



**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED MARCH 31, 2018**

## **General**

The purpose of this Management Discussion and Analysis (“**MD&A**”) is to explain management’s point of view regarding the past performance and future outlook of Barksdale Capital Corp. (“**Barksdale**” or the “**Company**”). This report also provides information to improve the reader’s understanding of the financial statements and related notes as well as important trends and risks affecting the Company’s financial performance, and should therefore be read in conjunction with the Company’s audited consolidated financial statements for the years ended March 31, 2018 and 2017 (the “**Financial Statements**”).

All information contained in this MD&A is current as of July 27, 2018 unless otherwise stated.

The Financial Statements and related notes and all financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and all dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). See “Other MD&A Requirements” below.

## **Overview**

Barksdale is currently listed as a “mining issuer” on the Tier 2 of the TSX Venture Exchange (“**TSXV**”) under the symbol BRO.V. In February 2018, the Company listed on the OTCQB in the United States under the symbol BRKCF.

From July 2016 to October 2017, the Company underwent a reactivation plan in order to relist the Company’s shares from the NEX board to Tier 2 of the TSXV (the “**Reactivation Plan**”). The Reactivation Plan included the following:

- On July 25, 2016, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares.
- In August 2016, Ross Wilmot, Kurt Lahey and Ken Taylor resigned as directors of the Company and Richard Silas, Mark McCartney and Jeff O’Neil were appointed as directors of the Company in their place. In addition, Michael Waldkirch was appointed as the Chief Financial Officer of the Company.
- On August 19, 2016, the Company closed a \$350,000 non-brokered private placement through the issuance of 7,000,000 common shares at a price of \$0.05 per common share to reduce payables and for working capital purposes.
- On October 17, 2016, the Company closed a \$800,000 non-brokered private placement through the issuance of 4,000,000 common shares at a price of \$0.20 per common share.
- On December 11, 2016, the Company entered into an arm’s length mining lease agreement for the exploration and, if warranted, mining of 123 contiguous unpatented lode mining claims encompassing approximately 2,204 acres (1,012 hectares) situated in Elko County, Nevada, U.S.A. (the “**Swales Project**”) for a primary period of 10 years in consideration for certain annual cash lease payments and work commitments. See “Geological Summary – Exploration and Evaluation Properties – Swales Project” below for further details regarding the Swales Project.
- On August 10, 2017, the Company entered into arm’s length definitive agreements to acquire, by way of option, up to a 67.5% undivided interest in 286 unpatented mining claims comprising approximately 5,223.71 acres (2,113.96 hectares) situated in Santa Cruz County, Arizona (the “**Sunnyside Property**”) from Regal Resources USA, Inc. (“**Regal US**”), a wholly-owned Nevada subsidiary of Regal Resources Inc., a British Columbia reporting issuer (“**Regal BC**” and, together with Regal US, “**Regal**”), in consideration for a combination of cash payments, share issuances and exploration expenditures. See “Geological Summary – Exploration and Evaluation Properties – Sunnyside Property” below for further details regarding the Sunnyside Property.

- On October 5, 2017, the Company raised a total of \$5,412,000 by way of a non-brokered private placement of 13,530,000 common shares at a price of \$0.40 per common share (the “**Reactivation Financing**”). 307,500 finder’s warrants were paid and issued in connection with the Reactivation Financing, each finder’s warrant entitling the holder to purchase one common share of the Company at a price of \$0.40 for a period of two years from closing.
- On October 6, 2017, the Company granted 2,000,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.42 per share for a period of five years.
- As part of the Reactivation Plan, in October, 2017, Mark McCartney resigned as a director and Peter McRae and Glenn Kumoi were appointed as new directors of the Company.
- Effective October 11, 2017, the Company’s listing was transferred from NEX to Tier 2 of the TSXV thereby completing the Reactivation Plan.

Subsequent to completion of the Reactivation Plan, on November 14, 2017, the Company announced that Richard Trotman would be joining the Company as its new President and Chief Executive Officer commencing December 13, 2017. In conjunction therewith, Richard Silas stepped down as interim President and Chief Executive Officer, but remains as a director and Corporate Secretary of the Company. As part of his compensation package, Mr. Trotman received 600,000 stock options at an exercise price of \$0.88 per share for a period of five years, vested as follows: 1/3 on the date of grant, 1/3 on the first anniversary and 1/3 on the second anniversary.

Effective November 14, 2017, the Company adopted a shareholder rights plan agreement (the “**Rights Plan**”) with Computershare Investor Services Inc., as rights agent. The Rights Plan is similar to rights plans adopted by other Canadian public companies and was not been adopted in response to any pending or threatened takeover bid, nor is the Company aware of any such effort. Rather, the Rights Plan was adopted with a view to ensuring, to the greatest extent possible, that all shareholders of the Company have an equal opportunity to participate in and are treated fairly in the event of a “creeping takeover bid” for the Company. The Rights Plan was subsequently approved by shareholders at the Company’s annual general and special meeting held on December 13, 2017 (the “**2017 AGM**”). A summary of the principal terms of the Rights Plan is described in the Company’s management information circular dated November 14, 2017 sent to shareholders in connection with the 2017 AGM, a copy of which is available for review under the Company’s profile on SEDAR. A complete copy of the Rights Plan is also available for viewing on SEDAR.

At the 2017 AGM, the shareholders also approved, by way of special resolution, an alteration to the Company’s articles to incorporate advance notice provisions for shareholders wishing to nominate persons for election as directors of the Company. The advance notice provisions are consistent with recent guidance from leading independent proxy advisory firms and fix a deadline by which shareholders must submit director nominations to the Company prior to any annual or special meeting of shareholders at which directors are to be elected and set forth the information that a shareholder must include in the notice to the Company in order for such persons to be eligible to stand for election as directors at such meeting. The purpose of the advance notice provisions is to: (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Company.

On April 19, 2018, the Company entered into a definitive option agreement with MinQuest, Ltd. and Allegiant Gold (U.S.) Ltd., a wholly-owned subsidiary of Allegiant Gold Ltd. (TSXV: AUAU) (together “**Allegiant**”) to acquire a 100% undivided interest in the Four Metals property (“**Four Metals**”) located in Santa Cruz County, Arizona. Four Metals consists of a contiguous block of 40 unpatented lode claims (760 acres) strategically located approximately 3km south of the Company’s Sunnyside Property within the Patagonia Mountains of Arizona. In order to exercise the option, the Company must make option payment totaling US\$450,000 to the MinQuest Ltd. and Allegiant on a 50/50 basis, in cash and common shares of Barksdale over a period of five years. The Company also reimbursed MinQuest Ltd. and Allegiant for certain 2017 and 2018 land holding costs on Four Metals totaling US\$6,215. See “Geological Summary – Exploration and Evaluation Properties – Four Metals” below for further details regarding Four Metals.

On April 19, 2018, the Company granted 100,000 stock options to a director of the Company with an exercise price of \$0.79 per share for a period of five years.

On July 25, 2018, the Company granted 150,000 stock options to a consultant of the Company with an exercise price of \$0.71 per share for a period of five years, vested as follows: 1/3 on the date of grant, 1/3 on the first anniversary and 1/3 on the second anniversary.

**Geological Summary**

**Exploration and Evaluation Properties**

For the year ended March 31, 2018, the Company incurred exploration and evaluation expenditures of \$3,604,299 as compared to \$100,073 in the comparative period for 2016 as follows:

	Swales	Sunnyside	Total
	\$	\$	\$
Property acquisition and staking costs	151,948	3,096,095	3,248,043
<i>Exploration expenditures:</i>			
Claim maintenance fees	27,627	58,953	86,580
Consulting	71,019	38,583	109,602
Camp accommodation	5,482	2,205	7,687
Data analysis	4,658	8,169	12,827
Geological	5,765	-	5,765
Geophysics	26,223	-	26,223
Sampling and processing	106,106	773	106,879
Supplies and fuel	693	-	693
<b>For the year ended March 31, 2018</b>	<b>399,521</b>	<b>3,204,778</b>	<b>3,604,299</b>

The total cumulative acquisition and deferred exploration costs of the Company to March 31, 2018 are summarized as follows:

	Swales	Sunnyside	Total
	\$	\$	\$
<b>Balance, March 31, 2016</b>	-	-	-
Acquisition costs	100,073	-	100,073
<b>Balance, March 31, 2017</b>	<b>100,073</b>	<b>-</b>	<b>100,073</b>
Acquisition and staking costs	151,948	3,096,095	3,248,043
<i>Exploration expenditures:</i>			
Claim maintenance fees	27,627	58,953	86,580
Consulting	71,019	38,583	109,602
Camp accommodation	5,482	2,205	7,687
Data analysis	4,658	8,169	12,827
Geological	5,765	-	5,765
Geophysics	26,223	-	26,223
Sampling and processing	106,106	773	106,879
Supplies and fuel	693	-	693
<b>Balance, March 31, 2018</b>	<b>499,594</b>	<b>3,204,778</b>	<b>3,704,372</b>

*Swales Project*

In December 2016, the Company entered into an arm’s length mining lease agreement (the “Swales Lease”) to lease a 100% right in the Swales Project comprised of 123 unpatented lode mining claims encompassing approximately 2,204 acres (1,012 hectares) situated in Elko County, Nevada, U.S.A., for a primary period of 10 years.

Under the terms of the Swales Lease, the Company is required to pay the following yearly minimum payments:

Date	Payment amount (US\$)
Upon execution of the Swales Lease (paid)	75,000
December 11, 2017 (paid)	75,000
December 11, 2018	75,000
December 11, 2019	100,000
December 11, 2020	150,000
December 11, 2021	250,000
December 11, 2022	500,000
December 11, 2023	750,000
December 11, 2024 and each anniversary date thereafter	1,500,000

The Swales Lease is also subject to a 3% non-participating royalty based on the gross value from the production or sale of minerals from the Swales Project, with a buy-down option of 0.5% for US\$2,500,000, at any time before December 11, 2021. The minimum yearly lease payments above shall be credited cumulatively against any royalty obligations.

In addition, the Company is required to meet annual drilling commitments as follows:

Date	Minimum Feet of Drilling
December 11, 2018	7,500’
December 11, 2019	10,000’
December 11, 2020	10,000’
December 11, 2021	10,000’
December 11, 2022	20,000’
December 11, 2023	20,000’
December 11, 2024	20,000’
December 11, 2025	20,000’
December 11, 2026 and each anniversary date thereafter	20,000’

If the Company fails to satisfy the minimum drill commitment in any year or terminates the Swales Lease, the Company will be required to pay US\$50 for each foot (1’) shortfall in drilling in that year.

The Company is also required to pay all applicable governmental filing fees and taxes required to maintain the Swales Project in good standing.

The Company may terminate the Swales Lease at any time in its discretion upon notice to the lessor, provided that if the Company elects to terminate the Swales Lease less than ninety (90) days before the deadline for payment of any annual governmental filing fees and/or taxes, the Company shall be required to pay for such annual fees and/or taxes.

The Swales Project is located in the southern Independence Mountains of Elko County, NV on strike with the Independence belt of gold (Au) deposits and adjacent to and just northeast of the Carlin Trend, a northwest alignment of more than 40 sedimentary rock-hosted gold deposits that have produced more than 80 million ounces of gold to date. The Swales Project is located in close proximity to a number of world class gold producing mines including 12 miles (20 km) east of Newmont Mining Corporation's ("Newmont") Carlin Mine and 10 miles (16 km) northeast of the Newmont's Gold Quarry Mine. The close proximity of the Swales Project to various producing mines and/or gold deposits is not necessarily indicative of the gold and/or other mineralization present on the Swales Project.

The Swales Project is considered an early stage grass roots exploration project centered on the western and southern flanks of Swales Mountain, the southernmost peak of the Independence Mountains. Swales Mountain is the middle member of a series of five known north-south aligned igneous intrusive centers of Eocene-age. The north and south end-members of this series of igneous intrusions are known to be associated with important Carlin-style gold districts. The recent gold discoveries made by Gold Standard Ventures Corp. lie in the Pinon Range twenty miles south of Swales Mountain. Approximately twenty miles to the north in the Independence Mountains, the Jerritt Canyon District (+8 million ounces of gold production) hosts numerous Eocene-age igneous dikes.

Paleozoic sedimentary rocks of both the upper and lower plate of the Roberts Mountain thrust are exposed at the Swales Project. Rocks of the upper plate are mainly western assemblage siliceous and siliciclastic whereas the lower plate rocks are comprised mainly of carbonates. These rocks are intruded by two types of igneous rocks of Eocene age. These igneous intrusions have uplifted and exposed carbonate rocks of Devonian and Mississippian age along the eastern flank of Swales Mountain in a structural window through the Roberts Mountains thrust. Certain of these lower plate carbonate rocks bear similarities of age, lithology, and thickness to important ore host rocks at the Gold Quarry Mine.

A north striking, west dipping fault zone, with Eocene volcanic rocks in its hanging wall and upper plate Paleozoic siliciclastic rocks in its footwall, forms the western edge of Swales Mountain. A prominent gravity gradient is present along this fault zone and indicates that there is down to the west displacement of lower plate carbonate rocks across it at depth. These same rock units are interpreted to lie at depth along the western flank of Swales Mountain, where uplift has been insufficient to create a window through the Roberts Mountains thrust. The youngest rocks within the Swales Project consist of thin veneers of fanglomerate and landslide deposits that have accumulated along the east side of this mountain range and subsequently the east side of Swales Mountain.

Very limited information is available for historic mineral exploration on Swales Mountain, other than a few simple descriptions of the historic mineral occurrences. The mineral occurrences located directly on the Swales Project are Bad Apple, Prospect #4 and Edgar Turquoise Mine.

There is potential for three styles of mineralization within the Swales Project area:

- Carlin-type sedimentary rock-hosted gold (+/-) silver mineralization.
- Manto to Skarn-type silver, copper, lead, zinc, gold mineralization.
- Sedimentary rock-hosted gold, silver and copper mineralization hosted in hornfelsed Paleozoic rocks (similar to geologic patterns observed at the Mike Gold-Copper-Zinc-Silver Deposit), as described by Norby and Orobona (2002).

### **Exploration Work**

Geologic mapping at a scale of 1:5000 has been completed. This work resulted in the documentation of important faults, zones of alteration and anomalous mineralization, and identification of stratigraphic units that may be permissive host rocks. Of particular importance is the recognition of a carbonate section that is potentially Devonian in age. The presence of phosphate nodules and ripple marks also suggest that rocks previously thought to be Ordovician Vinini Formation may be Devonian in age. These rocks may be equivalent to some of the important host rocks at the nearby Gold Quarry mine.

In April 2017, the Company commissioned JL Wright Geophysics to conduct a property and regional ground gravity survey. The survey consisted of 523 gravity stations with the objective of lithologic and structural definition. In summary, the results of the gravity survey agree well with mapped geology. Domed carbonates around the margin of the Swales intrusion produce an elongated gravity high around a central gravity low. The low gravity correlates with a magnetic high and mapped felsic intrusive lithologies. The west side of the gravity high is mapped as siliciclastic rocks, but interpreted to be underlain at shallow depth by carbonates.

In May 2017, North American Exploration Services, Inc. of Layton, Utah completed a soil geochemical sampling program on behalf of Barksdale which consisted of 1,475 soil samples. Results from the soil program are summarized as follows:

- A significant copper in soil anomaly is spatially associated with the historic Edgar Turquoise Mine in the southeast portion of Section 18, which occurs at the contact between Ordovician Vinini Formation sedimentary rocks and a porphyry intrusive into the sedimentary complex.
- Smaller copper in soil anomalies are also associated with the Bad Apple Claims and Prospect #4 occurrences. The most significant result was from sample SW-892, approximately 250 metres north of the Prospect #4 occurrence, which returned 1,030 ppm Cu.
- A number of anomalous gold in soil samples were identified in the northeast corner of Section 18 in the vicinity of the Prospect #4 occurrence. Spatially associated with gold is anomalous Cu-Zn and minor As and Sb in the vicinity of Prospect #4. The geology of Prospect #4 is described as mineralized rock along the contact of monzonite porphyry with chert and limestone (U.S. Geological Survey, 2005).
- Slightly elevated amounts of gold were also detected in soils associated with the Bad Apple Claims occurrence, located in the southeast portion of Section 6. Spatially associated with Au is anomalous Cu, As, Zn and Pb in the vicinity of this occurrence. The Bad Apple Claims occurrence is described as a contact zone between siliceous, silty mudstones of the Vinini Formation and altered Tertiary quartz porphyry.
- Soil sampling along the central western portion of Section 18 along the contact between the Monzonite Porphyry and Vinini Formation sedimentary rocks has identified a striking Ba-Zn in soil anomaly along with slightly anomalous Au and Cu.
- Another significant Barium anomaly is located in section 6 with values of up to 7,110 ppm Ba.

Between May to August, 2017, the Company collected 165 rock samples from outcrops of altered quartz porphyry, dacite tuff and altered Vinini Formation sedimentary rocks mostly comprised of silica replaced limestone breccias and siltstone along with some jasperoid. The samples were collected primarily from a 7 km long, 50 to 300 metre wide structural zone, mainly consisting of faulted, brecciated and hornfelsed siltstone with rare silicified silty carbonate. Results of eighty-five (85) rock samples indicate anomalous gold (to 105 ppb), silver (to 19.4 ppm), arsenic (to 561 ppm), and antimony (to 131 ppm) occur in and around igneous intrusive dikes and surrounding silicified Paleozoic sedimentary rocks. An additional 80 rock samples are being analyzed.

In summary, locally elevated gold and other Carlin pathfinder elements such as As, Sb and Ba in upper plate siliciclastic rocks suggest possible leakage along faults and contacts from a Carlin-type hydrothermal system that could have potentially altered and mineralized lower plate carbonate rocks at depth.

Barksdale is currently using the data collected through its various exploration campaigns to build an inventory of potential drill targets. The Company will then rank these targets and make a determination as to whether any or all of the targets will be drill tested in 2018.

Sunnyside Property

On August 10, 2017, the Company entered into arm’s length definitive agreements (collectively the “**Sunnyside Agreement**”) with Regal US to acquire, by way of option (the “**Option**”), up to 67.5% of the Sunnyside Property located in Santa Cruz County, Arizona.

The Option is exercisable in two stages with the Company entitled to acquire an initial 51% interest in the Sunnyside Property upon making payments totaling \$2,950,000 cash and the issuance of 10,100,000 common shares to Regal and cumulative expenditures of \$6,000,000 on the property during the first two years of the Option (following receipt of all required governmental permits).

Upon acquiring an initial 51% interest in the Sunnyside Property, the Company will be entitled to increase its interest to 67.5% upon payment of an additional \$550,000 cash and the issuance of a further 4,900,000 common shares to Regal and the expenditure of an additional \$6,000,000 on the property within a further two year period.

The following is a summary of the Option earn-in requirements:

Period	CS Cash	Exploration Requirement C\$	Number of Shares
<b>To Earn 51% Interest</b>			
Upon execution of Sunnyside Agreements	100,000 (paid)	-	-
Within 3 days following TSXV acceptance of Option	650,000 (paid)	-	1,250,000 (issued)
On or before end of Year 1 *	1,200,000 (US\$254,700 paid)	3,000,000	3,850,000 (issued)
On or before end of Year 2	1,000,000	3,000,000	5,000,000
<b>To Increase Interest to 67.5%</b>			
On or before end of Year 3	-	3,000,000	-
On or before end of Year 4	550,000	3,000,000	4,900,000
<b>Total:</b>	<b>C\$3,500,000</b>	<b>C\$12,000,000</b>	<b>15,000,000</b>

\* Year 1 shall commence on the date the Company has received all required governmental permits including drilling permits to carry out its initial exploration program on the Sunnyside Property. In November 2017, the Company paid the final option payment of \$254,700 (US\$200,000) to the original optionors on behalf of Regal and the payment was credited towards the required cash payment of \$1,200,000.

Upon the Company earning either a 51% interest or 67.5% interest in the Sunnyside Property, the Company and Regal US will enter into and participate in a joint venture for the purpose of further exploring and developing the property. The Sunnyside Agreement contain provisions for dilution of a party’s working interest for failure to fund joint venture cash calls, subject to automatic conversion of a party’s interest into a 5% net proceeds interest (not to exceed 90% of the net amount of the party’s contributed capital) if diluted to less than 10%. Barksdale will be the operator of the Sunnyside Property during the term of the Option and, if applicable, the joint venture.

The Sunnyside Agreement further provides that:

- (1) during the first two years of the Option, Regal shall vote all of its Barksdale shares in accordance with the recommendations of the Company’s management from time to time, other than matters relating solely to Regal or the Sunnyside Property and subject to Regal’s right to abstain from voting in its discretion;
- (2) Regal shall give the Company not less than five (5) days advance notice of any proposed sale of Barksdale shares for so long as Regal owns 5% or more of the Company’s outstanding shares;
- (3) until such time as the Company has earned a 51% interest in the Sunnyside Property, the Company will not acquire, directly or indirectly, any common shares of Regal BC without the prior consent of Regal BC;

- (4) the Company has a 15 day right of first refusal to acquire all or any part of Regal’s remaining interest in the Sunnyside Property in the event of a proposed sale or transfer of such interest by Regal;
- (5) the Company is subject to an acceleration payment clause in the case of change of control of the Company or a transfer of the interest in the Sunnyside Property to a third party during the Option earn-in period; and
- (6) the Sunnyside Agreement is subject to a net smelter royalty between 1.5% to 3%.

The Company may terminate the Option at any time, in its discretion, subject to satisfying any accrued obligations or liabilities including reclamation requirements, as required.

During the year ended March 31, 2018, Barksdale initiated discussions with the U.S. Forest Service seeking the requisite approvals to bring Sunnyside to a drill-ready status. The Company also interviewed environmental consulting firms that will ultimately be engaged to complete baseline cultural and biological studies as well as the final environmental assessment document.

On May 9, 2018 the Company submitted a draft application for a plan of operations (“**POO**”) exploration permit with the U.S. Forest Service, Tucson, Arizona for their initial comments. Major components for the initial phase of the POO include a surface Induced Potential (IP) geophysical survey and construction of exploration access roads and up to twenty (20) exploration drilling platforms. An environmental assessment (EA) study of the proposed areas of surface disturbance on U.S. Forest Service federal surface lands is currently underway as a pre-condition to the granting of the permit.

Subject to receipt of all necessary governmental approvals and permits, commencing in 2018 the Company intends to undertake an initial, pre-drilling exploration program of approximately \$1,350,000 on the Sunnyside Property including surface geochemical sampling as well as geophysical surveys. Upon formal approval of the POO, an initial exploration drilling program is planned to test for deep, polymetallic: *copper+zinc+lead+silver* mineralization on the Sunnyside Property, evidence for which is supported by previous historical diamond core drill intercepts on the property. Pursuant to the Sunnyside Agreement, the Company has one year following receipt of all necessary governmental approvals and permits including drill permits to complete an initial exploration program of \$3,000,000 (including drilling) on the Sunnyside Property in order to maintain the Option in good standing.

Four Metals

On April 19, 2018, the Company entered into a definitive option agreement (the “**Four Metals Agreement**”) with MinQuest, Ltd. and Allegiant to acquire a 100% undivided interest in Four Metals located in Santa Cruz County, Arizona. Four Metals consists of a contiguous block of 40 unpatented lode claims (760 acres) strategically located approximately 3km south of the Company’s Sunnyside Property within the Patagonia Mountains of Arizona.

In order to exercise the option, the Company must make option payments totaling US\$450,000 to MinQuest Ltd. and Allegiant on a 50/50 basis, in cash and common shares of Barksdale (based on the market price of the Company’s shares at the time of issue) over a period of five years as follows:

<b>Date</b>	<b>Cash US\$</b>	<b>Value of Shares US\$</b>	<b>Total US\$</b>
Upon execution of Four Metals Agreement	25,000 (paid)	-	25,000
First anniversary of Four Metals Agreement – April 19, 2019	25,000	25,000	50,000
Second anniversary of Four Metals Agreement– April 19, 2020	25,000	25,000	50,000
Third anniversary of Four Metals Agreement – April 19, 2021	25,000	25,000	50,000
Fourth anniversary of Four Metals Agreement – April 19, 2022	25,000	25,000	50,000
Fifth anniversary of Four Metals Agreement – April 19, 2023	100,000	125,000	225,000
<b>Total</b>	<b>225,000</b>	<b>225,000</b>	<b>450,000</b>

The Company also reimbursed MinQuest, Ltd. and Allegiant for certain 2017 and 2018 land holding costs on Four Metals totaling US\$6,215.

**Quality Control and Quality Assurance**

The scientific and technical content and interpretations contained in this MD&A have been reviewed and approved by Lewis Teal, M.Sc. Economic Geology, CPG-6932, Project Manager of Barksdale and a “qualified person” as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

**Selected Annual Information**

All financial information in this MD&A has been prepared in accordance with IFRS.

The following financial data is derived from the Company’s annual audited financial statements for the years ended March 31, 2018, 2017, and 2016:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	7,196,108	685,525	891
Total liabilities	198,884	89,051	444,442
Working capital (deficit)	3,292,852	496,401	(433,551)
Exploration and evaluation assets	3,704,372	100,073	-
Revenues	-	-	-
General and administrative expenses	(2,008,448)	(142,865)	(95,419)
<b>Other item</b>			
Gain on derecognition of accounts payable and accrued liabilities	38,068	32,890	16,381
Loss and comprehensive loss	(1,970,380)	(109,975)	(79,038)
Loss per share	(0.09)	(0.01)	(0.02)

All of the Company’s projects are at the exploration stage and, to date, the Company has not generated any revenues.

**Summary of Quarterly Results**

The following provides selected quarterly information for the Company’s eight most recently completed quarters.

	<b>March 31, 2018</b>	<b>December 31, 2017</b>	<b>September 30, 2017</b>	<b>June 30, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total assets	7,196,108	7,466,901	3,041,621	700,462
Total liabilities	198,884	150,381	263,291	127,285
Working capital	3,292,852	3,681,584	2,277,526	332,054
Revenues	-	-	-	-
<b>Other item</b>				
Gain on derecognition of accounts payable and accrued liabilities	1,145	36,923	-	-
Net loss	(384,217)	(1,325,019)	(237,847)	(23,297)
Loss per share (basic and diluted)	(0.01)	(0.04)	(0.02)	(0.00)

	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
	\$	\$	\$	\$
Total assets	685,525	740,354	37,441	3,989
Total liabilities	89,051	79,261	148,631	431,036
Working deficit	496,401	561,020	(111,190)	(427,047)
Revenues	-	-	-	-
<b>Other item</b>				
Gain on derecognition of accounts payable and accrued liabilities	4,644	607	2,277	25,362
Net income (loss)	(64,619)	(25,717)	(36,143)	16,504
Income (loss) per share (basic and diluted)	(0.01)	(0.00)	(0.01)	0.01

Save for commencing the Reactivation Plan (see “Overview” above), the Company was primarily inactive during the quarters ended June 30, 2016 and September 30, 2016, and the Company suffered from significant working capital deficits due to a lack of available equity financing and ongoing administrative expenses. In August 2016, in conjunction with a change in management, the Company raised gross proceeds of \$350,000 through the issuance of 7,000,000 common shares at \$0.05 per share and in October, 2016, the Company raised an additional \$800,000 through the issuance of 4,000,000 common shares at \$0.20 per share as part of the Company’s Reactivation Plan. In October 2017, the Company raised gross proceeds of \$5,412,000 through the issuance of 13,530,000 common shares at \$0.40 per share. See “Overview” above and “Liquidity and Capital Resources” below.

In the quarters ended March 31, 2018, December 31, 2017, March 31, 2017, December 31, 2016, September 30, 2016, and June 30, 2016, the Company recorded gains of \$1,145, \$36,923, \$4,644, \$607, \$2,277, and \$25,362, respectively, from the derecognition of prior years’ accounts payable and accrued liabilities.

## Operations

The following table sets forth selected financial information from the Financial Statements for the years ended March 31, 2018 and 2017:

	For the years ended March 31,	
	2018	2017
	\$	\$
<b>Expenses</b>		
Advertising and marketing	16,791	-
Consulting fees	252,227	42,750
Foreign exchange gain	(22,801)	-
Insurance	6,402	-
Interest expense	-	16,974
Investor relations	6,049	-
Management fees	149,535	18,000
Office and general	18,998	742
Professional fees	337,543	49,840
Property investigation costs	76,605	-
Rent	9,000	-
Stock based compensation	1,072,254	-
Transfer and filing fees	48,408	14,559
Travel and related	37,437	-
	2,008,448	142,865

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

**Net Loss**

At March 31, 2018, the Company had not yet achieved profitable operations and has accumulated losses of \$20,822,989 (2017 – \$18,852,609) since inception. The loss incurred during the year resulted in a net loss per share (basic and diluted) for the year ended March 31, 2018 of \$0.09 (2017 - \$0.01).

**Fourth Quarter**

During the fourth quarter ended March 31, 2018, the Company recorded net loss of \$384,217 or \$0.01 per share compared with net loss of \$64,619 or \$0.01 per share in the fourth quarter of 2017. During the fourth quarters of 2018 and 2017, the Company recorded gains on derecognition of accounts payable and accrued liabilities of \$1,145 and \$4,644, respectively. Excluding these derecognition gains, the net losses for the 2018 and 2017 fourth quarters were \$385,362 and \$69,263, respectively.

The table below details the changes in major expenditures for the year ended March 31, 2018 as compared to the corresponding year ended March 31, 2017.

<b>Expenses</b>	<b>Increase / Decrease in Expenses</b>	<b>Explanation for Change</b>
Consulting fees	Increase of \$209,477	Increase due to the Company's Reactivation Plan and engaging a consultant for financial, strategic and corporate advisory services.
Management fees	Increase of \$131,535	Increased due to hiring of new CEO.
Professional fees	Increase of \$287,703	Increased due to higher legal fees related to acquisition of exploration and evaluation assets and relisting of the Company's common shares from NEX to Tier 2 of the TSXV.
Property investigation costs	Increase of \$76,605	Increase as the Company continues to look for new exploration opportunities.
Share-based compensation	Increase of \$1,072,254	Increased as there were no stock options granted in the comparative period.
Transfer and filing	Increase of \$33,849	Increased due to significant increase in corporate activity
Travel and related	Increase of \$37,437	Increased due to significant increase in corporate activity related to site visits and marketing.

The table below details the changes in major expenditures for the year ended March 31, 2017 as compared to the corresponding year ended March 31, 2016.

<b>Expenses</b>	<b>Increase / Decrease in Expenses</b>	<b>Explanation for Change</b>
Consulting fees	Increase of \$42,750	Increase as there were no consulting fees in the comparative period.
Interest expense	Decrease of \$16,150	Decrease as a loan was paid off in the middle of the year.
Management fees	Increase of \$18,000	Increased due to hiring of new Corporate Secretary and CFO.

**Liquidity and Capital Resources**

The Company’s liquidity and capital resources are as follows:

	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	\$	\$
Cash	3,197,440	583,864
Receivables	20,850	338
Prepaid expenses	273,446	1,250
Total current assets	3,491,736	585,452
Accounts payables and accrued liabilities	198,884	89,051
Working capital	3,292,852	496,401

In August 2016, the Company closed a \$350,000 non-brokered private placement of 7,000,000 common shares at price of \$0.05 per share. In October 2016, the Company closed an \$800,000 non-brokered private placement of 4,000,000 common shares at price of \$0.20 per share. The Company used approximately \$750,000 from these two financings to repay outstanding loans payable, accounts payable and accrued liabilities and for general working capital. In addition, approximately \$400,000 from these financing has been used in the acquisition and initial exploration of the Swales Project and the Option of the Sunnyside Project.

In October 2017, the Company completed the Reactivation Financing of 13,530,000 common shares at price of \$0.40 per share for gross proceeds of \$5,412,000. The net proceeds of the Reactivation Financing have been allocated towards making the initial cash option payment of \$650,000 to Regal US (paid), funding initial exploration programs on the Sunnyside Property and Swales Project, and for general corporate and working capital purposes. The remainder of the proceeds from this financing is included in the Company’s working capital of \$3,292,852 as at March 31, 2018 (March 31, 2017 - \$496,401). See “*Financial Commitments*” below.

**Risks and Uncertainties**

The business and operations of Barksdale are subject to numerous risks, many of which are beyond Barksdale’s control. Barksdale considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which Barksdale is currently unaware or which it considers to be material in relation to Barksdale’s business actually occur, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of Barksdale’s securities could decline and investors may lose all or part of their investment.

- (a) Barksdale has only recently re-commenced operations after having been inactive for a number of years. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel and lack of revenues.
- (b) Barksdale has limited financial resources and no operating revenues. To maintain its interest in the Swales Project, Sunnyside Property and Four Metals, the Company has contractually agreed to make certain payments and expenditures for and on such properties. Barksdale’s ability to continue as a going concern is dependent upon, among other things, Barksdale establishing commercial quantities of mineral reserves on its properties and obtaining the necessary financing and permits to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis, none of which is assured.

- (c) Barksdale has only generated losses to date and will require additional funds to further explore its properties. The only sources of funds for exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, presently available to Barksdale are the sale of equity capital or the offering by Barksdale of an interest in its properties to be earned by another party carrying out further exploration or development. Barksdale's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There is no assurance such additional funding will be available to Barksdale when needed on commercially reasonable terms or at all. Additional equity financing may also result in substantial dilution thereby reducing the marketability of Barksdale's shares. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in its properties.
- (d) Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in Barksdale's case given its formative stage of development and the fact that the Swales Project, Sunnyside Property and Four Metals are still in their exploration stage. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There are no known resources or reserves on the Swales Project, Sunnyside Property or Four Metals and the Company's proposed exploration programs are exploratory searches for commercial quantities of ore. There is no assurance that Barksdale's exploration will result in the discovery of an economically viable mineral deposit.
- (e) Barksdale activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects.
- (f) Neither the Swales Project, the Sunnyside Property nor Four Metals have been surveyed and may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company's exploration activities will require certain licenses and permits from various governmental authorities. There is no assurance that Barksdale will be successful in obtaining the necessary licenses and permits on a timely basis or at all to undertake its exploration activities in the future or, if granted, that the licenses and permits will be on the basis applied or remain in force as granted.
- (g) Barksdale must comply with environmental regulations governing air and water quality and land disturbance and provide for reclamation and closure costs. In addition, Barksdale may become subject to liability for hazards against which it is not insured.
- (h) The mining industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. It is also highly competitive in all its phases and Barksdale will be competing with other mining companies, many with greater financial, technical and human resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals.
- (i) Certain of Barksdale's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which Barksdale may participate, such directors and officers of Barksdale may have a conflict of interest.
- (j) Barksdale has not declared or paid any dividends on its common shares and does not expect to do so in the foreseeable future. Future earnings, if any, will likely be retained to finance growth. Any return on investment in Barksdale's shares will come from the appreciation, if any, in the value thereof. The payment of any future dividends will depend upon the Company's earnings, if any, its then-existing financial requirements and other factors, and will be at the discretion of the Company's board of directors.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

**Disclosure of Data for Outstanding Common Shares, Stock Options, and Warrants**

The following table summarizes the outstanding common shares, stock options, and warrants of the Company:

	<b>As at March 31, 2018</b>	<b>Date of this MD&amp;A</b>
Common shares	32,175,583	32,175,583
Stock options	2,600,000	2,850,000
Warrants	307,500	307,500

As at the date of this MD&A, the Company has 32,175,583 common shares issued and outstanding, of which 3,850,000 shares related to the Option of the Sunnyside Property are subject to cancellation and return to treasury if the Company determines not to proceed with the Option after completing its initial exploration of the Sunnyside Property. See “Geological Summary – Exploration and Evaluation Properties – *Sunnyside Property*”.

Details of the outstanding stock options:

<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Exercise price \$</b>	<b>Expiry date</b>
2,000,000	2,000,000	0.42	October 6, 2022
600,000	200,000	0.88	November 14, 2022
100,000	100,000	0.79	April 19, 2023
150,000	50,000	0.71	July 25, 2023
<b>2,850,000</b>	<b>2,350,000</b>		

Details of the outstanding warrants:

<b>Number of warrants</b>	<b>Exercise price \$</b>	<b>Expiry date</b>
307,500	0.40	October 5, 2019

**Related Party Transactions and Balances**

During the year ended March 31, 2018, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- a. Incurred professional fees of \$57,001 (2017 - \$9,500) and management fees of \$Nil (2017 - \$9,000) to a company controlled by Michael Waldkirch, CFO of the Company. As at March 31, 2018, \$10,000 (2017 - \$5,000) was included in accounts payable and accrued liabilities for professional fees.
- b. Incurred management fees of \$80,000 (2017 - \$9,000) to a company controlled by Richard Silas, Director and Corporate Secretary of the Company. As at March 31, 2018, \$9,316 (2017 - \$Nil) was included in prepaid expenses for management fees paid in advance.
- c. Incurred management fees of \$64,585 (2017 - \$Nil) to Richard Trotman, CEO of the Company. As at March 31, 2018, \$22,682 (2017 - \$Nil) was included in accounts payable and accrued liabilities for management fees and reimbursement for expenses.
- d. Incurred exploration and evaluation asset expenditures of \$14,004 (2017 - \$Nil) and property investigation costs of \$39,777 (2017 - \$Nil) to Lewis Teal CPG, Inc., a company controlled by Lewis Teal, project manager of the Company. As at March 31, 2018, \$29,335 (2017 - \$Nil) was included in accounts payable and accrued liabilities for exploration and evaluation asset expenditures and property investigation costs.
- e. Incurred rent of \$9,000 (2017 - \$Nil) to Gold Standard Ventures Corp., a company related by a director and common officers. As at March 31, 2018, \$1,170 (2017 - \$Nil) was included in accounts payable and accrued liabilities for expenses reimbursement and \$1,575 (2017 - \$Nil) was included in prepaid expenses for rent paid in advance.

- f. Incurred director fees of \$750 (2017 - \$Nil) to Glenn Kumoi, a director of the Company. As at March 31, 2018, \$750 (2017 - \$Nil) was included in accounts payable and accrued liabilities.
- g. Incurred director fees of \$500 (2017 - \$Nil) to Jeffrey O’Neill, a director of the Company. As at March 31, 2018, \$500 (2017 - \$Nil) was included in accounts payable and accrued liabilities.
- h. Incurred director fees of \$500 (2017 - \$Nil) to Peter McRae, a director of the Company. As at March 31, 2018, \$500 (2017 - \$Nil) was included in accounts payable and accrued liabilities.

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Summary of key management personnel compensation (includes officers and directors of the Company):

	For the years ended March 31,	
	2018	2017
	\$	\$
Management fees	146,335	18,000
Exploration and evaluation assets	14,004	-
Professional fees	57,001	9,500
Property investigation costs	39,777	-
Stock based compensation	573,565	-
	830,682	27,500

**Off- Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet arrangements.

**Financial commitments**

In November 2017, the Company entered into a management consulting services agreement with an officer to provide management services to the Company for an indefinite term. The agreement requires payment of \$11,000 per month and a signing bonus of \$25,000. Included in the agreement is a provision for a two year payout in the event of termination without cause or in the event of a change in control.

The Company also has the following commitments with respect to its exploration and evaluation properties:

1. Pursuant to the Swales Lease, the Company’s estimated exploration and evaluation assets lease obligations, work commitments, and tax levies for the Swales Project for the remainder of calendar 2018 are approximately US\$137,551 as at March 31, 2018. See “Geological Summary – Exploration and Evaluation Properties – *Swales Project*” above for further details regarding the lease and other payments and work commitments required by the Company to maintain the Swales Lease in good standing;
2. Pursuant to the Sunnyside Agreement, the Company’s estimated option payments to Regal, maintenance fees and taxes and other payments for the Sunnyside Property for the remainder of calendar 2018 are approximately US\$95,375 as at March 31, 2018. See “Geological Summary – Exploration and Evaluation Properties – *Sunnyside Property*” above for further details regarding, inter alia, the option and other payments required by the Company to maintain the Sunnyside Agreement in good standing; and

The Company intends to fund these financial commitments from existing working capital. See “*Liquidity and Capital Resources*” above.

**Accounting standards and amendments not yet adopted***New accounting standards issued but not yet effective*

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2018 and have not been applied in preparing the Financial Statements:

IFRS 9 – Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018. Management does not anticipate this standard having a material effect on the Company's consolidated financial statements.

IFRS 15 – Clarifications to IFRS 15 “Revenue from Contracts with Customers” issued. The amendments do not change the underlying principles of the standard, just clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. Management does not anticipate this standard having a material effect on the Company's consolidated financial statements.

IFRS 16 – Leases, establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate this standard having a material effect on the Company's consolidated financial statements.

**Critical Accounting Estimates**

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

**Financial Instruments and Other Instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

**a) Currency risk**

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at March 31, 2018, the Company does not have any significant monetary assets or liabilities in US dollars, therefore, the Company has determined that there is very limited currency risk at this time.

b) Credit risk

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and its receivables are due from the Government of Canada. As such, the Company determined that it is not exposed to significant credit risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds cash and highly liquid short-term investments.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Commodity price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold, zinc and other base metals. The Company monitors these metal prices to determine the appropriate course of action to be taken.

**Internal Control over Financial Reporting Procedures**

As a venture issuer, the Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that the Financial Statements and this MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and that the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings. The certifying officers are also responsible for ensuring processes are in place to provide them with sufficient knowledge to support such representations.

However, in contrast to non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the Company's certifying officers are not required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Accordingly, investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of these interim filings as well as other filings and other reports provided by the Company under securities legislation.

**Forward Looking Statements**

Certain sections of this MD&A contain forward-looking statements and forward looking information.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company’s future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company’s exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for gold, zinc and other base metals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward looking-information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company’s current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of the Swales Project, Sunnyside Property, and Four Metals being consistent with the Company’s current expectations; (4) political developments in the United States and the States of Nevada and Arizona including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company’s current expectations; (5) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold, zinc and other base metals; (7) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (8) the results of the Company’s exploration programs on the Swales Project, Sunnyside Property and Four Metals being consistent with the Company’s expectations; (9) labour and materials costs increasing on a basis consistent with the Company’s current expectations; and (10) the availability and timing of additional financing being consistent with the Company’s current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold, zinc or other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of gold and zinc exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold and/or zinc bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and

information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward looking statements and forward-looking information contained herein are based on information available as of July 27, 2018.

**Other MD&A Requirements**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) including, but not limited to:

- the Company's audited consolidated financial statements for the years ended March 31, 2018 and 2017.

This MD&A has been approved by the Board on July 27, 2018.