than normal snowfall and blizzards. Maintaining safe access was a challenge since the Issuer had to snowplow some 75 km of main logging roads. Transport Savard, (Baie-Comeau, Québec) has contracts with the Québec Ministry of Transport and Hydro Québec to keep the sole highway 389 and ancillary roads open as a priority. They were able (in general) to keep the Issuer's access open with minimal stand-by time on the part of the drilling contractors.

Drill sites were selected based on the geophysical surveys. Since most of the geometry of the Zone 1 anomaly is linear east-northeast, the Issuer contracted with a local logging company to cut access trails wide enough to accommodate drilling equipment oriented in a north direction. Nine trails were cut, six oriented north and three connecting the north trails. The exploration permit from the Québec government specified that a tree mulcher be used to shred the trees for rapid decomposition. The five-year permit includes provision for additional access trails if needed.

Each site was located with a handheld GPS and a flag and foresights were made with compass and flagging tape. The field geologist was responsible for aligning the drill and checking the inclination of the head. Core was brought to the core logging area, initially at Camp Francofor about eight km from the drill grid for Phase 1 and later to the core logging area at Transport Savard at Km 211 on Highway 389 for the last three phases. The crew accommodations were at Camp Francofor initially and later at Motel de L'Energie across the highway from Transport Savard.

When the core was received, it was organised in sequence, opened and inspected for meterage block errors and similar issues. Geological logging of the metamorphic rocks is better done on dry core, so fans were placed to dry the core overnight. In the winter, the core was often frozen and required heating and fans to defrost and dry. The following day, geologists checked the core for matching pieces, collected geotechnical data including recovery and RQD logging into a laptop. When the oriented core started in phase 2, those measurements were taken by a trained geologist. Then the core was logged for geology by an experienced geologist who also made the sample selection according to a protocol. Afterwards, the coreboxes were photographed and moved out to temporary pallet storage. The samples of core went to a core cutting facility where it was sawn lengthwise. The finished core was assembled and covered with a tarp. Production was keyed to ensure that all core on the logging bars in the morning were completed by the end of the day and outside the logging facility to allow for the introduction of newly drilled core. If needed, sampled core was maintained overnight to retain heat but moved out early the following day. As the core bars were emptied, fresh core was brought in for defrosting and/or drying.

All the core was photographed after the logging and sample markups were done then palletised for storage.

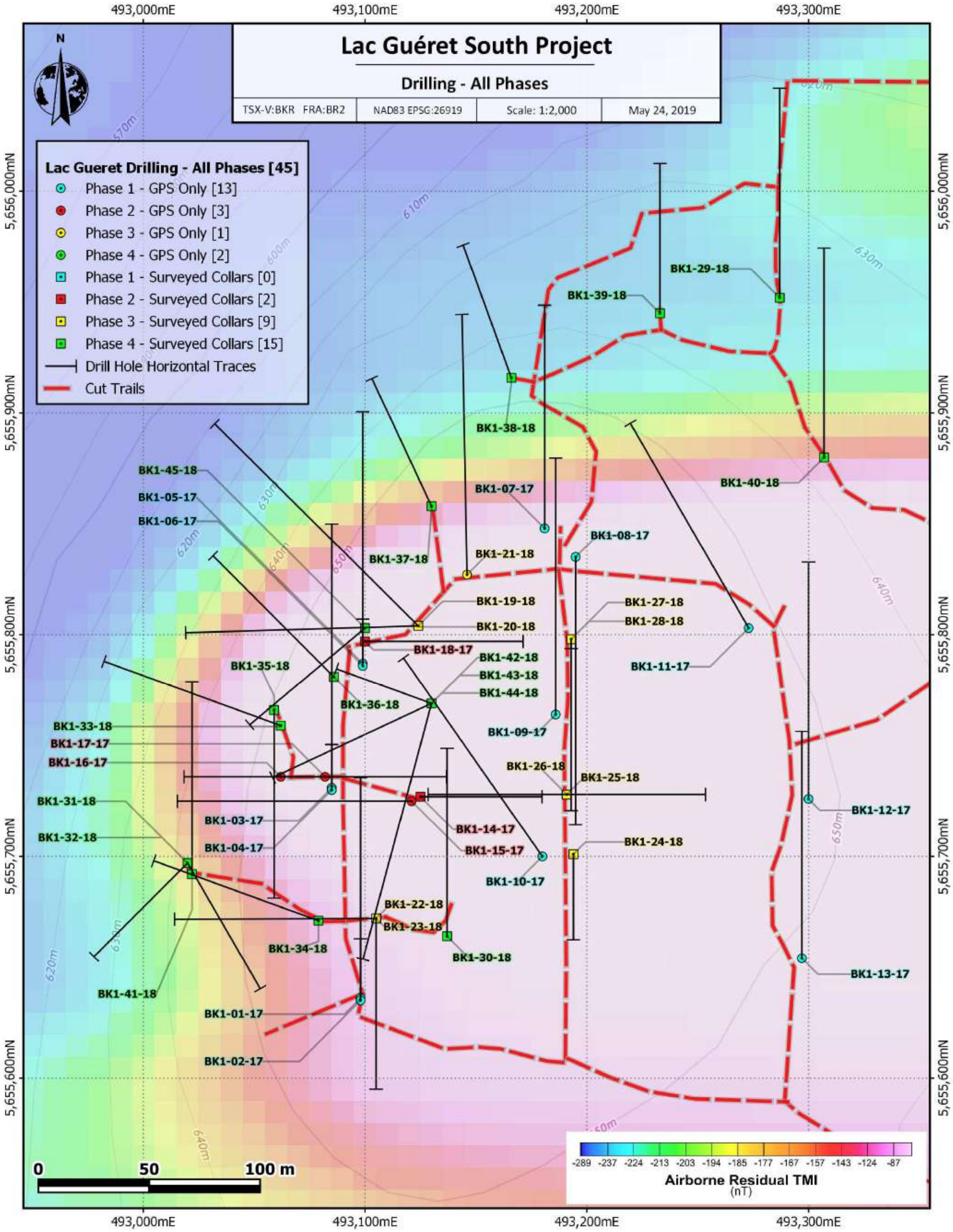


Figure 21 Location of Drillholes on Zone 1 BK1-01-17 through BK1-45-18 *(compiled by V. Pobric, 2019)*

Table 5 lists the significant intersections with length-weighted composites. There are other zones with narrower widths and/or lower grades not listed.

Table 5 Significant Intersections in Zone 1

DDH ID	From (m)	To (m)	Sample length (m)	% Cgr avg
BK1-01-17	40.23	45.00	4.77	28.61
and	99.48	137.77	38.29	14.68
includes	101.98	110.19	9.83	29.17
BK1-02-17	43.05	46.38	3.33	15.16
and	60.85	80.45	19.60	24.01
includes	64.38	74.40	10.02	32.95
BK1-03-17	20.79	47.69	26.90	24.40
includes	24.28	26.94	2.66	31.08
includes	34.69	44.06	9.37	35.34
and	93.40	99.38	5.98	13.11
BK1-04-17	26.68	79.24	52.56	21.01
includes	26.68	54.55	27.87	28.38
includes	69.19	71.71	2.52	31.72
BK1-05-17	31.4	43.86	12.46	20.72
includes	36.21	39.41	3.2	33.69
BK1-06-17	16.39	28.34	11.95	25.52
BK1-07-17	112.75	118.61	5.95	10.83
BK1-08-17	139.42	160.63	17.17	20.04
includes	150.37	155.83	5.46	31.19
and	169.83	177.04	7.11	28.02
BK1-09-17	114.25	142.34	21.33	12.27
BK1-10-17	133.98	148.75	16.27	9.10
BK1-11-17	19.84	24.17	4.33	11.39
BK1-12-17	30.62	33.93	3.31	11.23
BK1-13-17	38.44	46.59	8.15	19.20
and	99.64	105.57	5.93	18.84
and	117.60	120.13	2.53	18.52
BK1-14-17	19.40	84.09	20.95	64.69
includes	53.99	79.55	37.68	27.11
BK1-15-17	47.21	129.53	13.64	74.75
includes	47.21	56.43	27.20	9.22
includes	67.41	81.75	27.52	14.34

DDH ID	From (m)	To (m)	Sample length (m)	% Cgr avg
BK1-16-17	18.32	46.66	21.86	28.34
includes	18.32	39.08	29.84	20.76
BK1-16-17	50.79	125.38	17.34	74.59
includes	50.79	57.91	32.00	10.17
& includes	69.75	87.02	30.75	17.27
BK1-17-17	47.74	104.32	16.23	56.58
includes	59.90	78.81	26.33	18.91
BK1-18-17	57.31	70.24	18.58	12.93
BK1-19-17	35.20	44.88	9.68	24.85
BK1-20-17	43.43	62.33	18.90	14.28
BK1-21-17	74.20	112.93	38.73	17.58
BK1-22-17	30.62	50.14	19.52	22.51
BK1-23-17	No Samples			
BK1-24-17	64.93	70.45	5.52	13.18
BK1-25-17	18.24	148.79	130.55	17.37
includes	18.24	47.14	28.90	24.67
includes	71.60	88.39	16.79	33.88
includes	88.39	113.31	24.92	18.52
BK1-26-17	67.91	76.30	8.39	14.70
and	128.07	146.08	18.01	18.37
BK1-27-17	119.10	134.11	15.01	20.58
and	141.21	147.13	5.92	26.70
BK1-30-18	64.9	111.1	46.23	23.76
includes	64.9	74.23	9.33	25.21
includes	87.83	111.1	22.27	30.93
BK1-33-18	3	65.51	62.51	20.83
includes	3	30.63	27.63	33.93
BK1-34-18	55.65	61.42	5.77	21.12
BK1-35-18	3	105.5	102.45	22.22
includes	3	13.32	10.32	37.29
includes	28.61	39	10.39	29.71
includes	59.6	73.1	13.5	28.09

DDH ID	From (m)	To (m)	Sample length (m)	% Cgr avg
BK1-36-18	57.14	71.44	14.3	10.63
BK1-37-18	61.19	67.14	5.95	9.14
BK1-38-18	63	68.85	5.85	9.81
BK1-39-18	66.06	70.44	4.38	8.25
BK1-41-18	49.85	80.78	30.93	8.75
BK1-42-18	20.18	178.3	158.12	14.05
includes	24.44	58.42	33.98	28.71
includes	115.1	120	4.86	26.69
BK1-43-18	23.43	35.3	11.87	8.71
and	56.84	112.3	55.17	22.56
includes	56.84	86.7	29.86	28.62
BK1-44-18	50.52	55.22	4.7	16.9
and	79.93	84.4	4.47	9.14
BK1-45-18	10.72	16.43	5.71	8.44
and	56.66	91.17	34.51	11.31
BKTR-18-01	17	60	43	24.17
BKTR-18-02	2	17	15	27.87

The composites demonstrate consistent grades over the drilled area shown in Figure 21. The resulting structural model used the geologist's stratigraphic units for three ranges of graphite grades; these were initially visual estimates which were checked against assay results and the codes changed in the logs and database to conform to actual grade ranges.

There were no significant factors in the drilling that would affect the accuracy of the results. Core recovery was consistently very high, approaching 100%. Minor core was ground but not in the mineralisation and the run lengths were accounted for during logging.

11 SAMPLE PREPARATION, ANALYSES, AND SECURITY

11.1 Sampling and Shipping Protocols

Once the core is logged and prior to photographing, the geologist selects samples as appropriate. The guidelines are:

- Graphitic core is marked into broad units by visual grade into high-grade with >25% visual Cgr, medium-grade ranging from 10 to 25% visual Cgr, and low-grade in the range 5 to 10% visual Cgr. These are logged as stratigraphic units since the original carbonaceous deposits were part of the sedimentary assemblage in the Menihek Formation.
- Within the scale of the stratigraphic unit, there is local variability in visual grades. To capture that, the samples are taken primarily at large changes in visual grades, which are recognisable in core; these can be contacts between medium and high-grade graphite or internal waste. Separate samples are taken when the core is greater than 0.4 m and equal to or less than 3.0 m length (0.4 m $\geq$ 3.0m). Occasionally, a small amount of extra length may be taken if

the sample ends just past the 3-m length. In practice, the typical sample length is 1.5 to 2.5 m. Bracket samples with nil to <5% visual Cgr are taken at the start and end of each significant mineralised interval. In some cases, where graphite may be present in very low amounts, two bracket samples in a row might be taken. Bracket samples are generally 2 to 3 m long.

- Sample descriptions are noted in the sample book and a tag with no notes on it is inserted at the start of the sample and is included in the sample bag. A second tag, perhaps with notes is stapled to the corebox at the start of the sample.
- Sample information is entered into an Excel worksheet for each hole.
- The samples were saw-cut ½ core width made lengthwise along the core axis and replaced in the core box.
- The sample number was typed on paper and attached to the inside of the sample bag with clear packing tape. The core was collected systematically relative to foliation and placed in a heavy-duty plastic bag with the first tag and closed with a cable strap.
- When the analytical results are received, the visual estimate and the analysis is compared. If the stratigraphic term within the graphite schist, which is defined by grade does not match the initial assignment based on visual estimates, then the correct unit name replaces the initial data. In this way, the stratigraphy used for interpretation and resource estimation matches the detailed geology.
- The individual sample bags are closed with a cable strap, weighed, and stored is sequence inside the core facility. The weight data is added to the sample database
- Periodically, the samples are put into rice sacks labeled with a unique bag number and sealed with a robust cable strap. The bags are periodically taken to a truck depot and unloaded onto pallets for shipping by members of the Issuer's team. The sample bags are checked off against the master shipping list when the pickup truck(s) are loaded and again on the same list when they are unloaded. The pallets are wrapped in clear plastic and shipped to the laboratory for analysis.
- At all times from core logging to truck shipment, the mineralised material is in the control of the core logging team inside a building or covered area.

11.2 Laboratory Preparation and Analysis

The primary laboratory used on the project in all four phases was MS Analytical Services (MSA) in Langley, BC.

The following methods were used:

Preparation:

PRP-910	Prep: dry, crush 1 kg to 2 mm, split 250 gr, then pulverise to 85% passing -75 microns
PWA-200	Clean crusher with barren material between samples
PWA-500	Clean pulveriser with barren material between samples

Analysis:

SPM-140	Graphite carbon by LECO
SPM-512	Total carbon and sulfur (to 50%) by LECO
IMS-130	Multielement analysis with aqua regia digestion and ICP-AES/MS finish
SPG-410	Specific gravity by weight of core

A total of 137 samples were tested for specific gravity in the original analyses.

There is no relationship between the Issuer and MSA. MS Analytical is certified under ISO 9001:2015 (Quality Management Systems) by Intertek and ISO 17025 (Testing and Calibration Laboratory) by IAS.

11.3 Quality Control & Quality Assurance

The QA/QC material used in the field were blank material and duplicate core. No certified reference materials (CRM) were inserted into the sample stream, since finding a suitable CRM proved difficult. The laboratories used several CRMs specifically for graphite with inherited sulfur throughout the analytical process and these are listed on the Certificates of Analysis.

Blank material was of three types. In the first and second phases of drilling, white quartz garden rock purchased at a gardening centre in Baie-Comeau, QC was used. When that was exhausted, buying more was not possible since the centre didn't carry the same material over the winter. A pile of feldspar-rich crushed gneiss was discovered near the project site; it originated from a quarry for road materials in Baie-Comeau, QC from highly metamorphosed granites that do not carry carbon. This material was used in Phases 2 (late), 3, and the start of 4 when the inventory was used up. Due to snow on the local granite gneiss source, glacial pebbles were picked from a sand quarry near the core logging site; these were hand picked to have little or no biotite or possible graphite, but the material is of a mixed origin. In all cases, a 0.5 kg sample was put is a plastic lunch bag and tagged like any other sample. Blanks were inserted every 20th sample in the sample sequence.

The author's review of the blank results showed that the last material showed very minor traces of graphite occasionally, whereas the first two types were consistently less than 0.1%Cgr. In some cases, the blank material was inserted after a high-grade or medium grade sample with no carry-over from the high graphite to blank material.

The duplicate sample was a quarter saw cut made lengthwise to the core axis and handled like all sampled core. Duplicate samples were taken every 20th sample in the number sequence.

Check analyses selected by the author were conducted at the end of Phase 4 drilling by selecting 67 samples. This included high-grade, medium grade, low grade, and bracket sample 250-gr coarse rejects from MSA. SGS-Geochem Laboratory in Burnaby, BC was chosen to make the analyses using methods similar to the original analyses at MSA.

The following methods were used:
Preparation:

G_PUL45	Prep: split to 250 gr, then pulverise with Cr steel plates to 85% passing -75 microns
G_WSH78	Clean pulveriser with barren material between samples

Analysis:

GE_CSA05V	Total carbon and sulfur (> 30%) by LECO
GO_CSA06V	Graphite carbon by IR furnace
G_PHY03V	Specific gravity by pycnometer

SGS Burnaby Lab is certified for ISO 17025 and for ISO 9001.

11.4 Opinion of Adequacy

In the author's opinion, the methods for sample collection, security, and analytical procedures described above provided sufficient thoroughness in sampling the mineralisation and the QA/QC methods used are robust for the needs of this project.

12 DATA VERIFICATION

The data was verified during the pre-resource estimation of the database as well as evaluating the data for Blanks, Duplicates, and Check Samples as presented below.

Blank data (Figure 22) shows a linear value with approaching the detection limit of 0.01%Cgr. Only two of the 42 samples exceeded 0.06%Cgr. In Phases 1 and 2 drilling, the process of "washing" the crusher and pulveriser plates had not been requested, which may account for the 0.018%Cgr anomaly, while the 0.08%Cgr spike was probably due to the change in blank material to glacial pebbles in Phase 4; that most of this material was hand-picked shows in the ≤0.04%Cgr data.

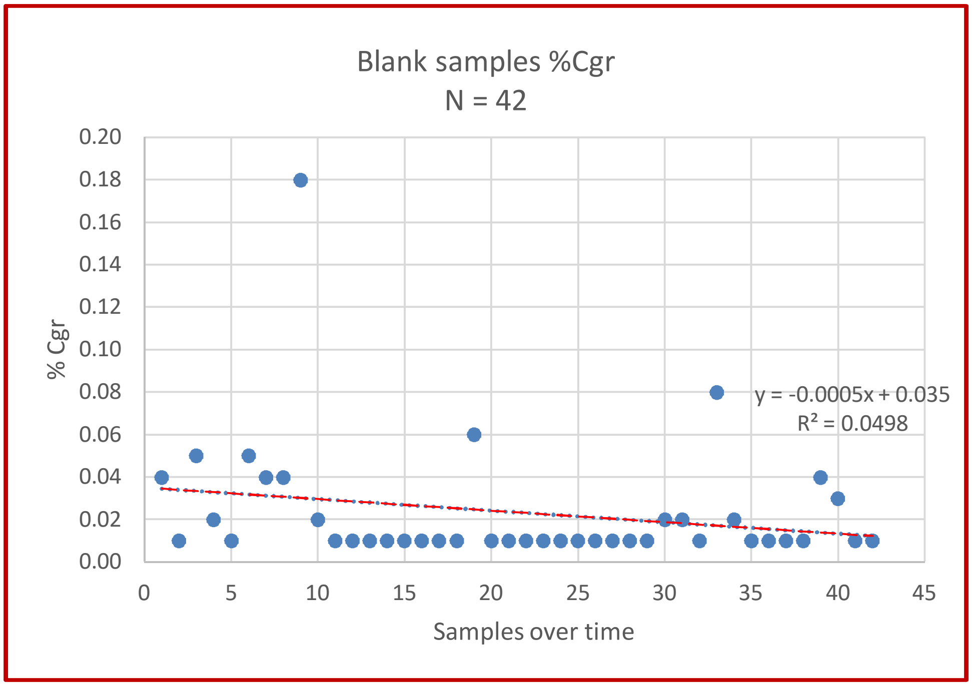


Figure 22 Blank QA/QC samples

Duplicate samples totalling 50 samples showed in Figure 23 has a highly linear correlation of R^2 = 0.99099. The differences are inherent in the duplicate sample which is a ¼ core cut compared with the original ½ core cut. There does not appear to any preferential change whether the original core was HQ or NQ. The variations lie in the layered nature of the mineralisation where smaller samples are more variable than larger ones.

The senior author selected 67 samples of various grades ranging from waste to 35%Cgr for check analyses. MS Analytical, the original laboratory, riffle split 250-gr aliquots of coarse reject material from the sample list provided by the author. He collected them from MSA and delivered them to SGS Geochemical Laboratory in Burnaby, BC after inserting new sample number tags in the bags. These samples were under the author's control during the transfer. The methods employed by SGS were as close as possible to the original analytical methods used by MSA.

The results are shown in Figure 24. The samples show an R^2 value of 0.995 with a slight but persistent tendency for the SGS data to be higher than MSA's. The pattern is consistent throughout the grade range. The ideal R^2 = 1.00 is shown for comparison.

There were no limitations on the data that interfered with the data verification.

In the author's opinion, the data is adequate for the purposes used in the technical report.

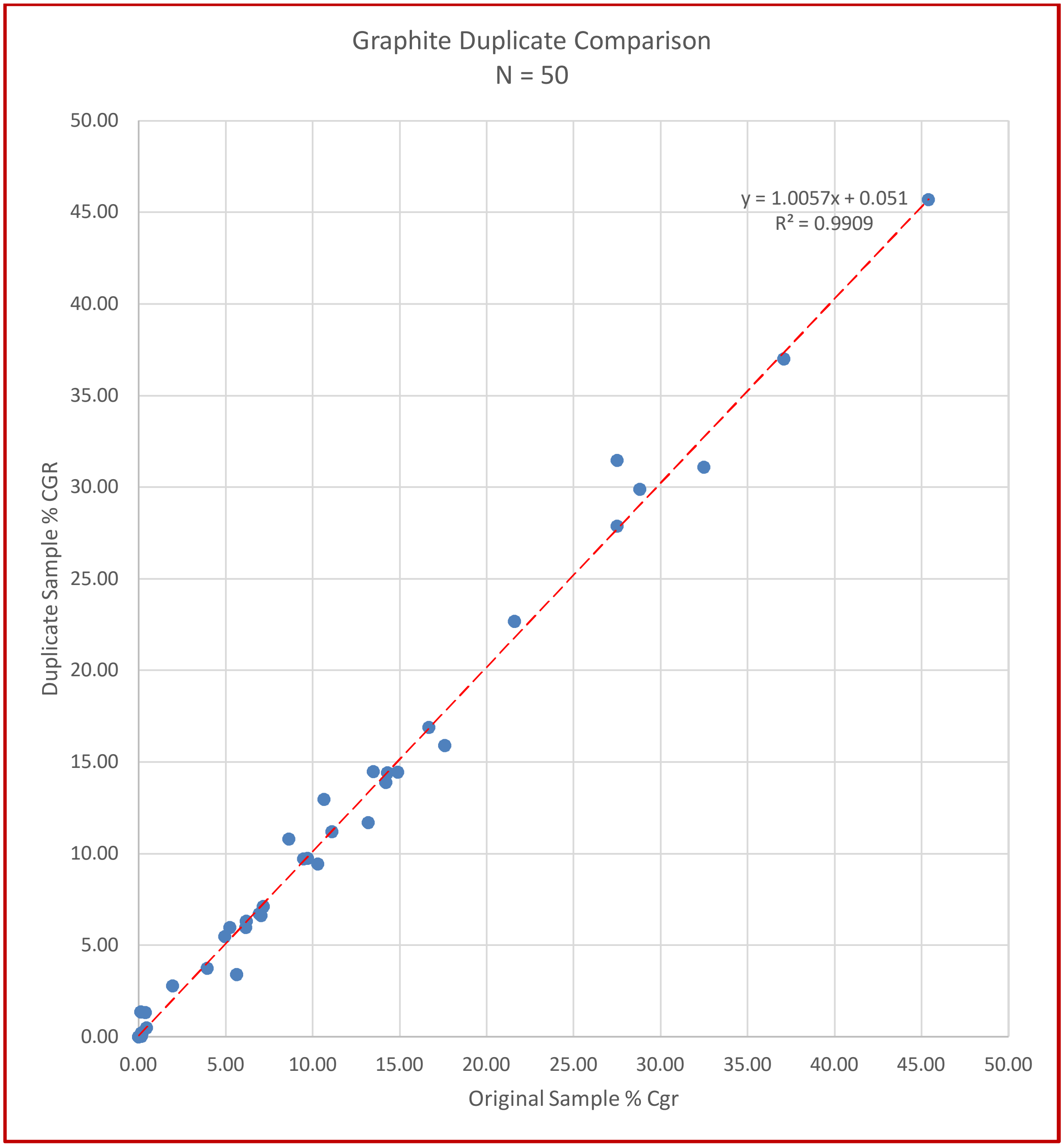


Figure 23 Comparison between original analyses and duplicate samples ¼ cut along sampled length

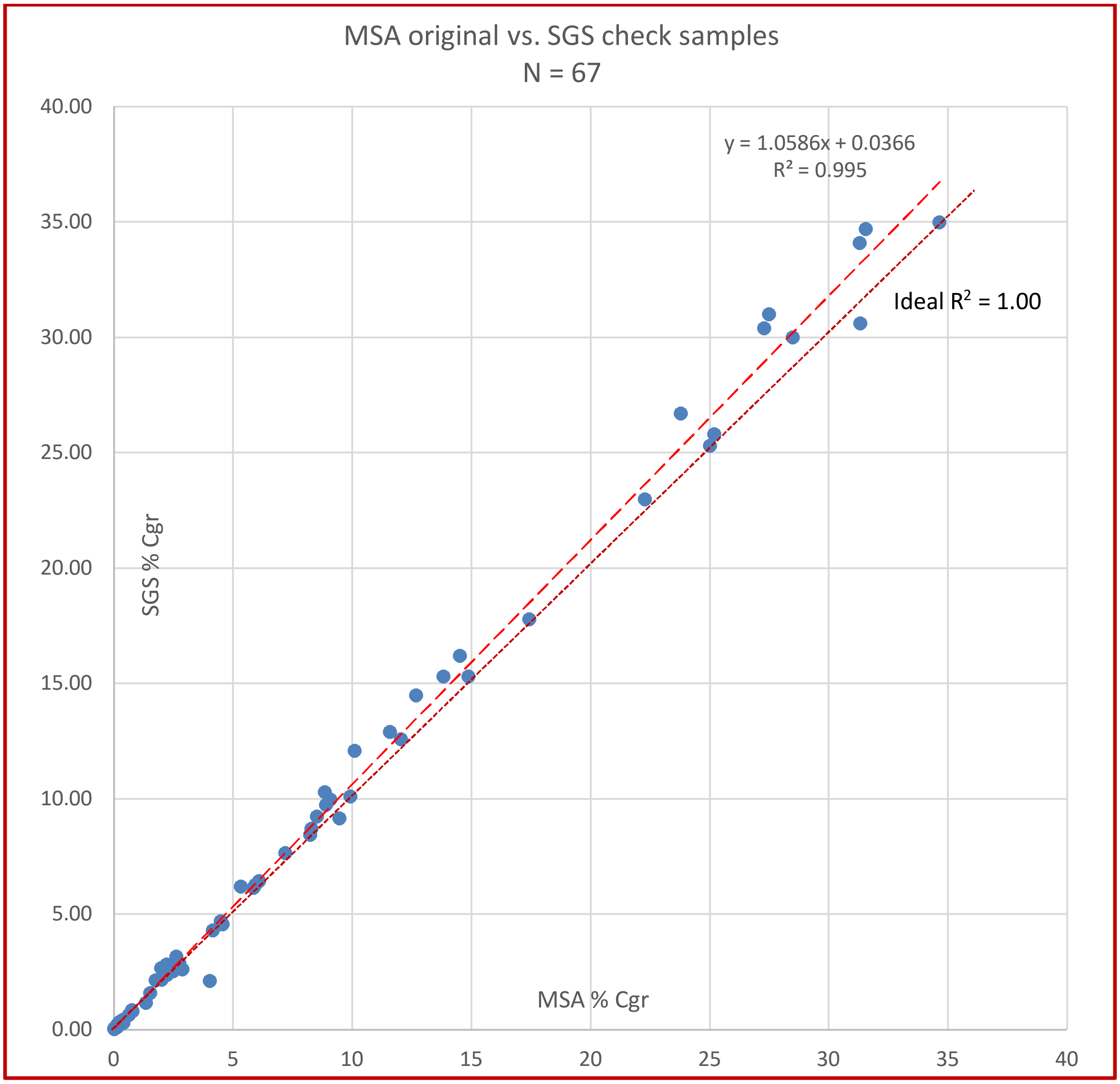


Figure 24 Comparison of selected original and check samples (Phase 4 core)

13 MINERAL PROCESSING & METALLURGICAL TESTING

13.1 Background

This graphite property of Berkwood Resources Ltd is near the Mason Lac Guéret property which is eight kilometers to the north-northeast. The first phase of drilling took place during the winter 2017-2018. Met-Solve laboratories of Langley, British Columbia, was commissioned to perform the characterisation testing of this graphite ore. Two batches of sample were shipped to Met-Solve in November 2017 and January 2018. A second drilling campaign started in the spring of 2018. A third batch of samples was shipped to Met-Solve in April 2018. From the first 2 batches, six composites were prepared (three, of low grades (13% C_{gr}) and three of high grade (33% C_{gr}). The composition of each composite is described in the Met-Solve report of June 14th, 2018.

13.2 Introduction

The following section presents a summary of the characterization test work conducted by Met-Solve laboratories, Langley, British Columbia in 2018 on the Lac Gueret South deposit samples. A series characterization test work was completed in two phases. In the first phase, the objective was to perform a graphite characterisation, and in the second phase, the purpose was to carry out scoping metallurgical test work for coarse graphite general behaviour and quality. Results from the test work performed by Met- Solve are presented in two reports dated June 14th, 2018 and November 22th 2018.

13.3 Graphite characterisation testwork

The purpose of the graphite characterization test was to determine the recoverability of the coarse graphite minerals by gravity concentration and to provide an indication of achievable graphite concentrate grades.

Twenty (20) samples made up from crushed reject drill core generated from the drilling program on the Lac Guéret project were submitted to Met-Solve Laboratories. The samples were composited into six composites based on client's instruction. The samples were subjected to gravity concentration testing using the Met-Solve Analytical table (MAT) on the 20 x 50 mesh and 50 x 100 mesh fractions.

13.3.1 Head Assay

Each composite was subjected to head assay analysis for graphitic carbon (C_{gr}) and whole rock analysis (WRA) by XRF. Table 6 summarizes the key elements of C_{gr}, Fe, S and SiO2 on each composite sample.

Table 6 Head Grades on Composite Samples

Name	Cgr %	Fe %	S %	SiO2 %
Composite A	33.9	23.19	14.84	19.57
Composite B	10.5	20.82	12.22	41.90
Composite C	34.7	17.79	10.77	25.95
Composite D	11.2	19.14	11.35	42.25
Composite E	32.5	24.65	15.23	19.72
Composite F	15.3	19.84	11.16	38.01

The results show that composites B, D and F has the medium C_{gr} grade in the range of 10.5 – 15.3% while composites A, C and E has the higher C_{gr} grade in the range of 32.5 – 34.7%. While the Fe and S grades are quite similar amongst the six composites, the lower graphite composites have a comparatively higher SiO_2 content (38-42%) than the high graphite composites (20-26%).

13.3.2 Size fraction analysis

The results of the size fraction analysis show that the size distributions of the material are dependent on the grade range of the composites, with the lower grade having relatively less fines, and relatively more coarse products (20 x 50 & 50 x 100). The +20 mesh is generally lower for the lower grade composites, indicating a more breakable rock (see Figure 25).

The C_{gr} size distribution results indicates that the lower graphite grade composites have appreciably more of their graphite content reporting to the commercial sizes of 20 x 50 mesh and 50 x 100 mesh. Table 7 shows a marked difference in the quantity of graphite (as percent of graphite in feed) lost in the fines, with a 20% loss for the lower grades (15% C_{gr}) and a 31% C_{gr} loss for the higher grades (35% C_{gr})

Table 7 Average Graphite Distribution excluding +20 Mesh Fraction

Average Distribution of Graphite excluding +20 mesh		
Size Range	Medium C_{gr}	High C_{gr}
20X50 mesh	51.3	47.1
50X100 mesh	28.7	21.5
-100 mesh	20.1	31.4

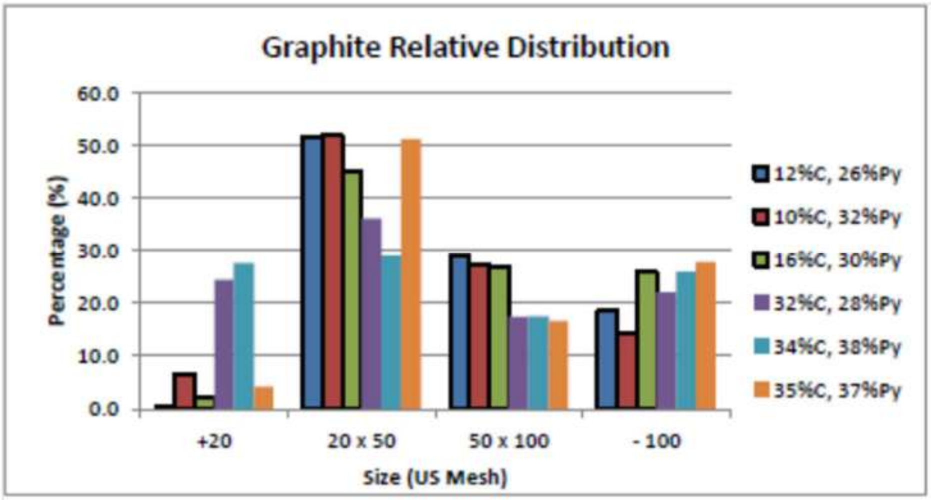


Figure 22 Graphite distribution by particle size

13.3.3 Gravity Concentration Test

The initial grades achieved using a simple gravity separation process with a MAT super-panner concentrator show that the high-grade composite contains a large amount of mixed particles of low density, likely agglomeration of fine graphite with silicates and/or sulphides. This type of graphite is of low utility commercially and furthermore may complicate the separation of the otherwise free flake graphite.

At the finer size of 50 x 100 mesh, the results suggest that at this size there is a large amount of fine agglomerated mixed particles, as well free flake graphite The quantity of graphite from the feed of each composite that ended up being recovered in higher grade products (+78% C_{gr}) is shown in Table 8.

Table 8 Graphite recovery to 20 x 100 mesh fraction

Total (20 x 100 mesh)	D	B	F	C	A	E
Feed Grade %Cgr	12.3	10.4	16	32.2	33.8	35.3
Concentrate Grade %Cgr	79.3	80.9	79.3	81.5	81.0	77.8
Concentrate Recovery %	29%	30%	42%	17%	18%	31%
Stage Recovery %	36%	38%	58%	32%	39%	47%
Quantity	3.6	3.1	6.7	11.4	12.0	11.0

13.3.4 Gangue deportment in graphite concentrate

The deportment of gangue minerals in the MAT graphite concentrate products indicates that the high-grade composite has different SiO_2 mineral deportments than the medium grade composite. The concentrate of composite E is shown to contain more pyrrhotite gangue than the other composites, the majority of which was contained in the 20 x 50 mesh fraction. As expected, the main diluents of the graphite concentrates are SiO_2 based minerals

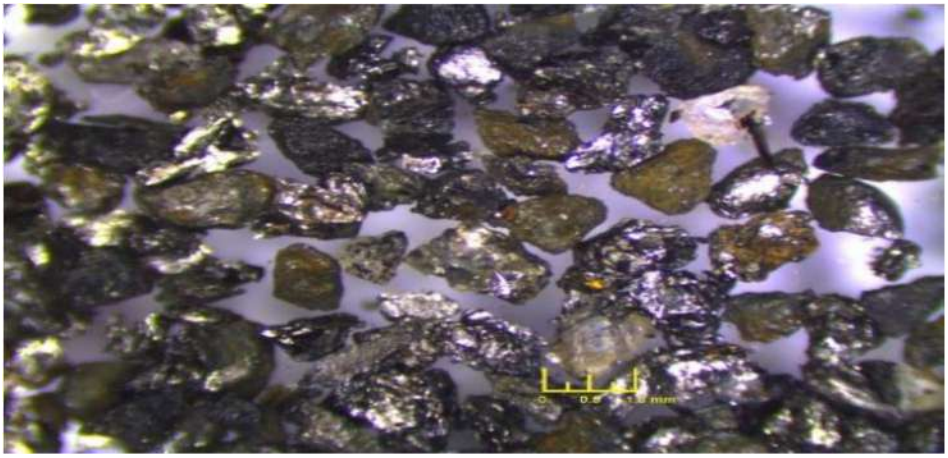


Figure 23 Microscopic picture of Graphite Composite A, -20+50 mesh concentrate

13.4 Scoping metallurgical testwork on coarse concentrate

A second phase of test work was undertaken in April 2018 at Met- Solve laboratories. The objectives of the scoping metallurgical test work were to:

- Determine the amenability of gravity concentration, flotation and leaching processes to recover and upgrade the graphite;
- Establish a preliminary flowsheet using the above processes to be tested in the next campaign; and
- Generate a bulk graphite concentrate with a graphite carbon grade >94% using the partially optimised flowsheet to provide to potential clients.

13.4.1 Sample selection

The reject samples were received in three batches, November 17th, 2017, January 24th, 2018, and April 11th, 2018. The crushed rejects samples, received as 2 mm material, was pulverised to 100% passing 0.85 mm. The crushed material was then blended in two composites based on Berkwood Resources' instructions and wet sieved to 20 x 50 mesh, 50 x 100 mesh, 100 x 200 mesh and -200 mesh fractions on a 24" Sweco screener. The size fraction analysis of the two composite samples is presented in Figures 27 and 28 with respect to graphite carbon (C_{gr}).

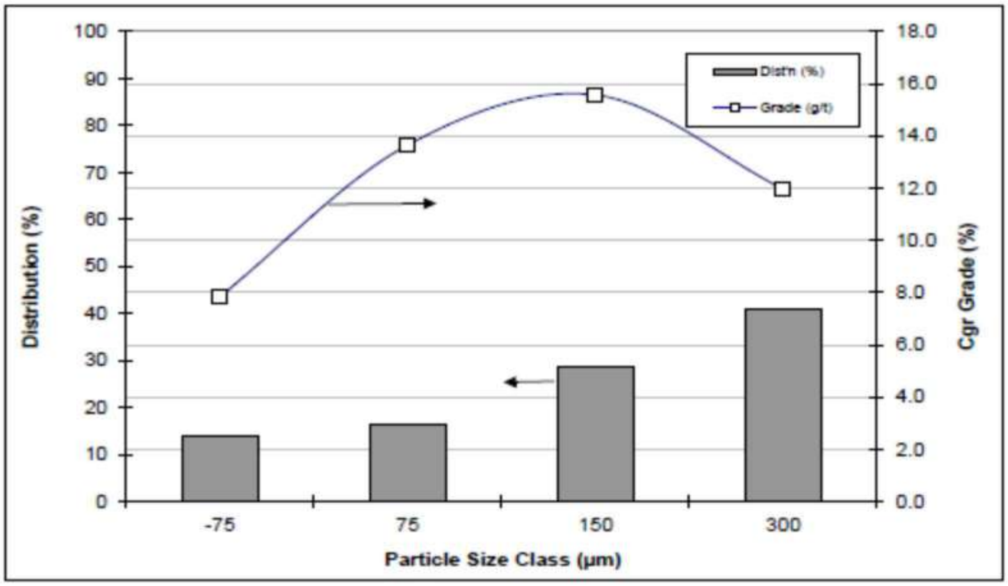


Figure 24 Composite 1 size fraction analysis for Cgr

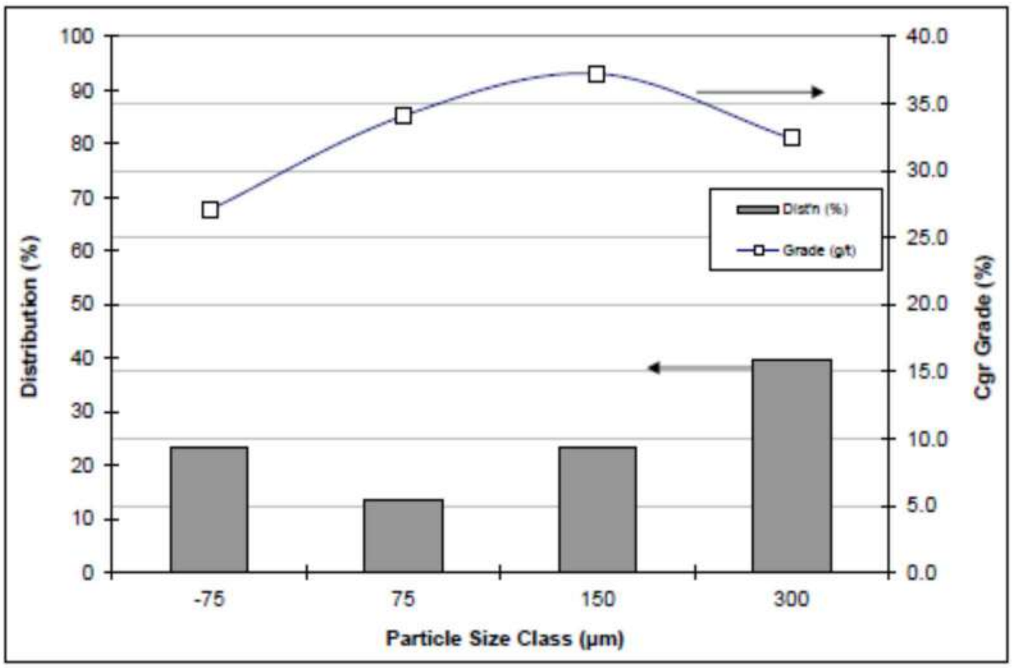


Figure 25 Composite 2 size fraction analysis for Cgr

13.4.2 Direct gravity concentration test

MAT shaking table tests were performed on the 20 x 50 mesh and 50 x 100 mesh fractions of the head material from both composite samples. On both composites, the shaking table appears to be efficient at rejecting the heavier gangue (sulphides). However, the concentrates appeared to be diluted with the equally "light SG" siliceous minerals which deported with the graphite during gravity concentration.

13.4.3 Scoping flotation-gravity-leach tests

A flotation-gravity-leach flowsheet was investigated as a potential solution to:

- Recover a rougher flotation concentrate containing high graphite recoveries with minor contents of sulphide and siliceous gangue;
- Clean the rougher concentrate with gravity concentration to remove the heavier sulphides; and
- Purify the final graphite concentrate with subsequent leaching process using H_2SO_4 and HF acid.

The tests were performed on the 20 x 100 mesh and 100 x 200 mesh fractions for both composite samples. The initial flotation tests were conducted at a diluted pulp density of ~20% solids, pH adjusted to 8-8.5 with NaOH, kerosene as the collector, and MIBC as the frothing agent.

The overall process flowsheet was able to generate high grade concentrates exceeding 94% C_{gr}. While the 100 x 200 mesh fraction performed very well with regards to graphite grade and recovery; the 20 x 100 mesh fraction recovery was low at the rougher flotation stage. It appears a higher dosage of kerosene must be investigated on the coarser fraction from Composite 2.

13.4.4 Detailed flotation-gravity-leach tests

Based on the scoping test results discussed in the previous section, a series of detailed flowsheet tests were performed on each of the 20 x 100 mesh and 100 x 200 mesh fractions from Composite #1 and #2. As the respective size fractions within each composite behaved differently, a unique flowsheet was conceptualized accordingly for investigation. However, the general basis of testing consisted of the following:

- Rougher flotation to recover most of the graphite;
- Cleaning of the rougher concentrate with flotation, investigating silicate mineral depressants of Guar Gum and H_2SiF_6;
- Incorporation of cleaning by gravity concentration where applicable; and
- Final purification by leaching using NaOH and HCl.

The flowsheet was able to provide positive graphite recoveries for both fraction of low-grade Composite 1. The best recovery was achieved with 100 x 200 mesh fraction, which yields 96.5% recovery with a grade of 43.8% C_{gr} (Test FI106); while for 20 x 100 mesh fraction 87.7% recovery with a grade of 51.5% C_{gr} (Test FI107) was obtained;

High-grade Composite 2 was more difficult to treat, the 100 x 200 mesh yields 88.2% recovery with a grade of 54.7% C_{gr} (Test FI206); whereas the 20 x 100 mesh responded drastically different in comparison to the other tests as 1500 g/t kerosene was required to achieve 84.6% recovery with a grade of 59.1% C_{gr} (Test FI207).

As the cleaner flotation performed poorly on the Composite 2 – 20 x 100 mesh sample, it was determined that cleaning of the rougher concentrate was best achieved by direct gravity concentration.

Two leaching processes, using combinations of H_2SO_4-HF and NaOH-HCl, were investigated on the cleaner concentrates to provide final polishing of the graphite product to >94% C_{gr}. It was determined that the H_2SO_4-HF 2-stage process method provided superior results as C_{gr} grades of >97% C_{gr} were achieved compared to <90% C_{gr} using the NaOH-HCL process.

13.4.5 Bulk Concentration Tests

Bulk concentration tests was performed on the two composite samples 20 x 100 mesh fraction with the objective of generating >3 kg of combined concentrate with a target grade of >94% C_{gr}. The general process flowsheet consisted of the following steps:

1. The samples were first processed by 3-stage rougher-scavenger flotation with conditions based on tests FI107/207 to produce respective rougher graphite concentrates.
2. The rougher concentrates were subsequently upgraded by direct gravity concentration with shaking table for concentrate >1 kg or hand panning for concentrate <1 kg.
3. A 2-stage leaching process using H_2SO_4 and HF acid was then performed on the cleaner gravity concentrates.

4. The final products (leach residues) were subsequently combined, screened into 3 sizes fractions (20x50, 50x100, and 100x200) and submitted to Longford Exploration for delivery to the Issuer.

The overall process flowsheet produced a purified graphite concentrate with a C_{gr} grade of 95.6% in 16.0% of the mass, recovering 46.2% of the graphite.

13.5 Conclusions and Recommendations

Conclusions

A series of detailed flowsheet tests were performed on two different composites from Lac Gueret South deposit for graphite recovery with the objective to produce a concentrate with a grade>94% C_{gr}. The first series of tests were done using gravity concentration but failed to produce concentrates of commercial grades and satisfactory separation. The program was then switched to flotation tests.

The general basis of the flowsheet consisted of the following:

- Rougher flotation to recover most of the graphite;
- Cleaning of the rougher concentrate with flotation, investigating silicate mineral depressants of Guar Gum and H_2SiF_6;
- Incorporation of cleaning by gravity concentration where applicable; and
- Final purification by leaching using NaOH and HCl.

The flowsheet was able to provide positive graphite recoveries for both fraction of low grade Composite 1. The best recovery was achieved with 100 x 200 mesh fraction, which yields 96.5% recovery with a grade of 43.8% C_{gr} (Test FI106), while High grade Composite 2 was more difficult to treat, the 100 x 200 mesh yields 88.2% recovery with a grade of 54.7% C_{gr} (Test FI206).

The 20 x 100 mesh fraction responded drastically differently when compared with the other tests as 1500 g/t kerosene was required to achieve 84.6% recovery with a grade of 59.1% C_{gr} (Test FI207).

It was determined that cleaning of the rougher concentrate was best achieved by direct gravity concentration and the H_2SO_4-HF 2-stage leaching process for cleaner polishing provided superior results as C_{gr} grades of >97% were achieved compared to <90% C_{gr} using the NaOH-HCL process.

Bulk concentration tests was performed on the two composite samples from the 20 x 100 mesh fraction with the objective of generating >3 kg of combined concentrate with a target grade of >94% C_{gr}.

The results from the bulk tests show that a final polished graphite concentrate recovery of 54.2% with grade of 94.6% C_{gr} was obtained for Composite 1 – 20 x 100 mesh, and final polished graphite concentrates recovery of 46.2% with grade of 95.6% C_{gr} for Composite 2 – 20 x 100 mesh.

Recommendations for future test work

1. Work to be done on samples representative of the whole deposit, based primarily on the local geological domains present;
2. Mineralogical study including liberation analysis of graphite;
3. Comminution test work;
4. Further flotation testing of all the fraction to have a unique flowsheet including the minus 200 mesh;
5. Locked cycle tests;
6. Sulphide flotation for sulphur removal (optional);
7. Pilot plant test work to verify the robustness of the flow sheet;
8. The optimization of the recovery of the graphite flake sizes;
9. Settling and filtration testing will be done on pilot plant concentrate; and
10. Environmental testing.

Based on the author’s experience, the new flowsheet should consider a primary grind of 16 mesh with a SAG mill or Rod mill followed by flotation in flash cells or Eriez hydrofloat cells to produce a primary rougher concentrate. The rougher tails should be reground to the granulometry indicated by the mineralogical studies followed by the flotation. This rougher-scavenger concentrate can be mixed or not with the primary rougher concentrate for further upgrading steps. Results of laboratory tests will indicate the best options. Final treatment of the concentrates could be done by gravimetry (to possibly replace the polishing treatment with H_2SO_4 and HF).

With application of an optimised flowsheet based upon the above approach, we can expect that concentrates of 94-96% C_{gr} will be able to be produced at 90-92% overall recoveries.

14 MINERAL RESOURCE ESTIMATE

14.1 Introduction

This section presents the results of the National Instrument 43-101's Mineral Resource Estimate for the Lac Gueret South project based on drilling and channel sampling and undertaken and reported by GoldMinds Geoservices.

The geological interpretation follows the geology of the deposit and its mineralized intervals. It was worked out by Edward Lyons P.Geo and Claude Duplessis Eng. A total of four envelopes were designed by connecting defined mineralized prisms, although most of the resource was built around the Main Envelope.

14.2 Exploration Database

On March 14th, 2019, GoldMinds Geoservices received the database from Berkwood Resource Ltd. The Excel database was verified by GoldMinds Geoservices. Verification and corrections were done by Edward Lyons P. Geo and GoldMinds Geoservices. The final version of the 2019 database was received on April 23rd, 2019, named "Lac Gueret Drilling MASTER v3" and an Access database was created by GoldMinds Geoservices "Berkwood DB avril2019" and used in this current resource estimation.

The 2019 database includes 2017 and 2018 drilling campaigns with:

- 48 drill holes and two trenches;
- Total drilled length 6,232.49 metres and 77 metres of trenches;
- 1,222 assays for carbon as graphite (%Cgr);
- 145 deviation data; and
- 1,227 lithological description intervals.

All coordinates are given in UTM (NAD83, Zone 19). Topography has not been surveyed although many of the drill collars have been surveyed in place. A layer comprising a surficial topographic horizon was generated by creating a profile of the overburden logged in the lithology table throughout the drilled property.

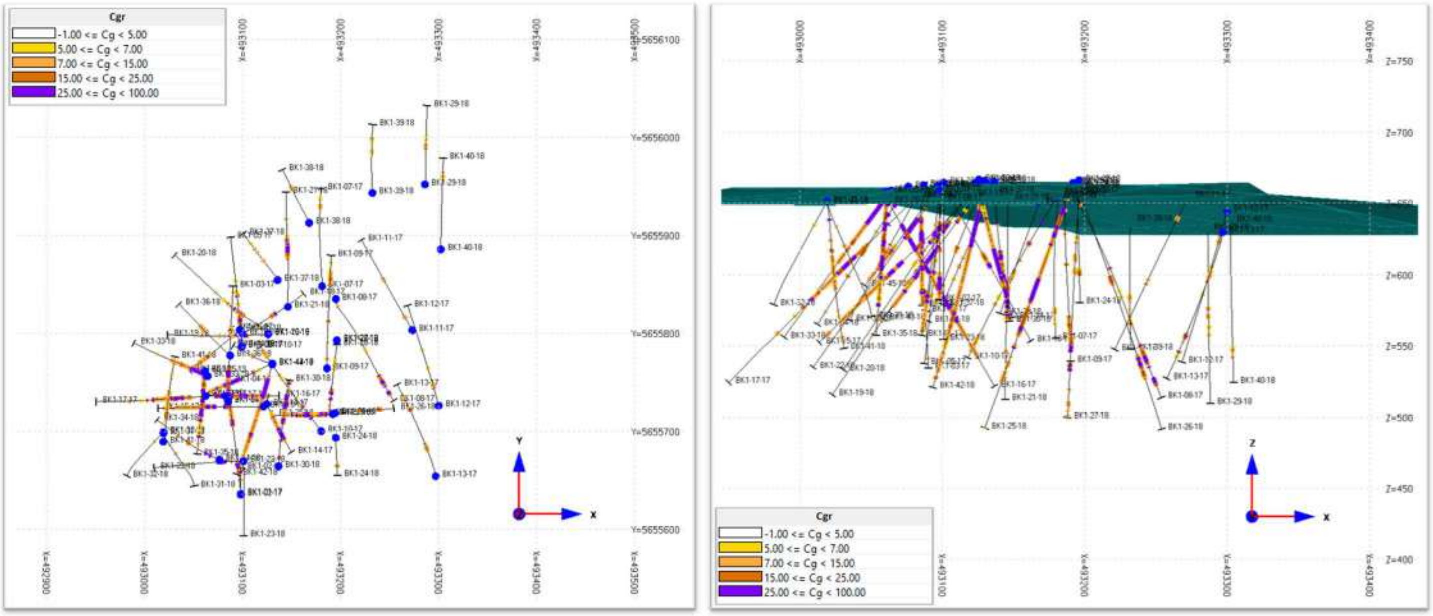


Figure 26 2017 and 2018 Drillhole locations on the Lac Guéret South Property. Plan view (Left) and Longitudinal section (Right)

14.3 Density

In order to calculate tonnage from the volumetric estimates of the block models an average density of 2.9 t/m^3 was used to convert the volume of *in-situ* rock to tonnage. The specific gravity measurements were performed on certain drill core samples (127) for an average measured density of 3.04 t/m^3. The average density of values (71) for samples from within the mineralized envelopes is 2.99 t/m^3. The 127 density values were also classified in four sample categories. The average density varies from 3.13 t/m^3 (0-5% Cgr) to 2.82 t/m^3 (>20% Cgr). GoldMinds Geoservices decided to apply a selected density of 2.9 t/m^3 to be conservative in the mineral resource estimate.

14.4 Geological Interpretation

A geological interpretation with envelopes was provided by Edward Lyons P.Geo & Terrane Geosciences. After reviewing the interpretation, GoldMinds Geoservices modified and created a model on sections and generated locally thicker envelopes in order to develop a block model resource.

GoldMinds Geoservices (GMG), conducted the geological and mineralization interpolation and modelling of 3D wireframe envelopes of the carbon as graphite (Cgr) mineralization.

Envelopes were created by connecting defined mineralized prisms on each section in Genesis© using Cgr assay results.

Interpretation near the surface was limited by a bedrock 3D surface created following the overburden contact in the lithology table from the database. A three-dimensional model with level plans and cross-sections was created to enable a better understanding of the interpolation between the mineralized drillholes.

14.4.1 Section Definitions

The geological interpretation was done on a set of sections oriented N325° on the Main envelope and N315° on the Layer 01, Layer A and Layer B envelopes. The figure below presents a plan view of the property with the drillhole pattern and coordinates.

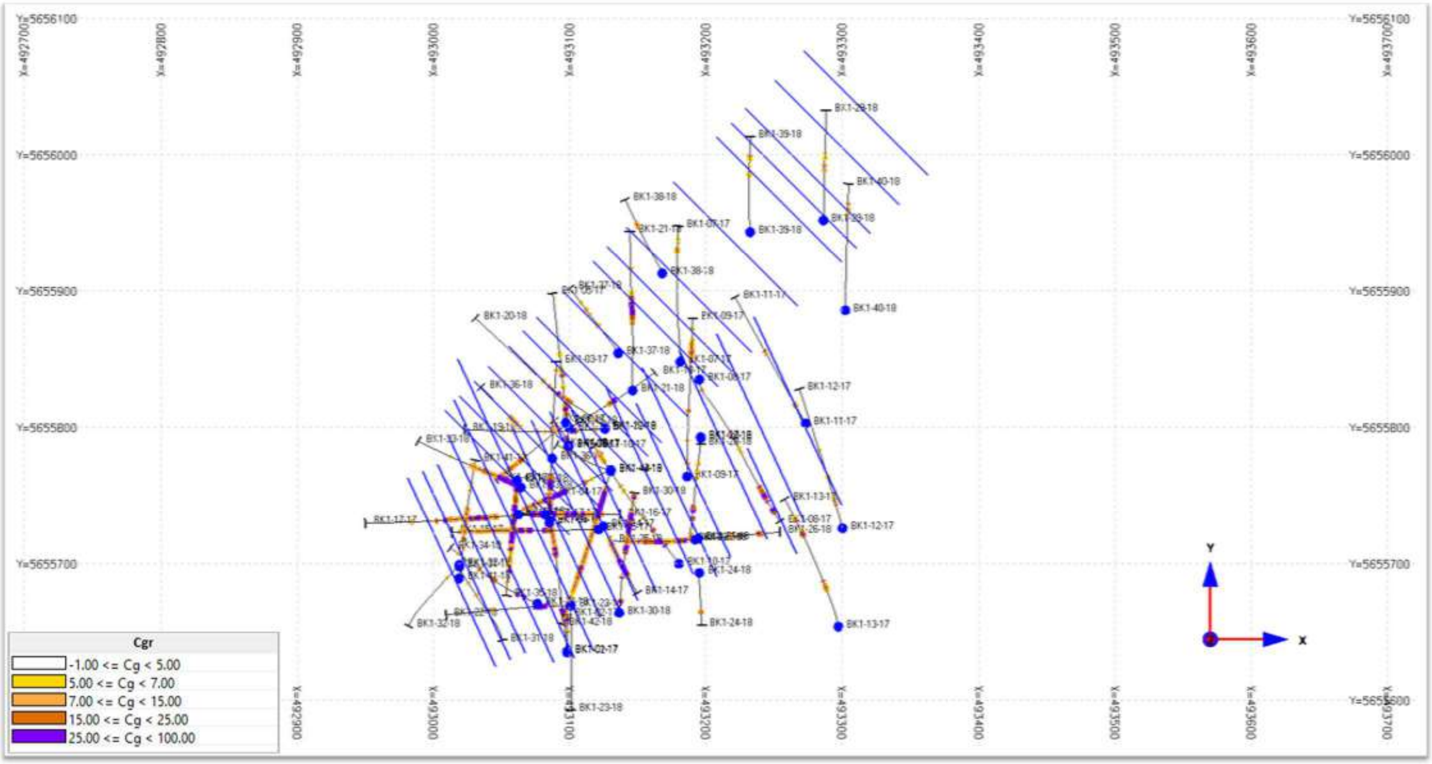


Figure 30 Plan view of sections used

14.5 Statistics

The Mineral Resource Estimate was done using a variable search ellipsoid following the geological interpretation and trends.

14.6 Modeling

Following the verification and validation of the Lac Gueret South Project Graphite Project database, GMG conducted a mineralization interpretation and a 3D wireframe envelope modeling of the graphite mineralization. Several sections were created using all drilling results. The interpretation was first completed on sections to define mineralized vertical projection contours called prisms (polygon interpretation) in Genesis© using assays results (see Figure). Four envelopes were created by connecting the defined mineralized prisms on each section.

Four envelopes have been modeled using the drilling data. The primary envelope, named the Main envelope, extends over 290 metres at 80° azimuth. The other three envelopes are named Layer 01, Layer A and Layer B and are based upon fewer drillholes. These layers present a generalized strike oriented around a 42° azimuth (see Figure and 32).

The main envelope could represent the fold hinge and southern limb of the synclinal fold. The three other envelopes lie on the northwest limb of the syncline. Another interpretation is that a fault subparallel with the D_1 axial plane may have offset the apparent fold nose.

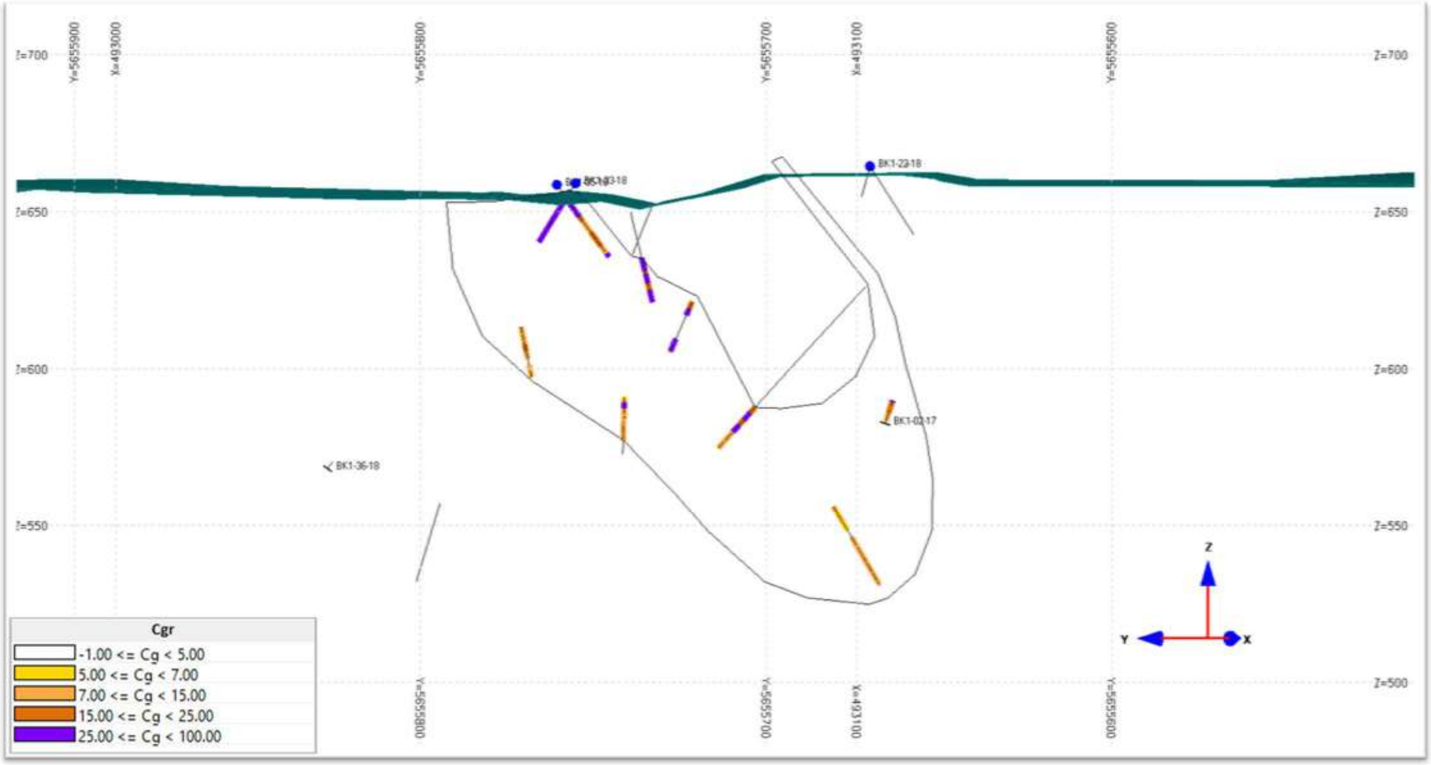


Figure 31 Section view of prisms

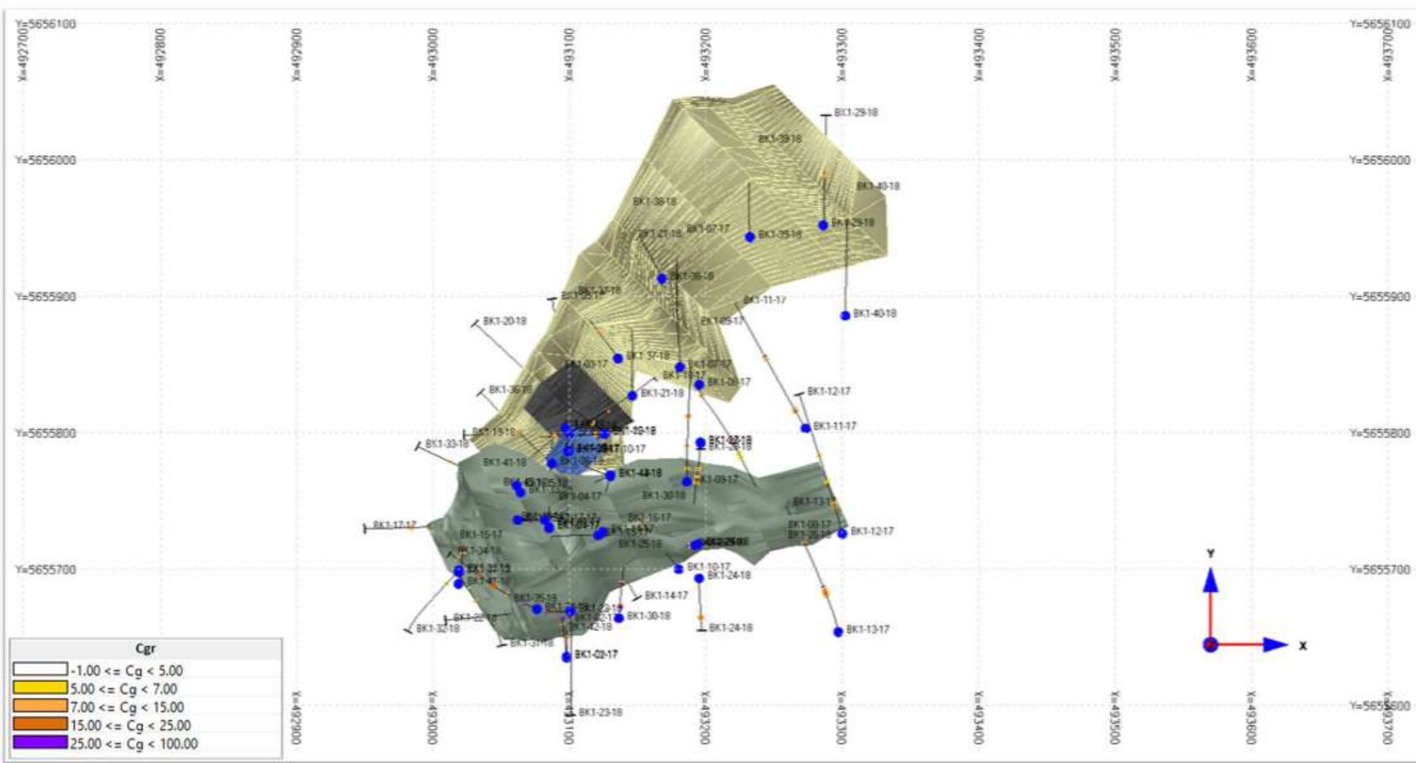


Figure 32 Plan view of the four mineralized envelopes.
(green = Main, yellow = Layer 01, gray=Layer A and blue=Layer B)

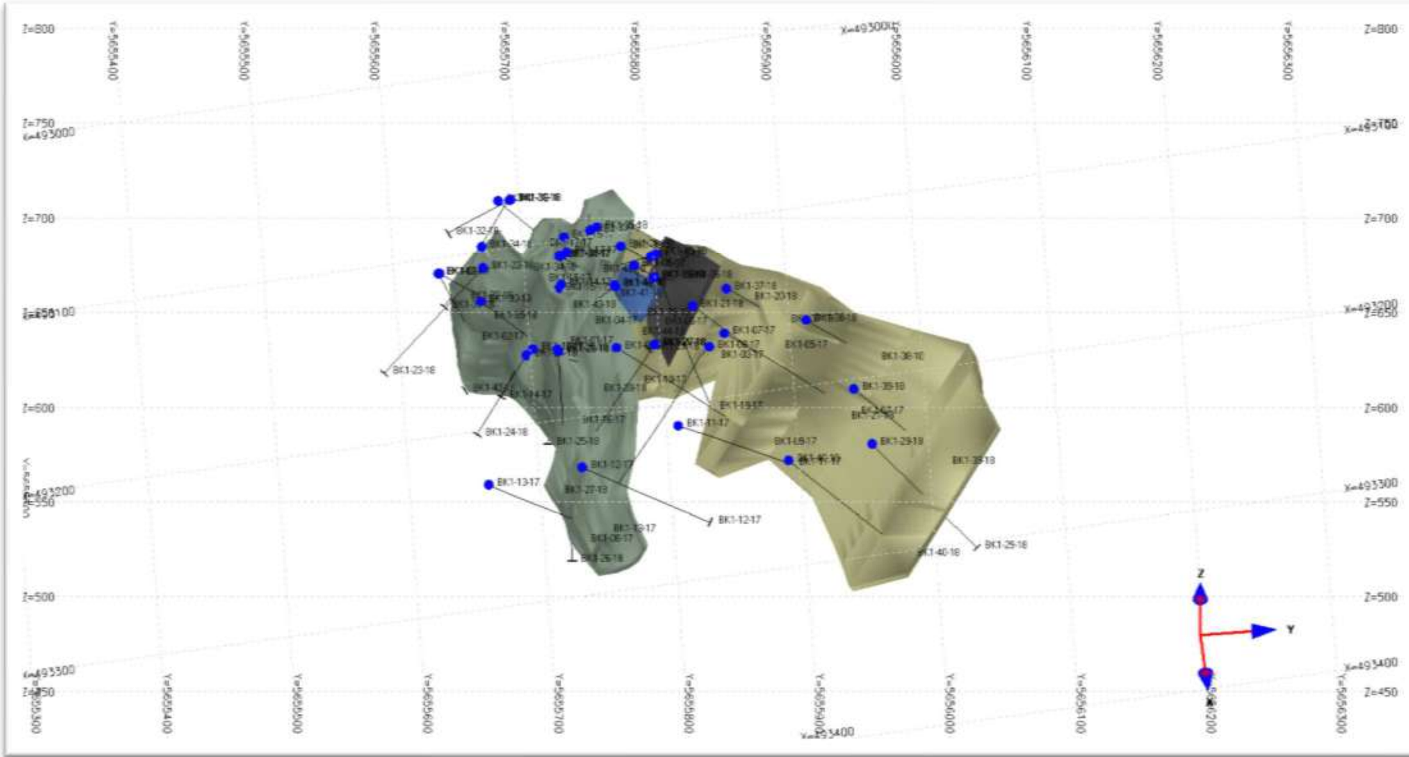


Figure 27 Rotation view of the four mineralized envelopes.
(green = Main, yellow = Layer 01, gray=Layer A and blue=Layer B)

14.7 Compositing of assay intervals

Before assigning grades to the dimensionless "points" in the 3D space (the composite centers) in the block grade interpolation, it is necessary to standardize the length of the grade "support" through numerical compositing.

Each composite has a length of 1.0 metre, created from the beginning of each mineralized interval as shown in Figure 28. Compositing is done downhole from the start of the mineralized intersection. Missing assay and unsampled lengths are assumed to be of zero grade. At the end of the mineralized intersection, the last retained composite is the last interval with a minimum length of 0.1 metre. Only the composites within the mineralized envelopes have been used to estimate the mineral resource. Assay values were not capped during intercept and composite calculation.

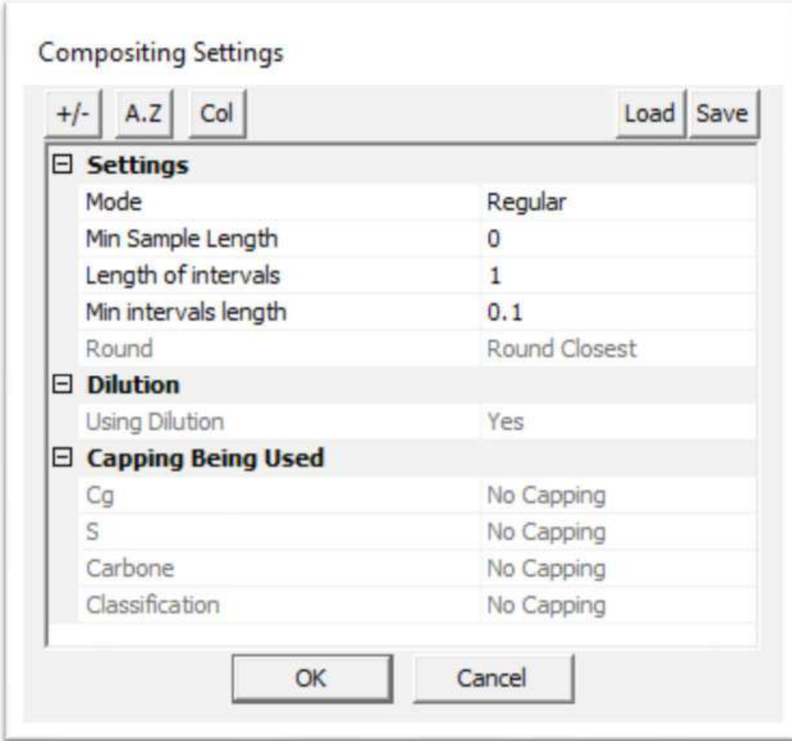


Figure 34 Compositing settings

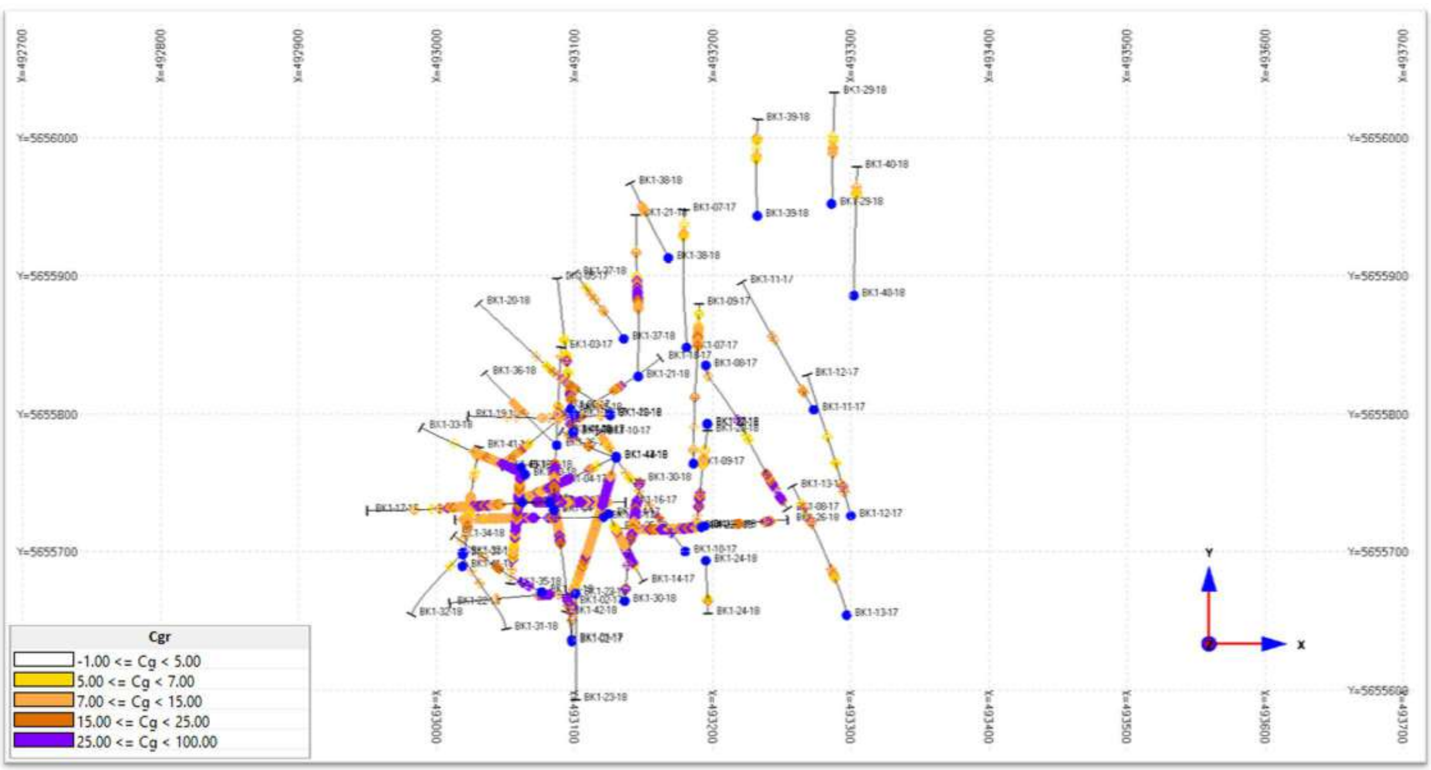


Figure 28 Plan view - composite distribution

14.8 Block Model

14.8.1 Envelopes

A total of four envelopes were created from meshing prisms. The modelling of envelopes relied on date available in the compiled database. The maximum depth of the mineralized envelopes is around 120m deep (Main and Layer 01) and less than 100m for envelopes Layer A and Layer B. Figures 36, 37, and 38 present the location and shapes of the envelopes used in this block model.

14.8.2 Block Model Definition

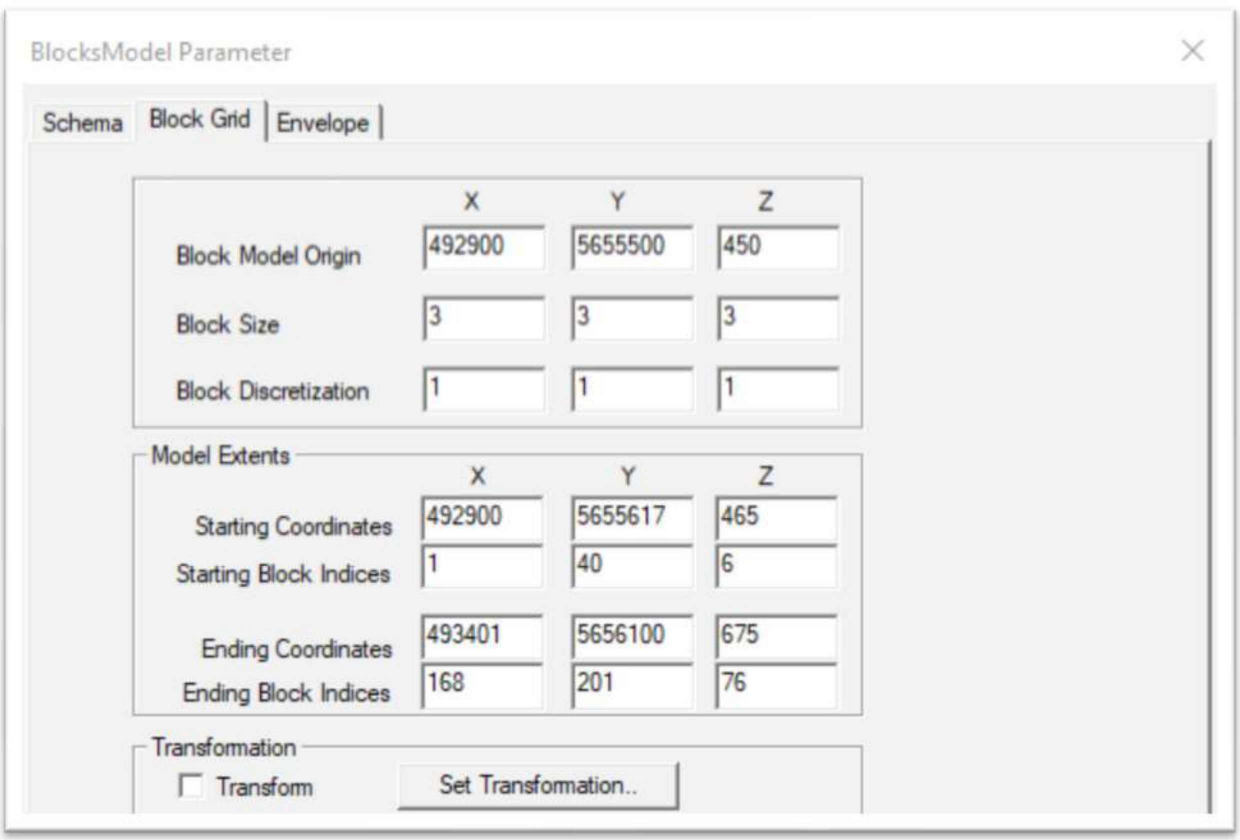
Mineral Resource Estimations of the Lac Gueret South Project was performed using Genesis™ software for modeling and Resource Estimation.

The origin of the block model lies in the lower left corner of the property (492900X, 5655500Y, 450Z). The block size has been defined in order to respect the complex geometry of the envelopes. The mineral resource estimate was carried out using a block size of twenty-seven cubic meters (3m (EW) x 3m (NS) x 3m (Z)), (see Table 9).

Four block models were produced (Main, Layer 01, Layer A and Layer B, see Figure). 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 (2664 composites in the "Main" envelope, 263 composites in "Layer 01" envelope, 33 composites in "Layer A" envelope and 55 composites in "Layer B" envelope).

The average percentage carbon (% Cgr) was calculated using interpolation according to the inverse square weighted distance of the distance from nearest composites and the ellipsoid Influenced distance in calculation. Interpolation parameters were based on drill spacing, envelope extension, and orientation.

Table 9 Block model grid parameters



BlocksModel Parameter

Schema | Block Grid | Envelope

	X	Y	Z
Block Model Origin	492900	5655500	450
Block Size	3	3	3
Block Discretization	1	1	1

Model Extents

	X	Y	Z
Starting Coordinates	492900	5655617	465
Starting Block Indices	1	40	6
Ending Coordinates	493401	5656100	675
Ending Block Indices	168	201	76

Transformation

Transform Set Transformation..

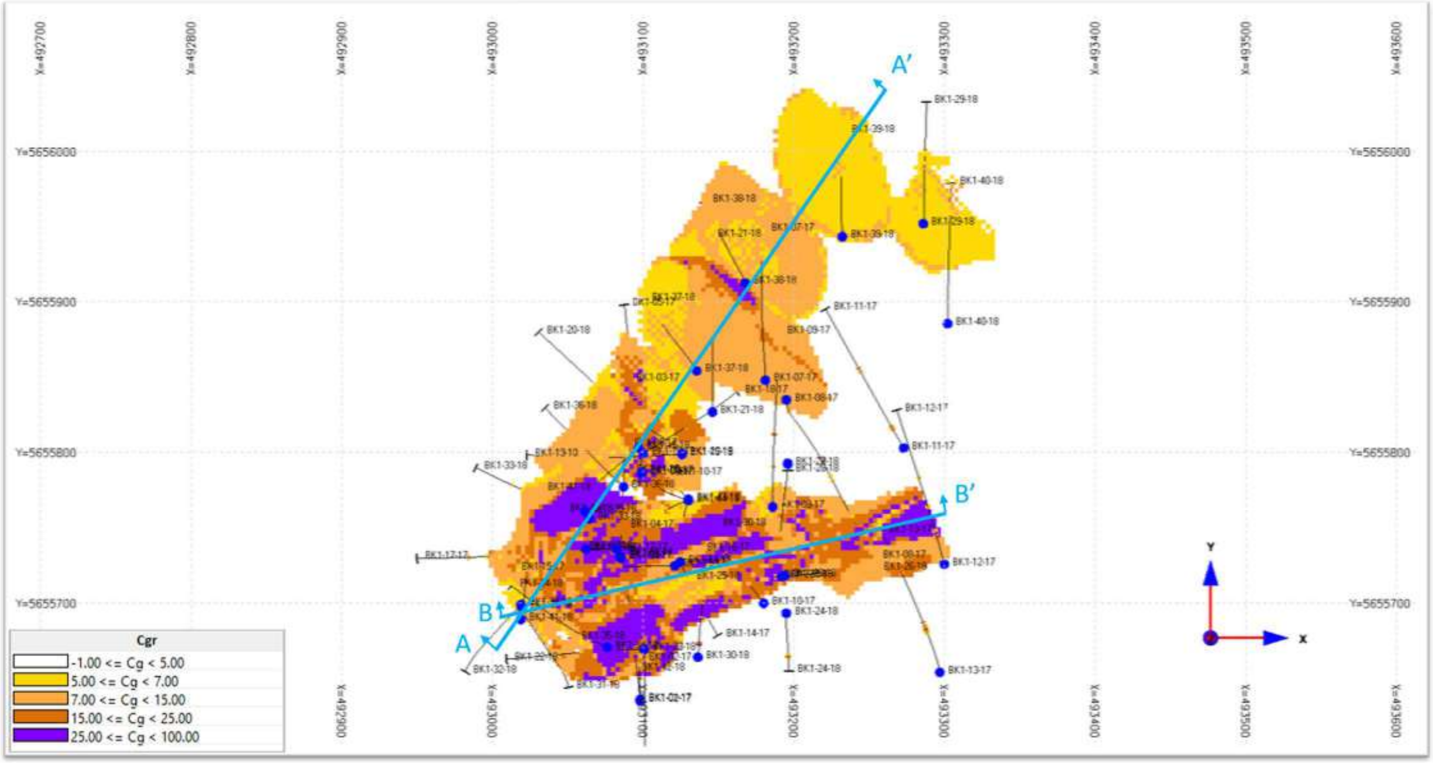


Figure 36 Block Model – plan view (3m x 3m x 3m blocks)

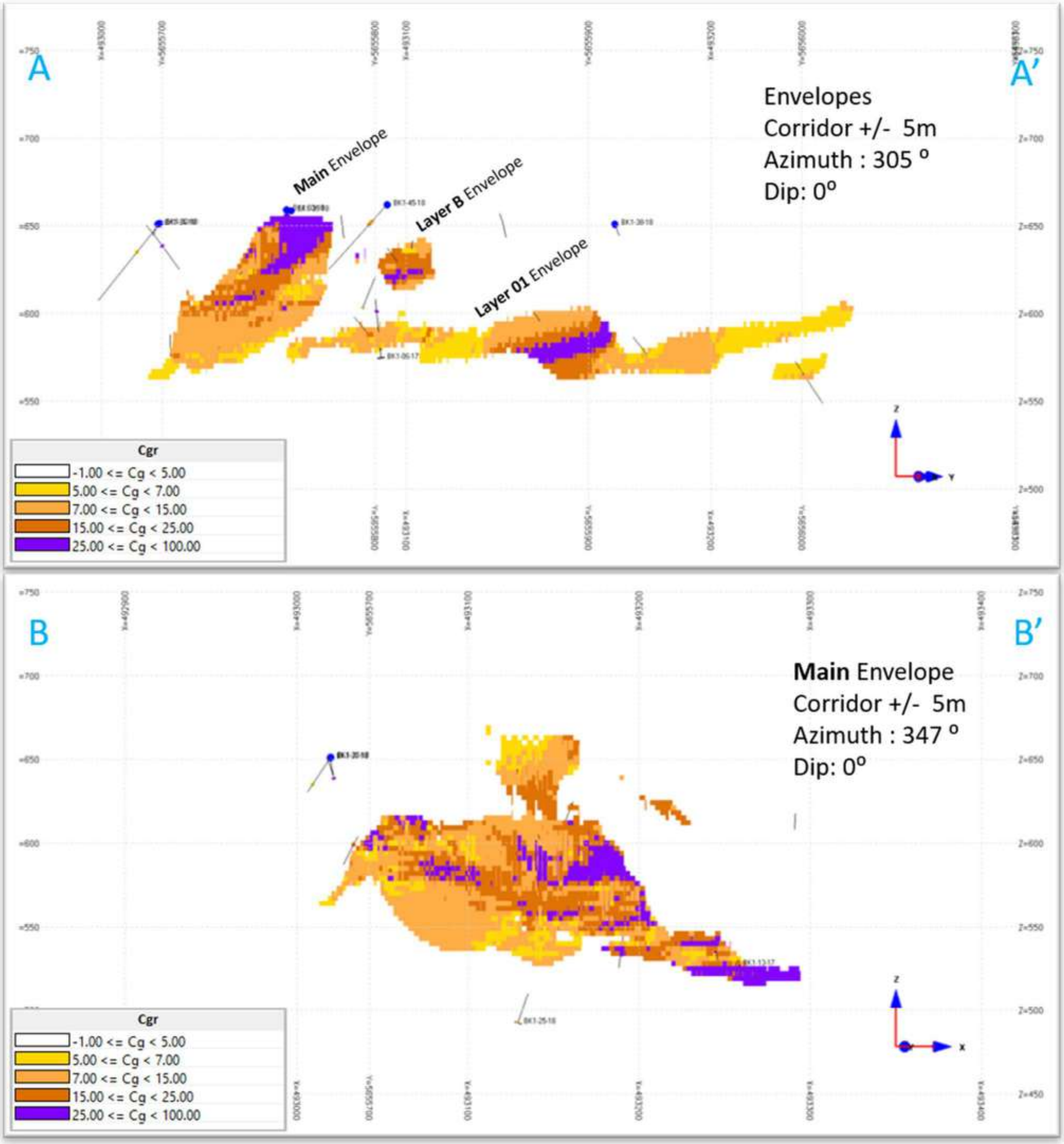


Figure 29 Block Model – section view of Layer01 (top) and Main envelopes (bottom) looking north-west

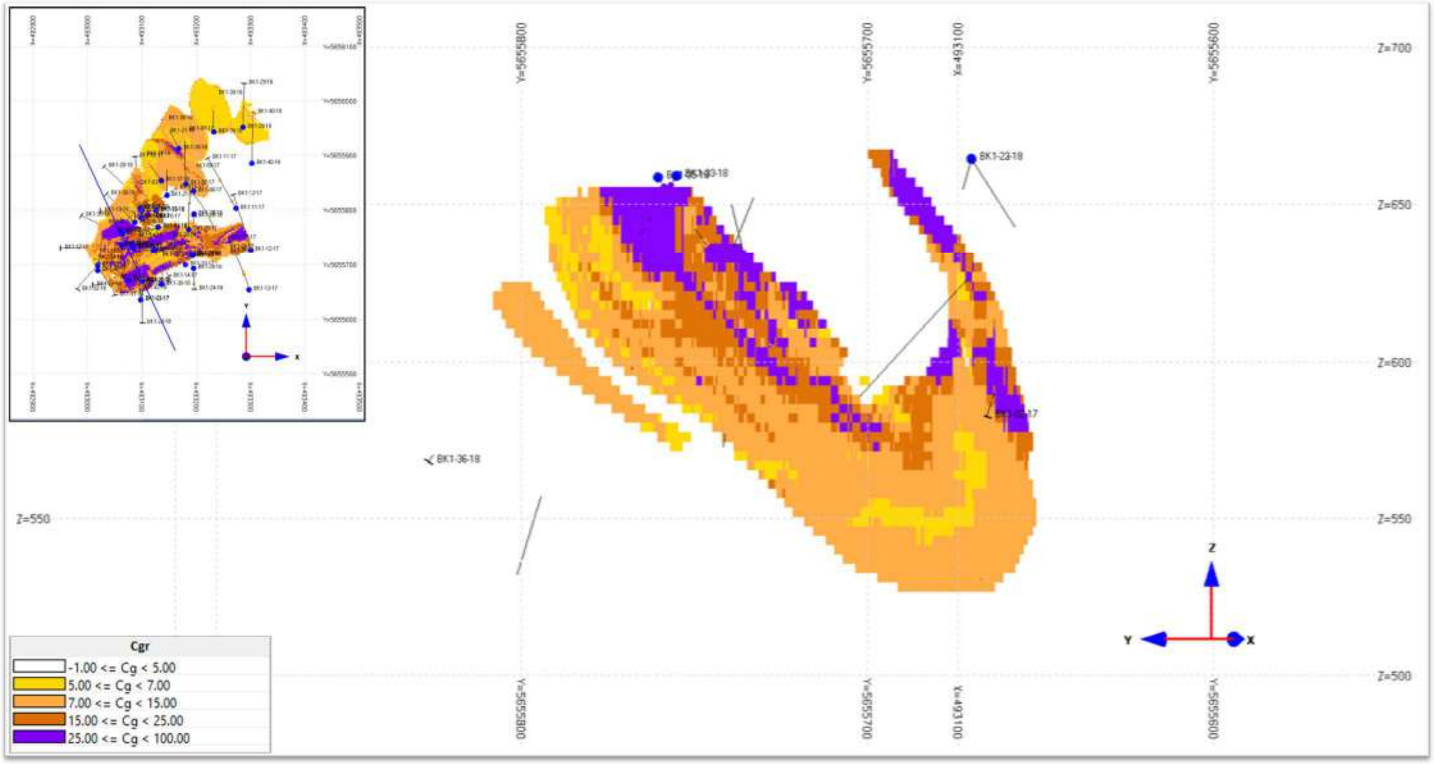


Figure 30 Block Model –View of Main envelope on section 04 (azimuth 65⁰, dip 0⁰, corridor +/- 7.5m)

14.8.3 Ellipsoid Parameters and Interpolation

A different number of runs and ellipsoids 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 ellipsoid parameter in 10). Main envelope: In run one (1), 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 were used. For run two (2), the number of composites limited to nine (9) with a minimum of three (3) and no limit on the number of composites per drillhole were established. 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 were used. A variable ellipsoid was selected to make the estimate, as the geology in the Main envelope has a complex folded or faulted shape.

Table 10 Variable Search Ellipsoid Parameters – Layer A & Layer B envelopes

Ellipsoids Parameters	MainPass01	MainPass02	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

14.9 Mineral Resource Classification

The classical method was selected to classify the Lac Guéret South property, where each defined class is estimated by the application of appropriate search ellipsoid criteria. A total of two ellipsoids and two runs were applied to estimation of the Main envelope in order to make and indicated resource and an inferred resource calculation, i.e. two runs were performed for the Main envelope (indicated and inferred). One run was done for each envelope Layer 01, Layer A and Layer B to produce an inferred resource estimate for each of these envelopes.

In Main envelopes run one (indicated), a maximum of nine (9) and a minimum of three (3) composites per block and a limit of two (2) composites per drillhole was established. In the second run (inferred), a maximum of nine (9) and a minimum of three (3) composites were established per block. No limit number of composites per drillhole was imposed. These parameters are listed in Table 11 below.

Table 11 Classification Parameters

Class	Parameters	Main	Layer 01	Layer A	Layer B
Indicated	Minimum	3	x	x	x
	Maximum	9	x	x	x
	Composites per Drillhole	2	x	x	x
Inferred	Minimum	3	3	3	3
	Maximum	9	9	9	9
	Composites per Drillhole	-	-	-	-

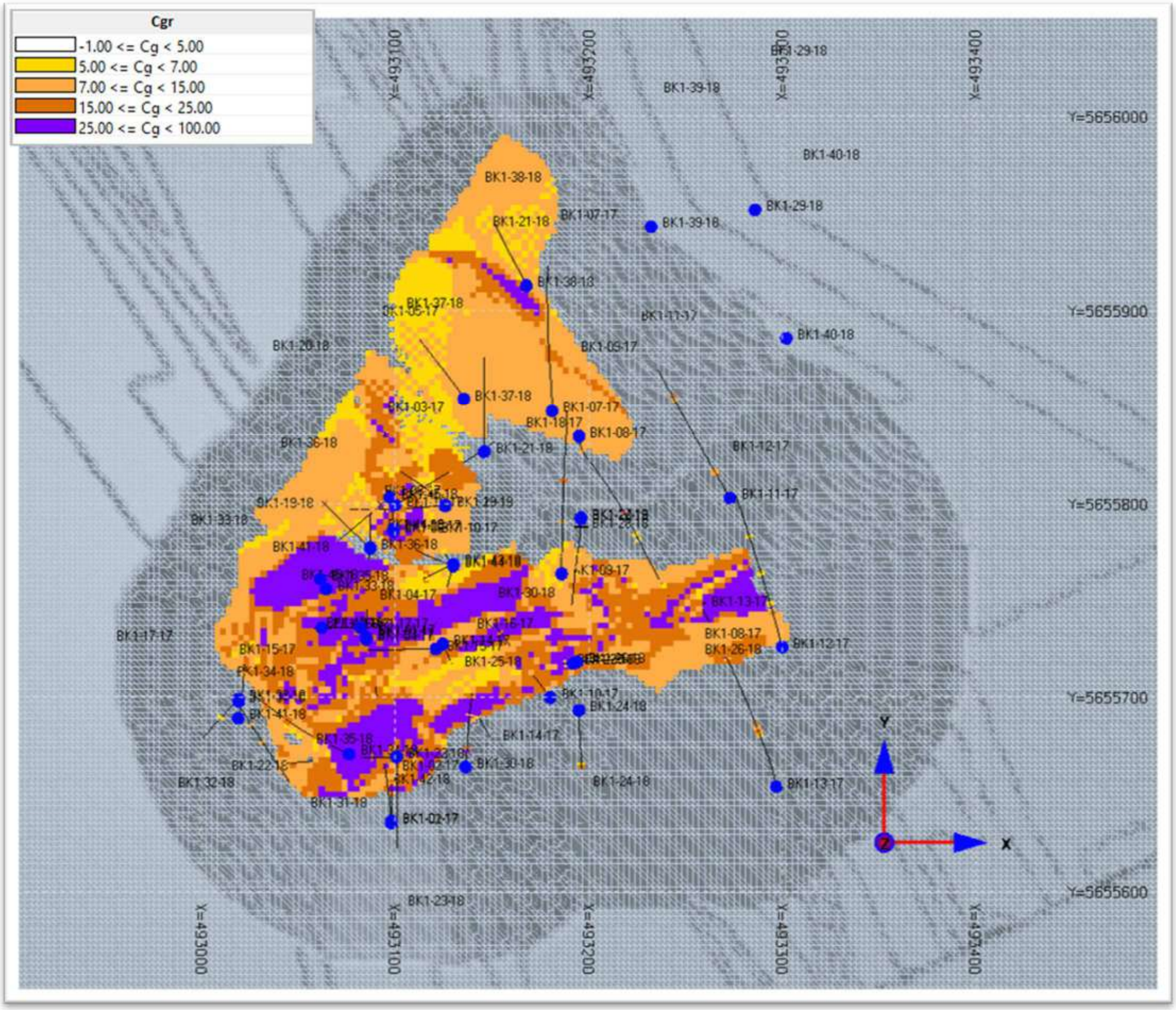


Figure 31 Block Model Estimate - plan view

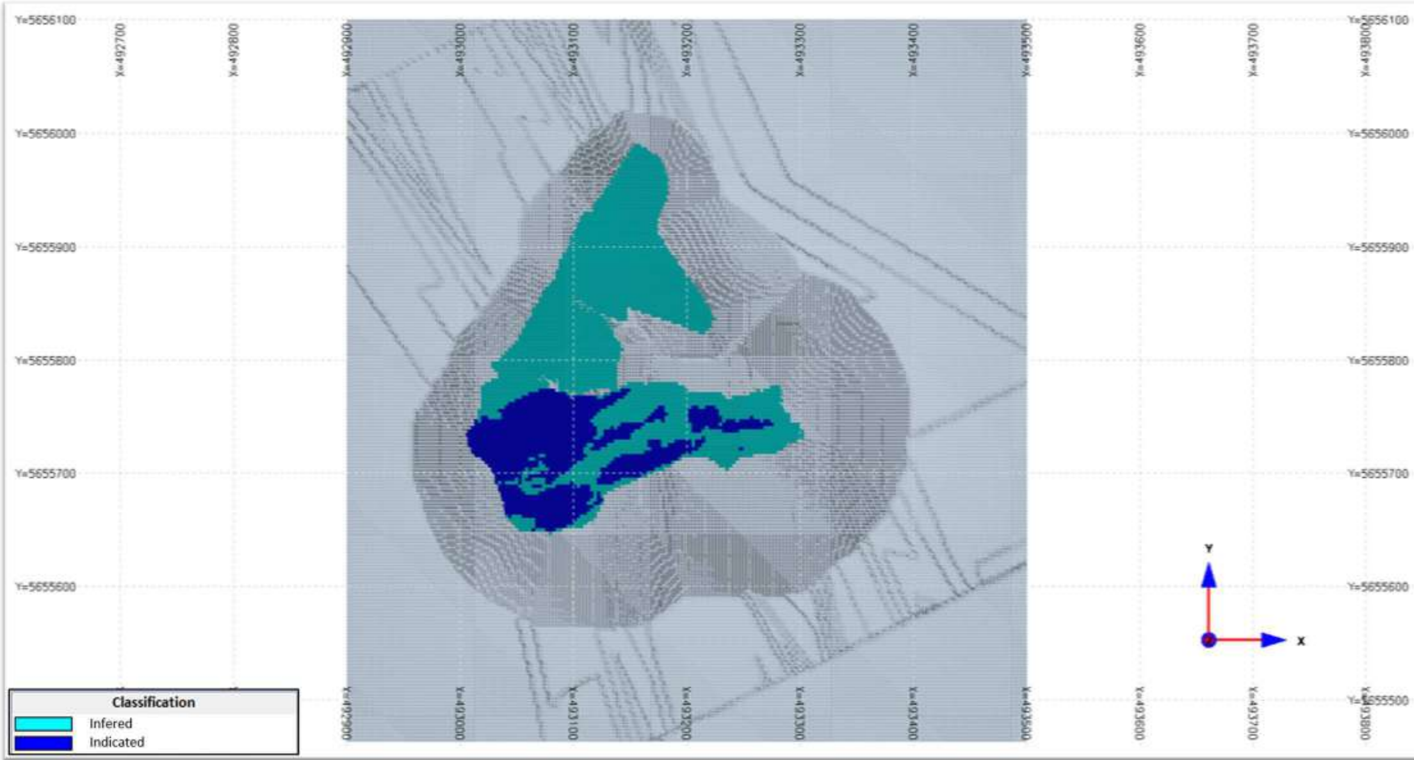


Figure 40 Block Model classification- plan view

14.10 Mineral Resource Estimation and Pit Optimisation

14.10.1 Mineral Resource Estimation

This section presents the mineral resource for public disclosure with pit optimization results with different parameters (Carbon Graphite price, mining cost, transport cost, processing cost and different resource classifications included). The parameters were estimated by GoldMinds Geoservices base on its knowledge of similar operations. No economic study was produced for this project, therefore the resources presented below have not shown economic viability but present a reasonable prospect of economic extraction as per CIM definition. Only mineral resources within a pit shell are presented as reportable mineral resources in the context of an open pit mining scenario.

A Base Case is presented along with other cases. The following table presents the base case mineral resources and is followed by parameters selected for each pit optimization (see Table 12).

The Mineral Resource of Lac Guéret South Project was estimate in 2019 by GoldMinds Geoservices (GMG). In the base scenario, indicated resource presents a total of 1.76 M tonnes at 17.0% Cg and inferred resource has a total of 1.53Mt at 16.39 %Cg. (refer to pit shell PIT 06).

The following table summarizes GoldMinds Geoservices (GMG) mineral resources estimates.

Mineral Reserves and Mineral Resources are as defined by CIM Definition Standards on Mineral Resources and Mineral Reserves. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

Pit optimization has been done with a fixed mining and processing cost. Refer to Tables 12 and 13 below for base case and pit optimization parameters.

Table 12 Pit optimization Results (Base Case in Bold)

In-Pit Constrained	Mineral Resource					
	Indicated			Inferred		
	Tonnes	Volume	Cg (%)	Tonnes	Volume	Cg (%)
Pit 01	998 606,67	344 347,13	21,50	424 257,59	146 295,72	23,01
Pit 02	1 161 314,07	400 453,13	20,21	730 829,99	252 010,34	20,96
Pit 03	1 349 860,47	465 469,13	19,02	908 875,47	313 405,34	19,42
Pit 04	1 474 905,57	508 588,13	18,19	1 042 392,32	359 445,63	18,46
Pit 05	1 648 809,87	568 555,13	17,35	1 349 443,79	465 325,44	17,05
Pit 06 Base Case	**1 755 297,87**	**605 275,13**	**17,00**	**1 526 404,92**	**526 346,52**	**16,39**
Pit 07	1 816 763,37	626 470,13	16,73	1 793 799,42	618 551,52	15,49

In-Pit Constrained	Waste		Stripping-ratio
	Tonnes	Volume	
Pit 01	5 520 800,26	1 903 724,23	3,8794
Pit 02	8 371 118,11	2 886 592,45	4,4236
Pit 03	9 921 565,36	3 421 229,43	4,3919
Pit 04	10 730 668,44	3 700 230,50	4,2622
Pit 05	14 229 939,98	4 906 875,86	4,7456
Pit 06 Base Case	**16 773 973,23**	**5 784 128,70**	**5,1109**
Pit 07	19 592 178,98	6 755 923,79	5,4259

Table 13 Pit optimization and base case parameters

Parameters CDN$ 1USD=1.34$CDN	Opt. 01	Opt. 02	Opt. 03	Opt. 04	Opt. 05	**Opt. 06 Base Case**	Opt. 07
Selling price ($/t)	860	993	1127	1260	1393	**1530**	1660
Mining cost ($/t)	6	6	6	6	6	**6**	6
Processing cost ($/t)	36	36	36	36	36	**36**	36
G & A ($/t)	40	40	40	40	40	**40**	40
Recovery (%)	10	10	10	10	10	**10**	10
Cut-off grade (%)	11.9	10.3	9.07	8.11	7.34	**6.68**	6.15

The next table presents the mineral resource from the pit shell optimization 01 to 07 with a selling price at 1660 $/t and a cut-off grade at 6.15 % in each scenario.

Table 14 Resource pit constrained sensitivity in various pit shells with fixed COG (cut-off grade at 6.15%)

In-Pit Constrained	Mineral Resource					
	Indicated			Inferred		
	Tonnes	Volume	Cg (%)	Tonnes	Volume	Cg (%)
Pit 01	1 258 327,77	433 906,13	18,99	525 417,72	181 178,52	20,43
Pit 02	1 399 502,67	482 587,13	18,22	839 557,32	289 502,52	19,31
Pit 03	1 543 026,57	532 078,13	17,62	1 004 457,12	346 364,52	18,30
Pit 04	1 607 154,27	554 191,13	17,29	1 125 508,92	388 106,52	17,63

Pit 05	1 733 452,17	597 742,13	16,84	1 415 923,62	488 249,52	16,57
Pit 06	1 792 177,17	617 992,13	16,79	1 559 290,92	537 686,52	16,18
Pit 07	1 816 763,37	626 470,13	16,73	1 793 799,42	618 551,52	15,49

In-Pit Constrained	Waste		Stripping-ratio
	Tonnes	Volume	
Pit 01	5 159 919,03	1 779 282,42	2,89
Pit 02	8 024 123,89	2 766 939,27	3,58
Pit 03	9 632 817,61	3 321 661,25	3,78
Pit 04	10 515 303,14	3 625 966,60	3,85
Pit 05	14 078 817,85	4 854 764,78	4,47
Pit 06	16 704 207,93	5 760 071,70	4,98
Pit 07	19 592 178,98	6 755 923,79	5,43

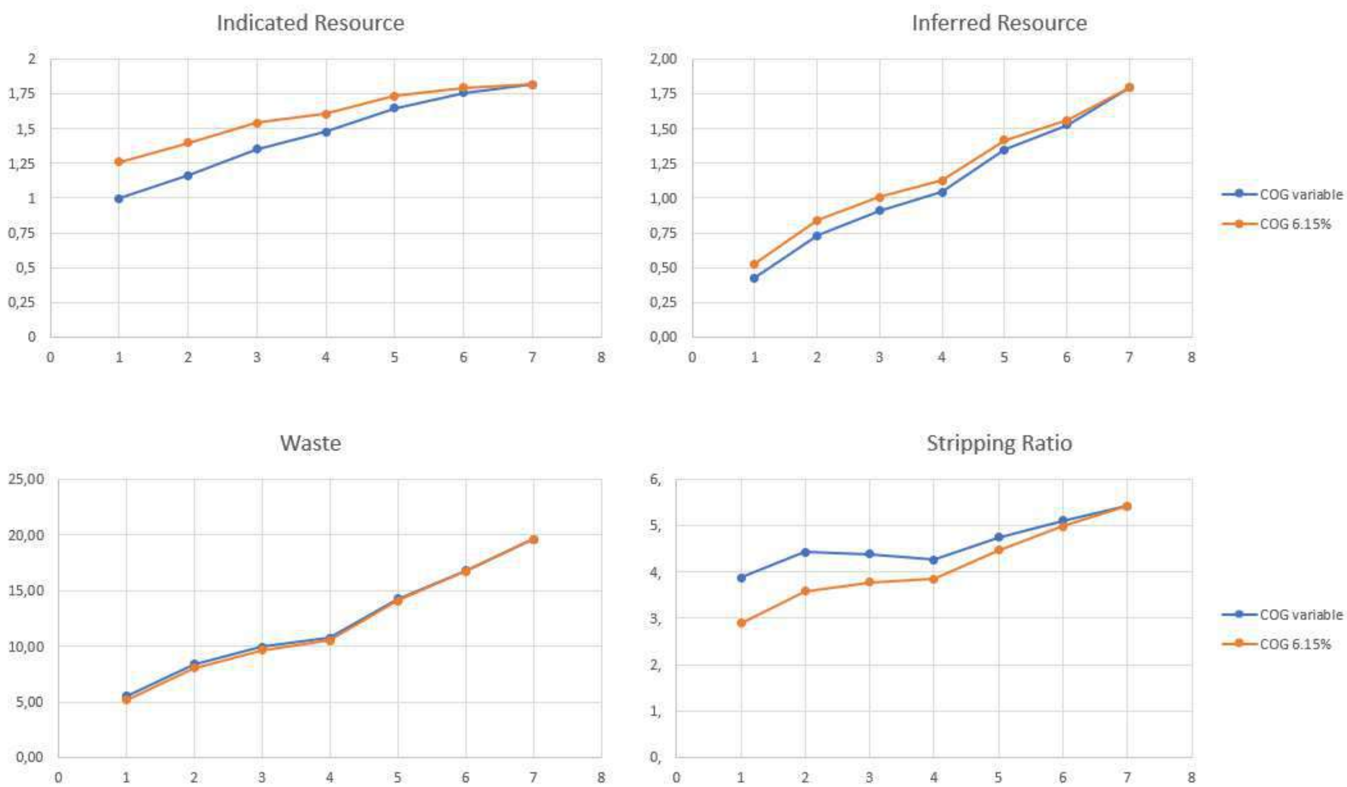


Figure 41 Comparison between Mineral Resource from the two previous tables

14.10.2 Optimisation

Figures 42 through 45 show the optimised pits.

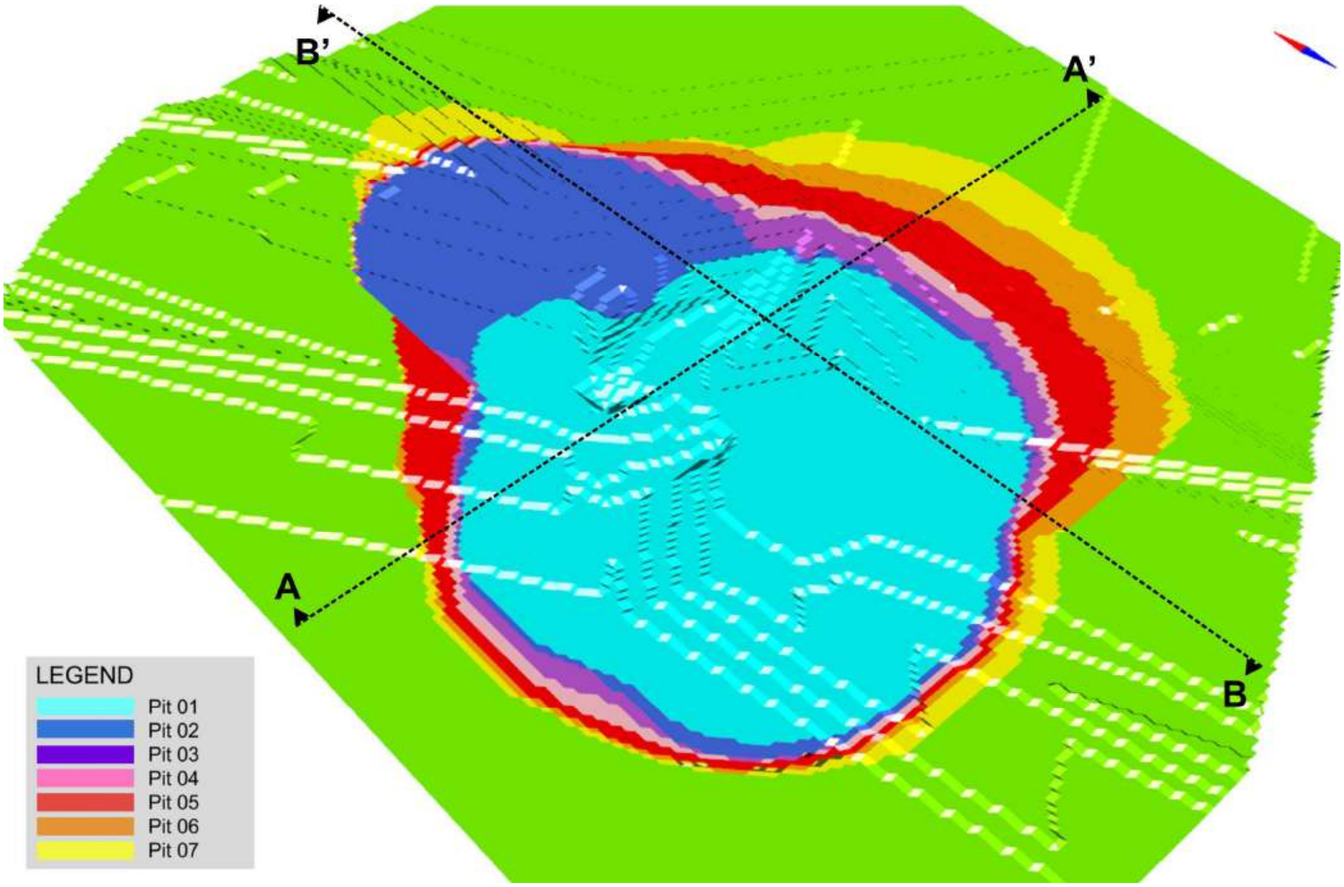


Figure 42 Optimization view (North arrow top right in red)

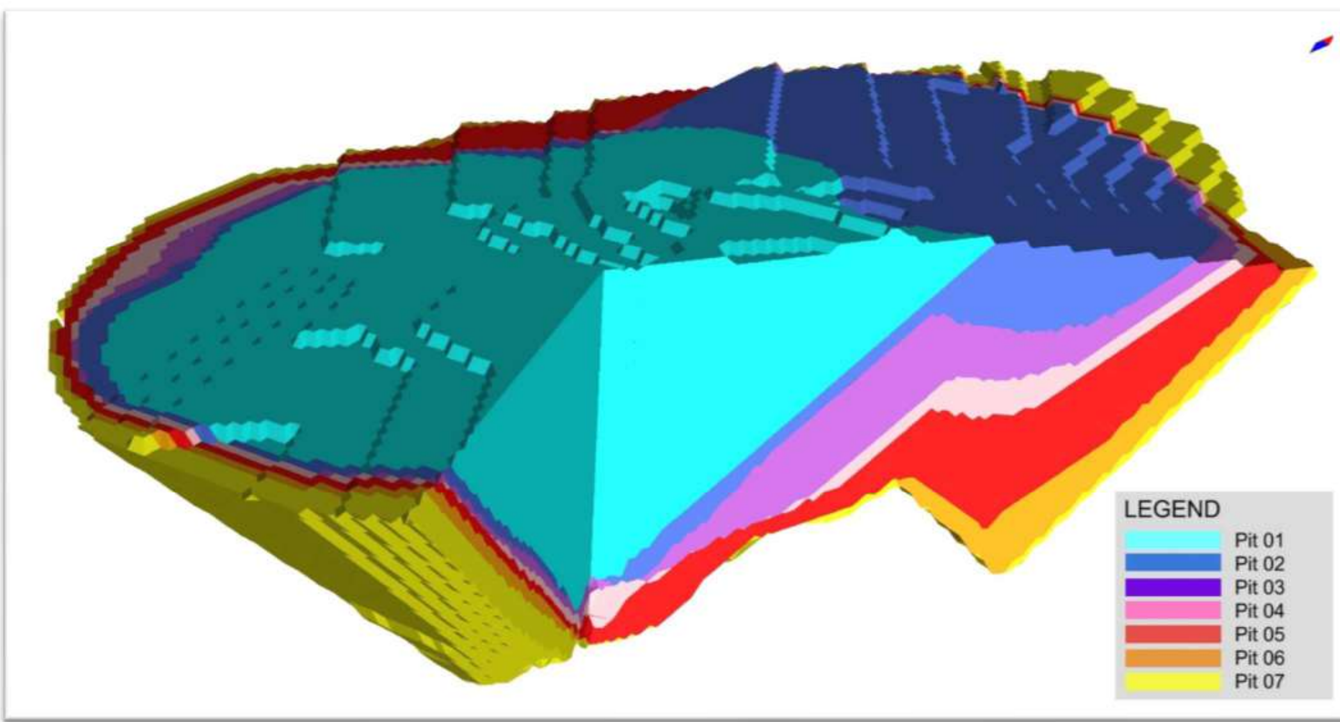


Figure 43 3D view of optimization (North arrow in red)

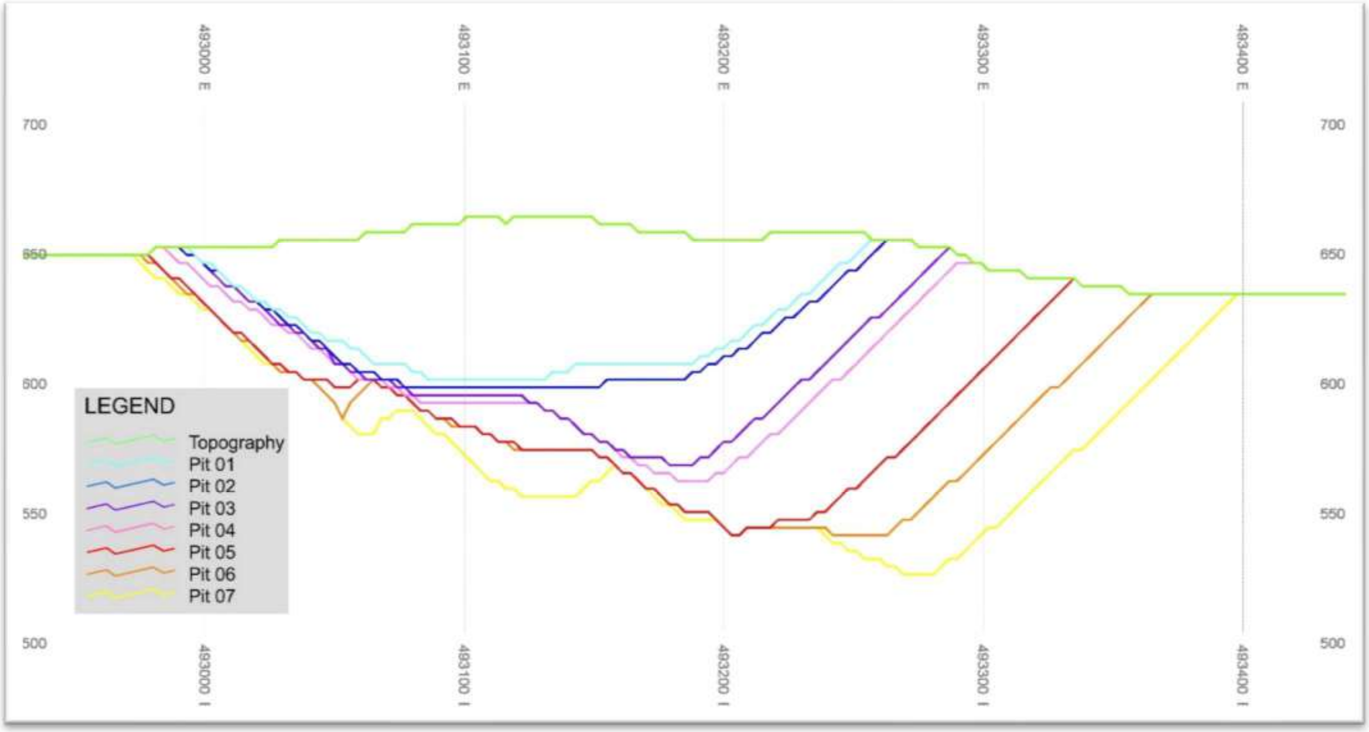


Figure 44 Pit optimization shells - Section West-East, looking north (A-A')

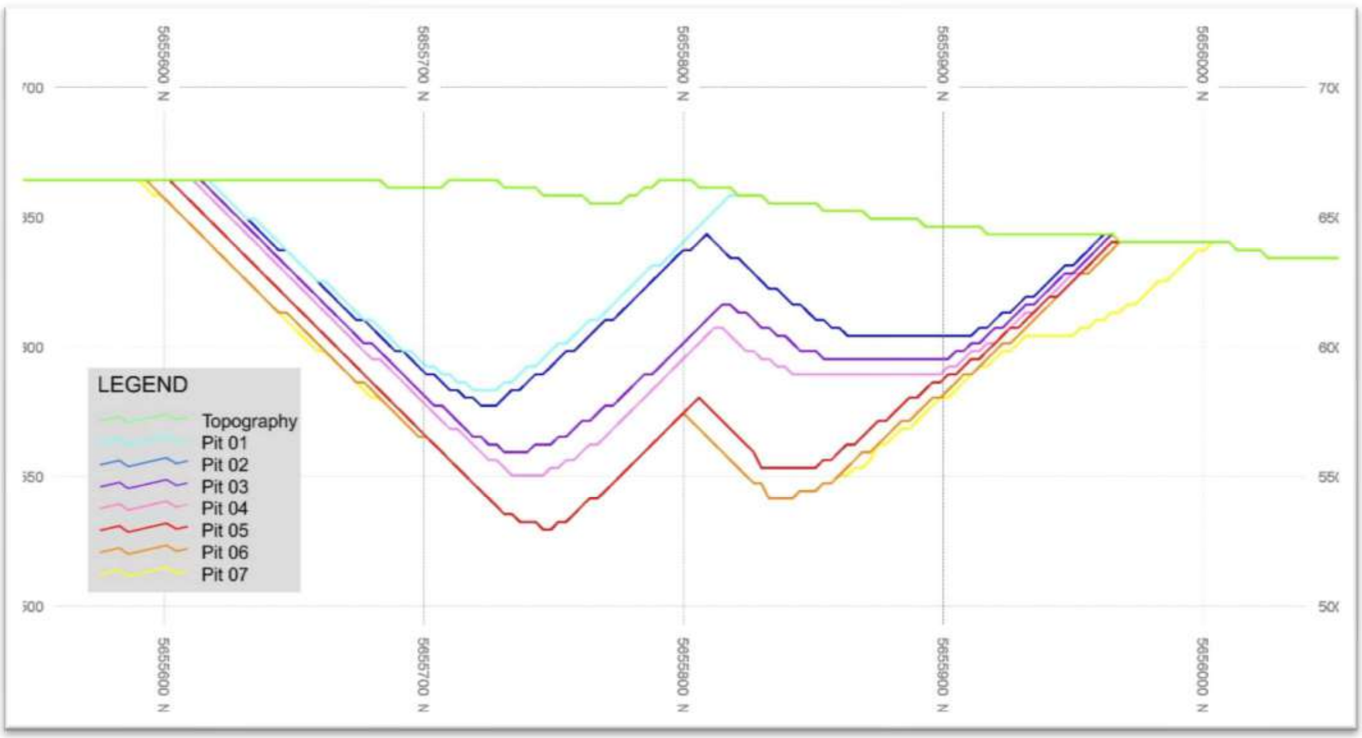


Figure 45 Pit optimization shells - Section South-North, looking west (B-B')

14.11 Conclusion

A Mineral Resource Estimate was conducted on the Lac Gueret South Project following the drilling programs in 2017 and 2018.

After verification and validation of the Lac Gueret South Project's database, GoldMinds Geoservices conducted a mineralization interpretation and a 3D wireframe envelope modeling of the graphite mineralization. Prisms were first created on sections following mineralization. Four envelopes were created by connecting defined mineralized prisms on each section.

The Mineral Resource was modeled on a 3m (EW) x 3m (NS) x 3m (Z) block size within the 3D envelopes. The blocks were interpolated from equal length composites calculated from the mineralized intervals. With the folded shape of the Main envelope, a variable ellipsoid was used in this estimate.

The mineral resource at Lac Gueret South Project includes an in-pit constrained resource totaling 1,755,300 tonnes of indicated resources at 17.00 % Cgr and 1,526,400 tonnes of inferred resources at 16.39 % Cgr.

Table 14 In-pit Resource at Lac Gueret South Project (round numbers)

Mineral Resource Category	Current Resource (19 June 2019)		
	Tonnage (Mt)	Grade (% Cgr)	Cgr (t)
Indicated	1.76	17.00	299,200
Inferred	1.53	16.4	250,200

14.12 Commodity prices.

The graphite market is limited to a specific tonnage demand in the world. The demand is expected to increase in the coming years with the increased use of electric battery powered vehicles and tools. As Elon Musk of Tesla states the Lithium ion batteries should more correctly be called nickel-graphite in the relation to weight of the commodities in the batteries.

The natural graphite price is determined by its flake size and purity of the concentrate. The initial metallurgical testwork and mineral processing studies undertaken on materials from the Lac Gueret South deposit show that a marketable concentrate is possible, but more work needs to be done. Berkwood can rely on data from comparable deposits in the region, like Lac Guéret (Mason Graphite), Lac Knife (Focus Minerals) and others. With an exchange rate of 1.34CDN to 1 USD, the selected base case of US$ 1,140 per tonne graphite (refer Figure 46) average flake price equals CDN$ 1,530 per tonne. GMG has reviewed the studies and information about the market and is comfortable using CDN$ 1,530$ per tonne as base case commodity average price for the future.

The project is at the maiden resources stage with this report. The market price should recover in the medium term as demand appears to be growing. It may go down over the short term due to commercial conflicts between nations. However, there does not appear to be an oversupply of good quality graphite concentrate, which sells at a premium. The pit-constrained sensitivity shows the resource is relatively robust to reduction in the selling price of graphite.

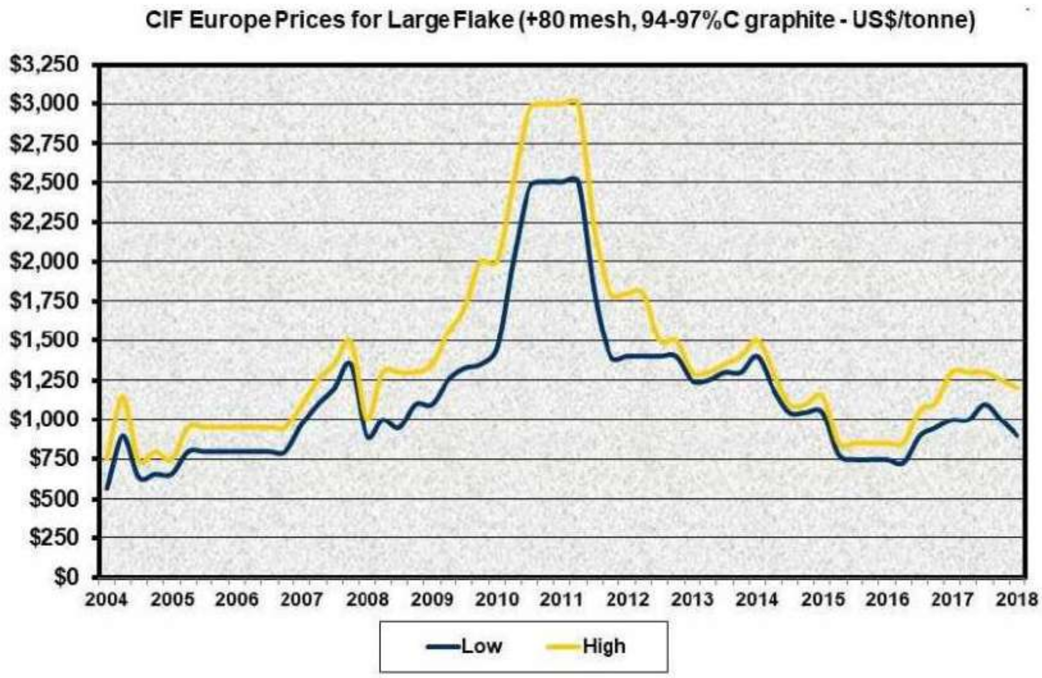


Figure 46 Evolution of European graphite price in USD/t from 2014 to 2018 *(Source: Seekingalpha.com)*

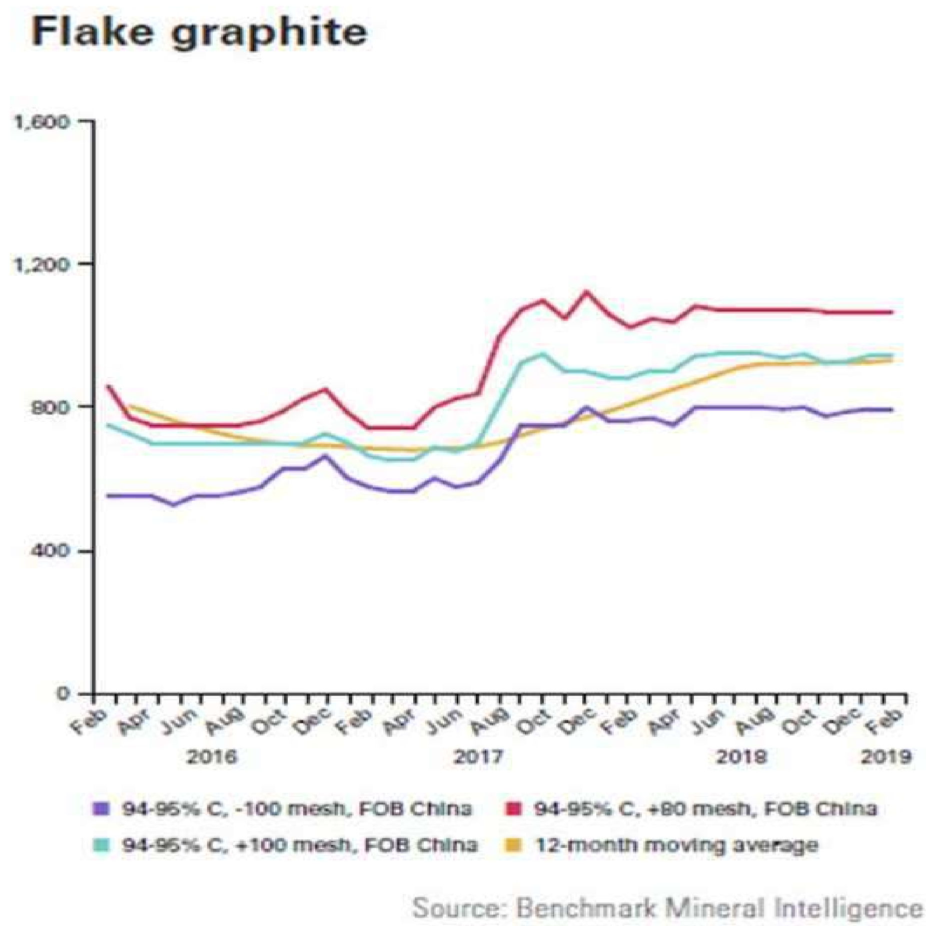


Figure 47 Graphite selling price for three grades (2016-18) *(Benchmark Mineral Intelligence)*

According to Benchmark Minerals Intelligence, mounting oversupply in the flake graphite market saw further decreases in pricing throughout May 2019, with the Benchmark Flake Graphite Index falling a further 3.6%. The biggest decreases were seen across finer flake (-100 mesh) grades which fell 7.8% for 90-93% C material and 9.4% for 94-95% C (FOB China).

Some prices have been reported at below these levels. However, this is understood to be for fake flake or off-spec material, which is becoming increasingly prevalent in the market with increased volumes of low-quality material being made available at discounted rates. Pressures for finer flake grades have been compounded in recent weeks by increased Chinese production and the low-price sales into China from Mozambique. Competitive pricing in the Chinese market will lead to increased volumes being offered into export markets, particularly into Europe which Chinese exporters are targeting for volumes that have become less competitive into the US as a result of increased tariffs.

Prices in May 2019 reached their lowest point since H2 2017 on average, and many expect supply-side pressures to force further decreases in the short-term.

The growth of electric vehicles (EV) is driving demand for natural graphite and other raw materials. As EV and lithium-ion ESS penetration rates rise in China and the rest of the world, Roskill Information Services forecasts total global graphite demand in battery applications to rise by 16-26% per year to 2026.

14.13 Opinion

In the opinion of GoldMinds Geoservices, the database presented by Berkwood along with supporting studies yielded a robust database. The structural model aided the resource model significantly. The calculations and geostatistical techniques are the typical ones used in this type of bedded and folded deposit, based on GMG's experience with graphite regionally and in other areas.

ITEMS 15 THROUGH 22 are not applicable in this report.

23 ADJACENT PROPERTIES

The Lac Guéret South (LGS) claims are contiguous with the Lac Guéret Extensions (LGX) claims to the north. While Lac Guéret South totals 64 claims with 3,464.3 ha, the Lac Guéret Extensions claims total 225 claims covering 12,088.04 ha. In the opinion of the writer, although the two claim blocks would be considered one property, there are significant differences between them:

- LGS has abundant airborne geophysical coverage and focused ground geophysics surveys, drilling, and resulting studies.
- LGX has received very little exploration historically or by the Issuer; the airborne geophysical coverage by Quinto and SOQUEM in 2002 stopped along the northwest border of the Lac Guéret North (now Mason Graphite) claim block. Heavy forest cover and a lack of access hinders surface exploration.
- The divide between the two LG block lies in a wide swampy area that crosses just inside the norther part of LGS; accessing the LGX is not feasible in the exploration stage, while the old logging roads require a 45 km drive around the east end of LGS. Any mining development that might arise on LGX would possibly need to be treated in a separate facility.

LGX abuts the western and eastern sides of Mason Graphite's Lac Guéret deposit under development.

LGX also abuts the southwestern margin of Focus Graphite's Lac Tétépisca graphite project which extends north of LGX and Mason Graphite to the shore of Reservoir Manicouagan (and not near Lac Tétépisca). Focus has done limited drilling on graphite zones located in the Menihek Formation. The area was visited and sampled for Quinto in 2003 by the author.

Figure 48 shows the relations of these properties. There is another group of claims not shown on the map that covers the core of SOQUEM's 2001-04 claims south of LGS to the Allocthonous Belt Thrust fault suture (ABT). These have graphite bands with medium to high grades but over widths less than 12 m. They are owned by Focus Graphite. The airborne Falcon EM survey by SOQUEM in Figure 4 marks most of these areas. They represent the most southwesterly terminus of the Gagnon Terrane in the Grenville Province.

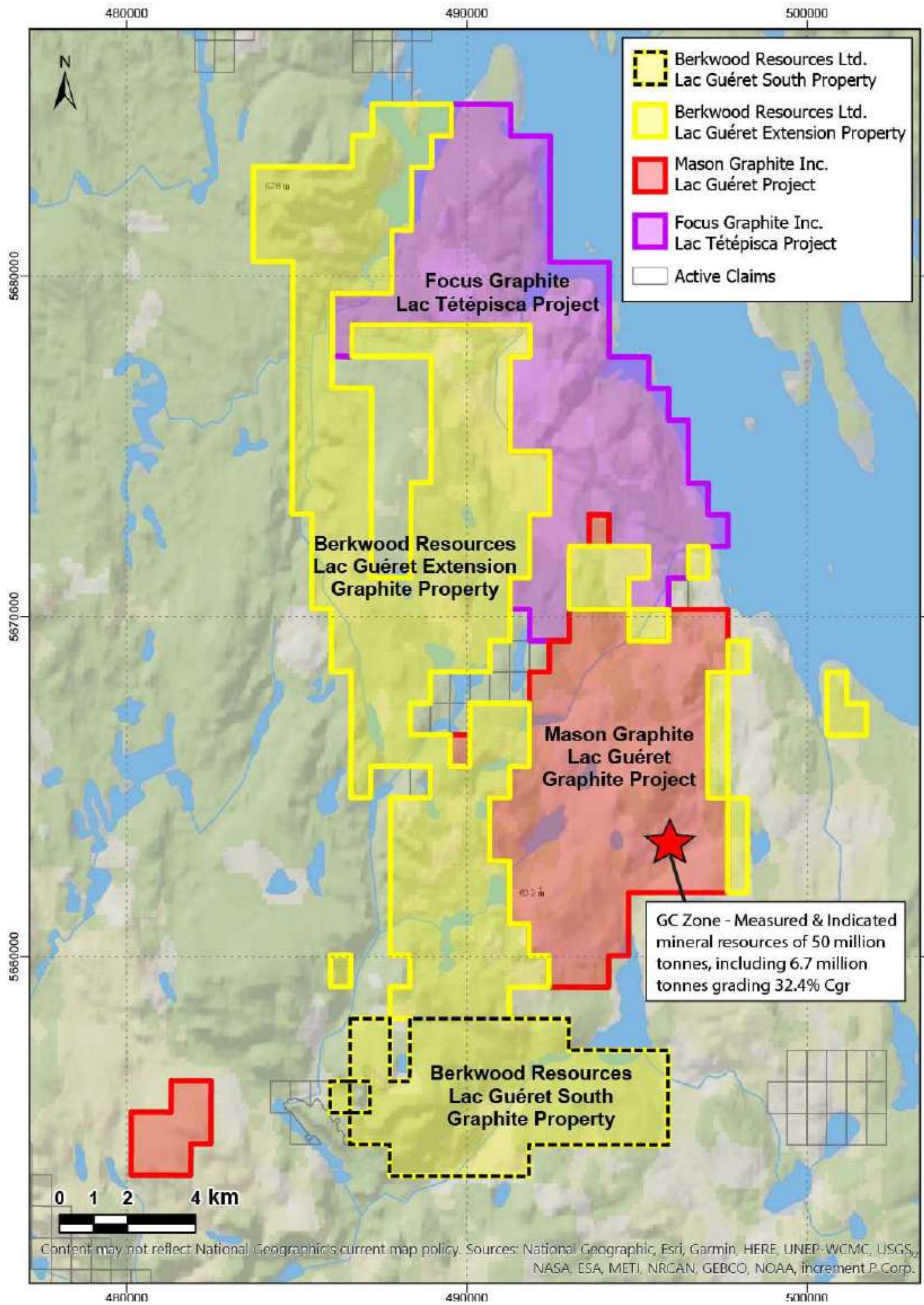


Figure 48 Lac Guéret South Property and adjacent mineral licenses

(by Poznikoff from BC Min Titles Online & Google Earth 2019)

24 OTHER RELEVANT DATA AND INFORMATION

There are no additional data or material information known to the author about the subject property as of the issue date of this report.

25 INTERPRETATION AND CONCLUSIONS

25.1 Interpretation

The property contains four areas underlain by the Menihek Formation metapelites of the Gagnon Terrane and has been subjected to the regional metamorphism and folding endemic to the Grenville Province. Graphite is localised as beds with the lower part of the Menihek from western Labrador through the area in and around the property. These are often more intensely folded due to the low rheology of the graphite compared with the stiffer silicate-rich rocks.

The Menihek and Sokoman Formations are infolded into the basement metamorphosed Archean Superior rocks, locally called the Ulamen Complex, and more regionally to the east, the Ashuanipi Complex. These basement rocks do not host significant graphite, as far as is known.

The major deformation, D_1, trends generally east-northeast with steep to overturned southern limbs and axial planes. The second deformation, D_2, refolds the D_1 in a generally north-northwest trend. On the property, it is expressed as steeply plunging fold noses of several synforms.

The graphite beds have been thickened in Zone 1 by the dual folding to form a steeply plunging and overturned synclinal fold nose. The information from geophysics and drilling suggests that this is the thickest concentration of graphite schist. The more parallel D_1 limbs likely also contain graphite beds over 1.5 km lengths, but they may be narrower; these targets need testing on a broad scale. The Zone 2 anomaly, not discussed in this report due to a lack of exploration works, which lies on the northern boundary of the property also has 2.2-km long D_1 synclinal limbs but the potential fold nose(s) appear narrow and tight; it is worthy of more exploration but access is difficult.

The limited mineral characterisation and initial metallurgical results described in Item 13 indicates that it is possible to achieve a high-quality graphite concentrate. More testwork is needed to establish a flow sheet and test larger batches. The more detailed conclusions and recommendations for that subject are detailed in Item 13.

The mineral resource estimate yields an Indicated Resource of 1.76 Mt at 17.00% Cgr and Inferred Resource of 1.53 Mt at 16.4% Cgr. The pit constrained resource sensitivity remains robust even in reducing significantly the assumed commodity price (US$ 1,140 per tonne graphite, or CDN$ 1,530 per tonne).

Denser drill spacing in the area along trend outlined by the constrained pit shells and along the folded nose trends may convert a significant part of Inferred to Indicated resources, but that is not proven at this time. The use of the block model as well as 3D structural interpretation will aid in selecting drill sites.

Potential for additional mineralisation, based on the relatively shallow PhiSpy TDEM anomalies in Figure 13 (p. 33), matches the length on the southern fold limb east of the drilled area. Further east on the same limb, another narrower linear PhiSpy anomaly trend is about 750 m long and is narrower than the fold nose area to the west. The northwestern lobe of the Zone 1 anomaly may have graphite as well, but the lack of PhiSpy anomalies suggests that subcrop is deeper than to the south. These areas should be drill-tested as well.

25.2 Risks

Water and space for future development and expansion are available on and around the Property. No known environmentally impacted situations exist on the property.

Low risk is associated with executing the technical program recommended in this report.

The normal external risks are markets, trade, politics, and technology changes that can affect the graphite market globally.

The medium level local risk is establishing a working relationship with the Pessamit Innu Band. They already have agreements with Mason Graphite, so there is a path forward. There is also an agreement between the Innu Nation and the Québec government in place that establishes a larger scale economic framework.

25.3 Conclusions

The Lac Guéret South property lies in a graphite-rich sector of the Gagnon Terrane geology with deposits ranging from very large to exploration stage mineralisation. Mason Graphite's Lac Guéret deposit is already permitted for mining and the plant construction is advanced. Mason has a total mineral reserves plus mineral measured and indicated mineral resources of 65.7 Mt @ 17.2% Cgr. The initial 25 year operation used in the Feasibility Study has mineral reserves of 4.7 Mt @ 27.8% Cgr (Mason Graphite updated Feasibility study, 5 December 2018). Berkwood Resources Ltd. has the second mineral resources as reported herein. While Focus has drilled exploration holes on its property nearby, no results or resources have been published.

The persistent folding structure helps concentrate graphite into thicker units, especially in the fold hinges. In the authors opinions, the property warrants further early development stage work as recommended below.

26 RECOMMENDATIONS

Phase 5 ($ 855,000)

The first part of continuing work should be focused on Zone 1 to upgrade the resource categories and increase total tonnage. Concurrently, metallurgical testwork should be expanded to demonstrate the robustness of the mineralisation to concentration. Ongoing structural measurements are essential to understanding the complex folding of the graphite horizons. In-hole measurements with an optical televiewer coupled with a non-magnetic gyro would yield more reliable data. The database should be upgraded from Excel to something more robust. Costs are allocated for flying a Lidar survey on Zone 1, establishing a centralised core storage facility, moving and loading core in an orderly manner with documentation. Older drill hole collars should be located and monumented in the summer and surveyed with a DGPS or RTK instrument. Monumentation of all drill collars needs to be verified and made to a standard that is visible in deep snow.

Table 15 Proposed Budget – Phase 5

Drilling (20 HQ drillholes @ ~120 m length each @ $130/m)	$ 312,000
Analyses (500 samples @ $67 each + transport)	$ 37,000
Metallurgical testwork (estimation)	$ 150,000
Other studies	
Lidar survey (airborne) Zone 1	$ 12,000
Structural data collection and modeling	$ 50,000
Core consolidation (includes core racks for 8,500 m = 3 core racks and rent)	$ 12,000
Survey and monument drill collars	$ 8,000
Personnel	
Senior geologist	$ 28,000
Senior core geologist	$ 14,000
Field geologist (2)	$ 28,000
Helpers (3)	$ 25,000

Room & Board (30 days x 8 rooms & meals)	$ 42,000
Travel	$ 8,000
Vehicle rental (2 trucks for 1 month & fuel)	$ 42,000
Database & report preparation	$ 18,000
Contingency 10%	$ 78,000
Total	**$ 855,000**
	(CDN$ before taxes)

Further work will depend on the results of the Phase 1 program outlined above and the route that the Issuer decides to follow to advance the project.

27 REFERENCES

Campbell, C., 2019. Lac Guéret Extension geophysical and geological interpretation: presentation report, private to Berkwood Resources Ltd., 15p

Clark, T. and R. Wares, 2005. Lithotectonic and metallogenic synthesis of the New Québec Orogen (Labrador Trough): Québec Natural Resources and Fauna, MM 2005-01 (English), 175 p.

Dubé, J., 2014. Heliborne Magnetic and TDEM Survey, Lac Guéret Sud Property, Québec: final report, private to Berkwood Resources Ltd., 32p.

Dubé, J., 2015. Ground Magnetic, VLF-EM, and PhiSpy TDEM Surveys, Lac Guéret Sud Project, Manicouagan area, Côte-Nord region, Québec, Québec: final report, private to Berkwood Resources Ltd., 45p.

Jordan, S. l., A. Andares, and G. Dunning, 2006. Partial melting of metapelites in the Gagnon Terrane below the high-pressure belt in the Manicouagan area: pressure-temperature (P-T) and U-Pb age constraints and implications: CJES, v. 38, pp 1309-1329.

Kwok, D. and J. Tan (2018). Berkwood Resources Ltd. – Graphite Characterization Report: Met-Solve Laboratories Inc. private report, MS1827, 34 p.

Kwok, D. and J. Reid (2018). Berkwood Resources Ltd. – Scoping Metallurgical Testwork Report: Met-Solve Laboratories Inc. private report, MS1856, 131 p.

Moukhsil, A., F. Solgadi, T. Clark, S. Blouin, A. Andares, and D.A. Davis, 2013. Geology of the northwest of the Daniel-Johnson (Manic-5) area, Côte-Nord, Québec: Géologie Québec, RG 2013-01, 46 p.

Simard, J., 2018. Report on *Mise-a-la-masse* (MALM) EM and Induced Polarisation surveys on Lac Guéret Extensions Property, MRC Manicouagan, North Shore region, Québec: final report, private to Berkwood Resources Ltd., 19p + 8 maps.

Walker, J.D., J.W. Geissman, S.A. Bowering, and L.E. Babcock, 2013. The Geological Society of America Time Scale: GSA Bull. V125, pp 259-272.

APPENDIX 1

LAC GUÉRET GRAPHITE PROPERTY CLAIMS

Title Number	Title Holder	Area (ha)	NTS 50K	Title Type	Registration Date	Expiry Date	Description of Issuing Restriction
2340388	Berkwood Resources Ltd.	54.11	22N03	CDC	2012-04-03	2020-04-02	
2340389	Berkwood Resources Ltd.	54.11	22N03	CDC	2012-04-03	2020-04-02	
2396082	Berkwood Resources Ltd.	54.13	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396083	Berkwood Resources Ltd.	54.13	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396084	Berkwood Resources Ltd.	54.13	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396085	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396086	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396087	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396088	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396089	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396090	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396091	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396092	Berkwood Resources Ltd.	54.11	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396093	Berkwood Resources Ltd.	54.11	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396094	Berkwood Resources Ltd.	54.11	22N03	CDC	2013-12-16	2019-12-15	Affecté par : ÉPOG
2396100	Berkwood Resources Ltd.	54.12	22N03	CDC	2013-12-16	2019-12-15	
2397790	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397791	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397792	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397793	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397794	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397795	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397796	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397797	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397798	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397799	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397800	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2397801	Berkwood Resources Ltd.	54.13	22N03	CDC	2014-01-20	2020-01-19	Affecté par : ÉPOG
2402062	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402063	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402064	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402065	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402066	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402067	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402068	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402069	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402070	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402071	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402072	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402073	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402088	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402089	Berkwood Resources Ltd.	54.15	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2402090	Berkwood Resources Ltd.	54.14	22N03	CDC	2014-03-27	2020-03-26	Affecté par : ÉPOG
2457044	Berkwood Resources Ltd.	54.13	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG

2457045	Berkwood Resources Ltd.	54.13	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457046	Berkwood Resources Ltd.	54.13	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457047	Berkwood Resources Ltd.	54.13	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457048	Berkwood Resources Ltd.	54.12	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457049	Berkwood Resources Ltd.	54.12	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457050	Berkwood Resources Ltd.	54.12	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2457051	Berkwood Resources Ltd.	54.11	22N03	CDC	2016-08-09	2020-08-08	Affecté par : ÉPOG
2473176	Berkwood Resources Ltd.	54.14	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2473177	Berkwood Resources Ltd.	54.14	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2473178	Berkwood Resources Ltd.	54.14	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2473179	Berkwood Resources Ltd.	54.14	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2473180	Berkwood Resources Ltd.	54.13	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2473181	Berkwood Resources Ltd.	54.12	22N03	CDC	2017-01-23	2021-01-22	Affecté par : ÉPOG
2506984	Berkwood Resources Ltd.	54.12	22N03	CDC	2017-11-29	2019-11-28	Affecté par : Territoire visé par une entente
2506985	Berkwood Resources Ltd.	54.12	22N03	CDC	2017-11-29	2019-11-28	Affecté par : Territoire visé par une entente
2506986	Berkwood Resources Ltd.	54.11	22N03	CDC	2017-11-29	2019-11-28	Affecté par : Territoire visé par une entente
2506987	Berkwood Resources Ltd.	54.11	22N03	CDC	2017-11-29	2019-11-28	Affecté par : Territoire visé par une entente
2507552	Berkwood Resources Ltd.	54.11	22N03	CDC	2017-12-07	2019-12-06	Affecté par : Territoire visé par une entente
2513511	Berkwood Resources Ltd.	54.12	22N03	CDC	2018-02-27	2020-02-26	Affecté par : Territoire visé par une entente
2513512	Berkwood Resources Ltd.	54.11	22N03	CDC	2018-02-27	2020-02-26	Affecté par : Territoire visé par une entente
64 Claims	**Area (ha)**	**3464.3**				***Status as of 15 March 2019***	

PLAN OF LAC GUÉRET SOUTH PROPERTY CLAIMS