BARKSDALE CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS SEPTEMBER 30, 2016

Overview

Barksdale Capital Corp. (the "Company") is engaged in the evaluation and acquisition of new business opportunities. The following management discussion and analysis ("MD&A") of the operations, results and financial position of the Company has been prepared as of November 29, 2016, and is for the six months ended September 30, 2016 and should be read in conjunction with the unaudited condensed interim financial statements and notes for the three and six months ended September 30, 2016.

The financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All financial amounts in this MD&A are in Canadian dollars, except as otherwise indicated.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the financial report and 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 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 Company is listed on the NEX board of the TSX Venture Exchange ("TSX-V") under the symbol BRO.H. The Company's principal business is the identification and evaluation of assets or a business, once identified or evaluated, to negotiate an acquisition or participation in a business or an asset.

On February 24, 2016, the Company signed a non-binding memorandum of understanding ("MOU") with GES Electro Aero Corporation with the expectation it would constitute a reverse takeover of the Company. On May 3, 2016, the Company terminated the MOU.

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 share.

In August 2016, the Company appointed Richard Silas, Mark McCartney and Jeff O'Neil as directors of the Company. Ross Wilmot, Kurt Lahey and Ken Taylor resigned as directors of the Company. In addition, Michael Waldkirch was also appointed as the CFO of the Company.

The Company closed two private placements from the beginning of the 2017 fiscal year to the date of this report as follows:

- On August 19, 2016, the Company closed a $350,000 non-brokered private placement through the issuance of 7,000,000 common shares at price of $0.05 per common share.
- On October 17, 2016, the Company closed a $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per common share.

Summary of Quarterly Results

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

	Q2 2017	**Q1 2017**	**Q4 2016**	**Q3 2016**
	$	$	$	$
Total assets	37,441	3,989	891	1,347
Total liabilities	148,631	431,036	444,442	443,461
Working capital deficit	(111,190)	(427,047)	(443,551)	(442,114)
Revenues	-	-	-	-
Major expense items				
Professional fees	500	-	7,500	-
Interest expenses	10,508	6,466	7,971	9,843
Other item				
Gain on derecognition of accounts payable and accrued liabilities	2,277	25,362	16,381	-
Net income (loss)	(36,143)	16,504	(1,437)	(12,304)
Income (loss) per share	(0.01)	0.01	(0.00)	(0.00)

	Q2 2016	**Q1 2016**	**Q4 2015**	**Q3 2015**
	$	$	$	$
Total assets	3,633	12,244	153	311
Total liabilities	433,443	420,377	364,666	388,742
Working capital deficit	(429,810)	(408,133)	(364,513)	(388,431)
Revenues	-	-	-	-
Major expense items				
Professional fees	25,179	18,500	19,250	8,687
Interest expenses	5,086	10,224	6,845	6,058
Other item				
Gain on derecognition of accounts payable and accrued liabilities	-	-	56,937	-
Net income (loss)	(30,788)	(34,509)	23,918	(16,846)
Income (loss) per share	(0.01)	(0.01)	0.01	(0.01)

The Company has had working capital deficits in the past eight quarters as the Company continued to incur expenses related to its business but received no revenue. In the quarters ended September 30, 2016, June 30, 2016, March 31, 2016, and March 31, 2015, the Company recorded gains of $2,277, $25,362, $16,381 and $56,937, respectively, from the derecognition of prior years accounts payable and accrued liabilities. During Q1 of 2016, the Company incurred higher professional fees related to the legal action brought against the Company, which was settled in the same period. The Company expects to incur operating losses for the foreseeable future.

Operations

For the three months ended September 30, 2016 and 2015

Expenses

Total expenses were $38,420 for the three months ended September 30, 2016, compared to $30,788 for the comparative 2015 period. The Company recorded higher interest expense of $10,508 related to interest accrued for the working capital loans outstanding during the current period as compared to $5,086 in the comparative 2015 period. Management fees of $18,000 were incurred during the three months ended September 30, 2016. Professional fees of $25,179 were incurred during the three months ended September 30, 2015 for the Company's continuous disclosure matters and the legal action that was settled as compared to minimal professional fees in the current quarter.

Net Loss

The Company recorded net loss of $36,143 or $0.01 per share for the three months ended September 30, 2016 compared with a net loss of $30,788 or $0.01 per share for the comparative 2015 period.

For the six months ended September 30, 2016 and 2015

Expenses

Total expenses were $47,278 for the six months ended September 30, 2016, compared to $65,297 for the comparative 2015 period. The Company recorded interest expense of $16,974 related to interest accrued for the loans outstanding during the six months ended September 30, 2016 as compared to $15,310 in the comparative 2015 period. Management fees of $18,000 were incurred during the six months ended September 30, 2016. Professional fees of $43,679 were incurred during the six months ended September 30, 2015 for the Company's continuous disclosure matters and the legal action that was settled as compared to minimal professional fees in the current period.

Net Loss

The Company recorded net loss of $19,639 or $0.00 per share for the six months ended September 30, 2016 compared with a net loss of $65,297 or $0.03 per share for the comparative 2015 period. The lower net loss during the current period mainly due to the gain on derecognition of accounts payable and accrued liabilities.

Liquidity and Capital Resources

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

	September 30, 2016	March 31, 2016
	$	$
Cash	36,715	633
GST receivable	726	258
Total current assets	37,441	891
Accounts payables and accrued liabilities	84,089	219,636
Loans payable and accrued interest	64,542	224,806
Working capital deficit	(111,190)	(443,551)

In August 2016, the Company closed a $350,000 non-brokered private placement through the issuance of 7,000,000 common shares at price of $0.05 per share. The Company used the proceeds to repay the loans payable and accounts payable and accrued liabilities.

As at September 30, 2016, the Company had a working capital deficit of $111,190 (March 31, 2016 - $443,551).

During the six months ended September 30, 2016, the Company's operating activities used $138,818 of cash as compared to $49,901 during the comparative six months ended September 30, 2015 due to repayment of accounts payable during the current period. In addition, the Company's received total proceeds of $350,000 from a share issuance, which was partially offset by repayment of loans payable and accrued interest of $177,100 during the current period. In the comparative period, the Company entered into an additional working capital loan facility to fund the Company's minimum working capital which resulted in net proceeds of $52,000.

In October 2016, the Company closed a $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per share.

The Company believes it has adequate working capital to fund the operations over the next twelve months. There can be no assurance that any additional financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs or it achieves positive cashflow.

Outstanding Share Data

The share capital of the Company as at the date of this MD&A consists of 13,545,583 common shares currently issued and outstanding. There are no stock options or warrants outstanding.

Related Party Transactions and Balances

During the six months ended September 30, 2016, the Company entered into the following transactions with related parties:

a. Incurred management fees of $9,000 (September 30, 2015 - $nil) to a company controlled by Richard Silas, President, CEO and Corporate Secretary of the Company. As at September 30, 2016, $9,000 (March 31, 2016 - $nil), was included in accounts payable and accrued liabilities for accrued management fees.

b. Incurred management fees of $9,000 (September 30, 2015 - $nil) to a company controlled by Michael Waldkirch, CFO of the Company. As at September 30, 2016, $9,000 (March 31, 2016 - $nil), was included in accounts payable and accrued liabilities for accrued management fees.

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

	For the six months ended September 30,	
	2016	2015
	$	$
Management fees	18,000	-

Off- Balance Sheet Arrangements

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

Critical Accounting Estimates

The preparation of 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 are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises: currency risk, interest rate risk and other price risks. It is management's opinion that the Company is not exposed to significant credit or market risks.

Liquidity Risk

The Company has an informal planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements. The Company coordinates this process with its financing activities through its capital management process. The Company's financial liabilities are comprised of its accounts payable and loans payable and accrued interest, all of which are due within the next twelve month period. There are no finance or operating lease commitments.

As identified in the financial statements, the Company's ability to continue as a going concern and to realize the carrying value of its assets and to discharge its liabilities is dependent on the Company's ability to obtain necessary financing to fund its operations. As at September 30, 2016, the Company has a working capital deficiency of $111,190. Loans and interest payable became due on March 31, 2016. The Company requires additional sources of financing to complete its future business plans. There can be no assurance that the Company will complete a financing or do a financing on favourable terms.

Significant commitments in the six months subsequent to September 30, 2016 are as follows:

	< 1 three months	1 – 3 three months	Total
Accounts payable and accrued liabilities	$ 84,089	$ -	$ 84,089
Loan payable and accrued interest	$ 64,542	$ -	$ 64,542

Foreign Exchange Risk

The Company does not have significant foreign currency denominated financial instruments and is not exposed to significant foreign exchange risk.

Interest Rate Risk

The Company does have exposure to interest rate risk as it has interest bearing loans at a fixed rate. A 1% change in the interest rate would not have a significant effect on the Company's income or comprehensive income.

Fair Value

The Company's financial instruments include cash, GST receivable, account payables and accrued liabilities and loan payable and accrued interest. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value due to their short terms of maturity.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total September 30, 2016
Cash	$ 36,715	$ -	$ -	$ 36,715

Forward-looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts that address future operations, acquisitions, financings, activities and events or developments that the Company expects are forward-looking statements. Specifically, this MD&A contains in its discussion on "Liquidity and Capital Resources" forward-looking statements about the Company's success in obtaining adequate financing to fund necessary working capital to achieve its business objectives and the Company' strategy to attract new business opportunities.

These forward-looking statements and information are based on current expectations but are subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements and information. Inherent in forward-looking statements and information are risks and uncertainties beyond the Company's ability to predict or control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements and information contained in this MD&A. Such statements and information are based on a number of assumptions and factors which may prove to be incorrect, including, but not limited to, assumptions about the availability of financing for the Company on reasonable terms or at all, market competition on new business opportunities and changes in general economic conditions or conditions in the financial markets.

The Company undertakes no obligation to publicly revise forward-looking information to reflect subsequent events or circumstances except as required by securities laws. The forward-looking information contained herein is made as of the date hereof and is expressly qualified in its entirety by cautionary statements in this MD&A.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- The Company's condensed interim financial statements for the three and six months ended September 30, 2016; and
- the Company's audited financial statements for the years ended March 31, 2016 and 2015.

This MD&A has been approved by the Board on November 29, 2016.