



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2020

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 Resources Corp. (formerly 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, 2020 and 2019 (the “**Financial Statements**”).

All information contained in this MD&A is current as of July 23, 2020 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. 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. The Company’s principal business activities include the acquisition and exploration of precious and base metal mineral properties in Arizona, USA.

Mineral Projects

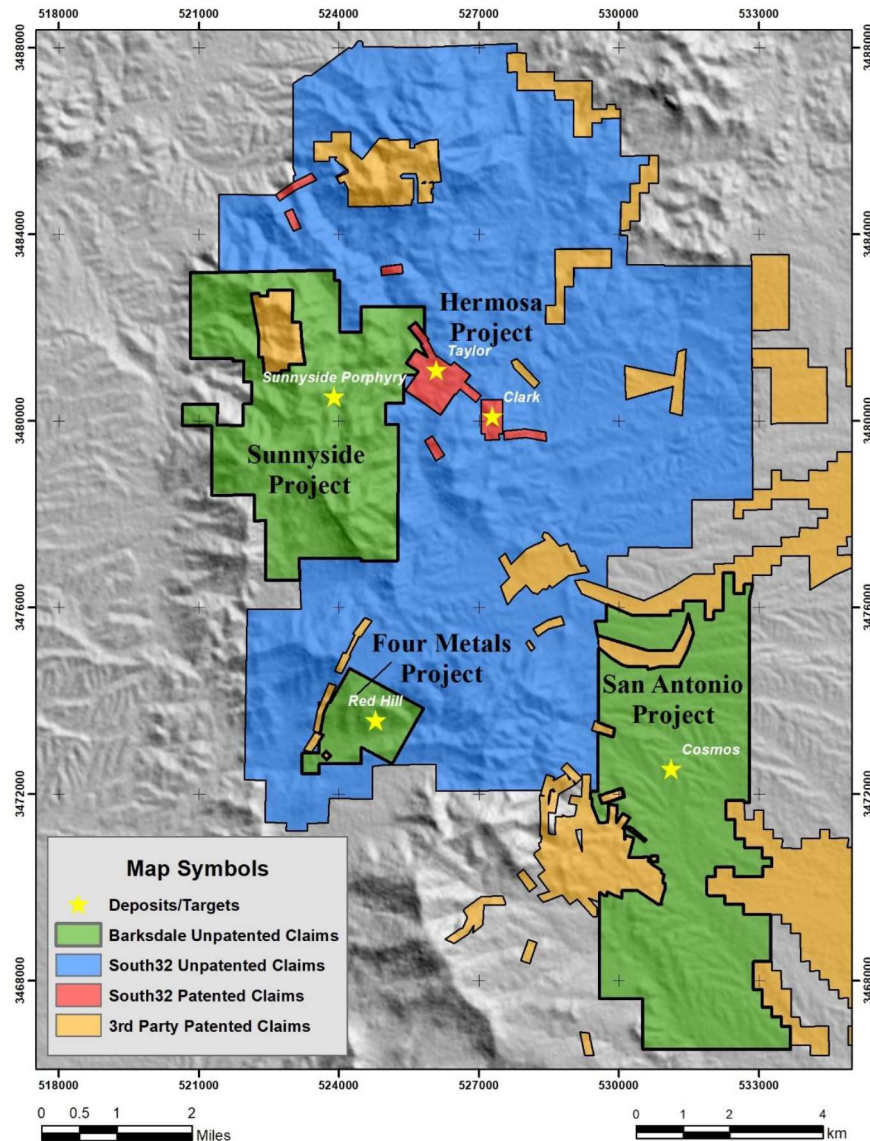
Currently, Barksdale holds interests in the Sunnyside and Four Metals mineral projects located in Santa Cruz County, Arizona and recently acquired a third mineral project, the San Antonio project, located approximately five kilometers southeast of the Company’s Sunnyside project and immediately adjacent to the southeastern border of South 32 Limited’s (LSE, ASX, JSE) Hermosa project.

Barksdale’s flagship Sunnyside project is comprised of 286 unpatented mining claims totaling approximately 5,223.71 acres (2,113.96 hectares) located in the Patagonia Mountains of southern Arizona (the “**Sunnyside Property**”) approximately 90 minutes’ drive south of Tucson (population ~ 530,000). The Sunnyside Property is cored by a large intrusive complex that is thought to have driven a large hydrothermal system that created a classically zoned copper porphyry and associated distal deposits. The primary near-term exploration target is a skarn located on the northeast margin of the intrusive complex that is likely to host copper-zinc-lead-silver mineralization interpreted to be the extension of the world-class Taylor deposit (South32 Limited). Planned systematic exploration on the Sunnyside Property will proceed once exploration permits are in place. Barksdale holds the right to acquire, by way of option, up to a 67.5% undivided interest in the Sunnyside Property 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.

The Four Metals project is comprised of a contiguous block of 40 unpatented lode claims (760 acres) (the “**Four Metals Property**”) located approximately three kilometers south of the Sunnyside Property within the Patagonia Mountains of Arizona with a significant exploration history focused on an outcropping breccia pipe (3 adits driven in the 1920’s and 70+ historic drill holes), with the potential to identify additional breccia pipes or buried porphyries on the property. Barksdale holds the right to acquire, by way of option, a 100% undivided interest in the Four Metals Property in consideration for a combination of cash and share payments totaling US\$450,000 (of which US\$75,000 has been paid to date). See “Geological Summary – Exploration and Evaluation Properties – Four Metals Property” below for further details regarding the Four Metals Property.

In July 2019, the Company entered into a purchase and sale agreement with Teck American Incorporated, a subsidiary of Teck Resources Limited (TSX, NYSE) (collectively “**Teck**”), to acquire a 100% undivided interest in 315 unpatented lode claims totaling approximately 6,300 acres (2,550 hectares) located approximately 5 kilometers southeast of the Company’s Sunnyside Property and immediately adjacent to the southeastern border of South32’s Hermosa project (the “**San Antonio Property**”) thereby more than doubling the Company’s land position in the Patagonia Mountains district. The purchase price for the San Antonio Property consisted of 898,809 common shares of the Company. Additionally, Teck will retain a one and a half percent (1.5%) net smelter return royalty on future production and a right of first refusal over any future sale or other disposition of the San Antonio Property by the Company. To date, significant historical work has been completed on the San Antonio Property including geologic mapping, geochemical sampling, and extensive geophysical surveys by Teck which outline a shallow IP anomaly, designated the Cosmos target that Barksdale interprets as a potential shallow buried copper porphyry. See “Geological Summary – Exploration and Evaluation Properties – San Antonio Property” below for further details regarding the San Antonio Property.

The following map outlines the locations of the Company’s Sunnyside, Four Metals and San Antonio Properties within the Patagonia Mountains district of Arizona:



The close proximity of the Sunnyside, Four Metals and San Antonio Properties to South 32’s Hermosa Project is not necessarily indicative of the mineralization in the Sunnyside, Four Metals, or San Antonio Properties.

Corporate Activities

In April 2019, the Company issued 66,032 common shares with a total value of \$33,663 (US\$25,000) and paid \$33,443 (US\$25,000) cash to the optionors in connection with the Four Metals Property. See “Geological Summary – Exploration and Evaluation Properties – Four Metals Property” below for further details regarding the terms of the Company’s option to acquire a 100% undivided interest in the Four Metals Property.

In April 2019, the Company cancelled a total of 200,000 stock options held by former consultants.

In April 2019, the Company appointed Darren Blasutti as a director and Chairman of the Company and Rick Trotman, President and CEO of the Company, as an executive director. Richard Silas stepped down from the Board, but remains Corporate Secretary of the Company. In addition, the Company appointed Terri Anne Welyki as Vice President of Communications for the Company.

In April 2019, the Company granted 385,000 stock options to a director and an officer of the Company at an exercise price of \$0.52 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.

In April 2019, the Company issued 50,000 common shares in connection with the exercise of 50,000 stock options with an exercise price of \$0.42 for total proceeds of \$21,000.

In June 2019, the Company closed of the first tranche of a non-brokered private placement financing (the “**Teck Financing**”) with Teck consisting of 3,409,795 common shares at a price of \$0.46 per share for gross proceeds of \$1,568,506. It was also a term of the Teck Financing that provided Teck owns greater than 5% of the issued and outstanding shares of the Company, Teck will have the following rights:

- (a) the right to participate in future equity or equity linked offerings by the Company to maintain its pro rata interest in the Company from time to time, subject to certain exceptions; and
- (b) a right of first refusal with respect to any proposed third party sale, option, lease or other disposition, directly or indirectly, of all or any portion of the Company’s Four Metals Property.

Pursuant to the Osisko Participation Right, Osisko elected to participate in the Teck Financing by purchasing a total of 606,928 common shares of the Company at a price of \$0.46 per share for an aggregate purchase price of \$279,187 in order to maintain its equity percentage interest in the Company at approximately 15.1%. Osisko’s participation in the Teck Financing constituted a “related party transaction” for the purposes of TSXV Policy 5.9 which adopts Ontario Multilateral Instrument 61-101 *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”) and the Company relied upon exemptions from the “formal valuation” and “minority shareholder approval” requirements of MI 61-101 on the basis that the fair market value of Osisko’s participation in the Teck Financing was less than 25% of the Company’s current market capitalization. In July 2019, the Company closed the final tranche of a non-brokered private placement financing of 606,928 common shares at a price of \$0.46 per share for gross proceeds of \$279,187.

In total, the Teck Financing consisted of an aggregate of 4,016,723 common shares at a price of \$0.46 per share for gross proceeds of \$1,847,693. The proceeds of the Teck Financing will be used to advance the Company’s mineral properties including the Sunnyside Property and for general corporate and working capital purposes.

Following completion of Osisko’s participation in the Teck Financing, Osisko owned 6,440,261 common shares or approximately 15.1% and Teck owned 3,409,795 common shares or approximately 8.0% of the then issued and outstanding shares of the Company.

In July 2019, the Company entered into a purchase and sale agreement with Teck to acquire a 100% undivided interest in the San Antonio Property located in Santa Cruz County, Arizona approximately 5 kilometers southeast of the Sunnyside Property in consideration for 898,809 common shares of the Company (issued at a value of \$602,202). See “Geological Summary – Exploration and Evaluation Properties – San Antonio Property” below for further details. Upon closing of the San Antonio Property, Teck’s equity interest in the Company increased to 4,308,604 common shares or 9.9% of the then issued and outstanding shares of the Company and Osisko’s equity percentage interest decreased to approximately 14.8%.

In September 2019, the Company granted 200,000 stock options to a director of the Company at an exercise price of \$0.53 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.

In October 2019, the Company issued 247,500 common shares in connection with the exercise of 247,500 warrants with an exercise price of \$0.40 for total proceeds of \$99,000.

In January 2020, the Company granted 30,000 stock options to a consultant of the Company at an exercise price of \$0.365 per share for a period of three years, vested as follows: 1/3 on the date of grant, 1/3 on six months from the date of grant, and 1/3 on the twelve months from the date of grant.

In January 2020, the Company cancelled a total of 330,000 stock options held by former consultants.

In February 2020, the Company granted 621,528 stock options to various directors, officers, and consultants of the Company at an exercise price of \$0.365 per share for a period of three years, vested as follows: 1/3 on the date of grant, 1/3 on six months from the date of grant, and 1/3 on the twelve months from the date of grant.

In March 2020, the Company changed its name from Barksdale Capital Corp. to Barksdale Resources Corp.

In June 2020, the Company entered into an option agreement to acquire a 100% interest in a patented mining claim. The property is located within close proximity to the Company's projects located in Santa Cruz County, Arizona.

Geological Summary

Exploration and Evaluation Properties

For the year ended March 31, 2020, the Company incurred exploration and evaluation expenditures of \$1,907,093 as compared to \$2,246,198 in the comparative year for 2019 as follows:

The total cumulative acquisition and deferred exploration costs of the Company to March 31, 2020 are summarized as follows:

	Swales	Sunnyside	Four Metals	San Antonio	Total
	\$	\$	\$	\$	\$
Balance, March 31, 2018	499,594	3,204,778	-	-	3,704,372
Acquisition and staking costs	-	-	32,278	-	32,278
<i>Exploration expenditures:</i>					
Accommodation and related	-	214,133	-	-	214,133
Claim maintenance fees	26,557	59,408	16,141	-	102,106
Consulting	-	384,914	-	-	384,914
Data analysis	-	8,963	-	-	8,963
Drilling escape payment	537,844	-	-	-	537,844
Geological	-	281,072	-	-	281,072
Geophysics	-	213,267	-	-	213,267
Permitting	-	144,961	-	-	144,961
Sampling and processing	130	291,989	-	-	292,119
Storage	-	6,419	-	-	6,419
Supplies and fuel	-	23,166	-	-	23,166
Truck rental	-	4,956	-	-	4,956
Subtotal	564,531	1,633,248	48,419	-	2,246,198
Write-off of exploration and evaluation assets	(1,064,125)	-	-	-	(1,064,125)
Balance, March 31, 2019	-	4,838,026	48,419	-	4,886,445
Acquisition and staking costs	-	-	67,107	602,202	669,309
<i>Exploration expenditures:</i>					
Accommodation and related	-	72,452	-	-	72,452
Claim maintenance fees	-	69,603	8,735	75,022	153,360
Consulting	-	179,045	-	-	179,045
Data analysis	-	52,827	-	-	52,827
Geological	-	118,827	-	-	118,827
Geophysics	-	24,427	-	3,026	27,453
Permitting	-	569,165	-	8,946	578,111
Sampling and processing	-	11,945	-	-	11,945
Storage	-	4,420	1,481	-	5,901
Supplies and fuel	-	29,650	-	-	29,650
Truck rental	-	8,213	-	-	8,213
Subtotal	-	1,140,574	77,323	689,196	1,907,093
Balance, March 31, 2020	-	5,978,600	125,742	689,196	6,793,538

Sunnyside Property

On August 10, 2017, the Company entered into arm's length definitive agreements (collectively the "**Sunnyside Agreement**") with Regal Resources USA, Inc., a subsidiary of Regal Resources Inc., a British Columbia reporting issuer (collectively "**Regal**"), to acquire, by way of option (the "**Sunnyside Option**"), up to 67.5% of the Sunnyside Property located in Santa Cruz County, Arizona.

The Sunnyside 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 Sunnyside 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 additional \$550,000 cash and the issuance of 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 Sunnyside Option earn-in requirements:

Period	\$ Cash	Exploration Requirement \$	Number of Shares
To Earn 51% Interest			
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 (\$254,700 paid)	3,000,000 (incurred)	3,850,000 (issued)
On or before end of Year 2	1,000,000	3,000,000	5,000,000
To Increase Interest to 67.5%			
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
Total:	\$3,500,000	\$12,000,000	15,000,000

- * 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 will enter into and participate in a joint venture for the purpose of further exploring and developing the property. The Sunnyside Agreement contains 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 Sunnyside Option and, if applicable, the joint venture.

The Sunnyside Agreement further provides that:

- (1) during the first two years of the Sunnyside 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 without the prior consent of Regal;
- (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 Sunnyside Option at any time, in its discretion, subject to satisfying any accrued obligations or liabilities including reclamation requirements, as required.

On May 9, 2018 the Company submitted a draft application document for a Plan of Operations (the “**Sunnyside POO**”) exploration permit with the United States Forest Service, Tucson, Arizona (“**USFS**”) for their initial comments. Major components of the exploration program application include: a surface Induced Potential (IP) geophysical survey, construction of exploration access roads and construction up to thirty (30) exploration drilling platforms in this phase of the permit. As required for approval of this permit application, an Environmental Assessment (EA) study of the proposed areas of surface disturbance on U.S. Forest Service (“**USFS**”) federal surface lands needs to be completed. The formal approval of the Sunnyside POO application document was received by the U.S. Forest Service in the quarter ending June 30, 2019. During the quarter ending September 30, 2019 the Company actively began public engagement meetings with local communities and authorities to seek required comments, prior to final approval of the POO. Upon formal approval of the Sunnyside POO, an initial exploration drilling program is planned to test for 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.

To date, the Company’s exploration of the Sunnyside Property has been limited to surface exploration pending approval from the USFS to commence drilling on the property. Surface exploration in 2019 consisted of detailed 1:6000 surface geologic mapping, structural analysis, three-dimensional computer modeling and data compilation. A multiple element geostatistical analysis of the 2018 surface geochemical sampling (1,904 samples) collected over the northern half of the Sunnyside Property was also completed.

During the quarter ended December 31, 2019, the Company completed and updated the integrated 3D geological model of the northern half of the Sunnyside property incorporating 1:6000 scale geologic mapping completed in June 2019 with the previously collected data sets acquired from surface geochemistry sampling and geophysical surveys. The updated integrated model has resulted in the identification of additional exploration drill target areas to the south and west of the earlier drill targets identified in 2018 and early 2019. During the year ended March 31, 2020, the Company incurred exploration expenditures of \$1,140,574 on the Sunnyside Property compared to \$1,633,248 in the comparative year for 2019.

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 drilling program of approximately \$3,000,000 on the Sunnyside Property in order to maintain the Sunnyside Option in good standing. All of the Company’s project related expenditures incurred to date will count towards the Year 1 work commitment.

The Company has been notified by the USFS that the current anticipated timeline for completion of the permitting process is February 2021. Following a USFS approval, as well as a subsequent objection period, the Company would be granted the necessary permissions to initiate its drilling programs at Sunnyside.

Four Metals Property

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) (together “**Allegiant**”) to acquire a 100% undivided interest in the Four Metals Property located in Santa Cruz County, Arizona. The Four Metals Property consists of a contiguous block of 40 unpatented lode claims (760 acres) strategically located approximately 3 kilometers 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 MinQuest Ltd. and Allegiant on a 50/50 basis, in cash and common shares of Barksdale (based on the volume weighted average of the Company’s shares for the twenty trading days immediately preceding the date of issue subject to a minimum issue price of \$0.68) over a period of five years as follows:

Date	Cash US\$	Value of Shares US\$	Total US\$
Upon execution of option agreement	(paid) 25,000	-	25,000
First anniversary of option agreement – April 19, 2019	(paid) 25,000	(issued) 25,000	50,000
Second anniversary of option agreement – April 19, 2020	(paid) 25,000	(issued) 25,000	50,000
Third anniversary of option agreement – April 19, 2021	25,000	25,000	50,000
Fourth anniversary of option agreement – April 19, 2022	25,000	25,000	50,000
Fifth anniversary of option agreement – April 19, 2023	100,000	125,000	225,000
Total	225,000	225,000	450,000

In addition, the Company has reimbursed the optionors for certain 2017 and 2018 land holding costs related to the Four Metals Property totaling US\$6,215.

Pursuant to the Teck Financing which closed on June 10, 2019, as long as Teck owns greater than 5% of the total issued and outstanding shares of the Company, Teck has a right of first refusal to the sale of all or any portion of the Four Metals Property to an arm's length third party.

San Antonio Property

On July 15, 2019, the Company entered into a purchase and sale agreement with Teck to acquire a 100% undivided interest in the San Antonio Property located in Santa Cruz County, Arizona in consideration for 898,809 common shares of the Company (issued at a value of \$602,202). Additionally, Teck will retain a one and a half percent (1.5%) net smelter return royalty on future production and a right of first refusal over any future sale or other disposition of the San Antonio Property by the Company.

To date, significant historical work has been completed on the San Antonio Property including geologic mapping, geochemical sampling, and extensive geophysical surveys by Teck which outline a shallow IP anomaly, designated the Cosmos target that Barksdale interprets as a potential shallow buried copper porphyry.

The Barksdale technical and permitting teams are currently designing a first pass drilling campaign that will seek to make a discovery at Cosmos. Barksdale intends to provide guidance early in 2020 with respect to anticipated drilling timeframes, once the appropriate documentation has been submitted to the relevant permitting agencies for review.

Guajolote Lode Mining Claim

In June 2020, the Company entered into an option agreement to acquire a 100% interest in a patented mining claim. The property is located within close proximity to the Company's projects located in Santa Cruz County, Arizona. In order to exercise the option, the Company will make option payments to the optionors as follows:

Date	Cash US\$	Value of Shares US\$	Total US\$
Upon execution option agreement	-	(issued) 25,000	25,000
First anniversary of option agreement – June 15, 2021	50,000	50,000	100,000
Total	50,000	75,000	125,000

The share consideration of the option payments is subject to certain acceleration clauses.

Swales Project

In December 2016, the Company entered into an arm's length agreement (the "**Swales Lease**") to lease a 100% interest in the Swales project comprised of 123 unpatented lode mining claims encompassing approximately 2,204 acres situated in Elko County, Nevada, USA (the "**Swales Project**"), for a primary period of 10 years.

In October 2018, the Company determined not to pursue any further exploration of the Swales Project and terminated the Swales Lease. The property was returned to the original vendor and the Company paid a drilling escape payment of \$244,574 (US\$187,500) cash and 480,770 common shares valued at \$293,270 as part of such termination. As a result, during the year ended March 31, 2019, the Company wrote-off its entire interest in the Swales Project totaling \$1,064,125.

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, Senior Consultant of Barksdale and a "qualified person" as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

Selected Annual Information

The following financial information is derived from the Company's annual audited financial statements for the years ended March 31, 2020, 2019, and 2018, has been prepared in accordance with IFRS and is presented in Canadian dollars, unless otherwise indicated:

	2020	2019	2018
	\$	\$	\$
Total assets	9,736,351	8,547,466	7,196,108
Total liabilities	343,319	270,054	198,884
Working capital	2,568,704	3,390,967	3,292,852
Exploration and evaluation assets	6,793,538	4,886,445	3,704,372
Revenues	-	-	-
General and administrative expenses	(2,061,890)	(1,742,677)	(2,008,448)
Other item			
Gain on derecognition of accounts payable and accrued liabilities	-	-	38,068
Interest Income	57,159	34,357	-
Write-off of exploration and evaluation assets	-	(1,064,125)	-
Loss and comprehensive loss	(2,004,731)	(2,772,445)	(1,970,380)
Loss per share (basic and diluted)	(0.05)	(0.08)	(0.09)

The Company's mineral projects are in the exploration stage and, to date, the Company has not generated any revenues other than interest income.

Operations

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.

The Company's operating and administrative expenses for the year ended March 31, 2020 totalled \$2,061,890 (2019 - \$1,742,677), including share-based compensation incurred during the year, valued at \$559,681 (2019 - \$508,881) calculated using the Black Scholes option pricing model.

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the years ended March 31, 2020 and 2019:

Expenses	For the years ended March 31,	
	2020	2019
	\$	\$
Advertising and marketing	183,719	85,852
Consulting fees	123,934	208,974
Depreciation	24,939	-
Foreign exchange loss (gain)	(10,915)	15,333
Insurance	22,622	17,110
Interest expense on lease liabilities	4,473	-
Investor relations	79,136	87,976
Management fees	522,086	332,966
Office and general	88,528	43,926
Professional fees	243,498	244,701
Property investigation costs	47,841	93,530
Rent	39,900	18,000
Share-based compensation	559,681	508,881
Transfer and filing fees	47,862	38,033
Travel and related	84,586	47,395
	2,061,890	1,742,677

The table below details the changes in major expenditures for the year ended March 31, 2020 as compared to the corresponding year ended March 31, 2019:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and marketing	Increase of \$97,867	Increased due to new marketing and social media campaigns engaged to increase investor awareness.
Consulting fees	Decrease of \$85,040	Decreased due to the Company ceasing to engage a consultant for financial, strategic and corporate advisory services.
Management fees	Increase of \$189,120	Increased due to hiring of new VP of Communication and higher management compensation.
Property investigation costs	Decrease of \$45,689	Decreased due to additional costs incurred related to potential properties in the prior period.
Share-based compensation	Increase of \$50,800	Increased as new stock options granted and vested with higher value.
Travel and related	Increase of \$37,191	Increased due to increase corporate activity related to site visits and marketing.

The table below details the changes in major expenditures for the year ended March 31, 2019 as compared to the corresponding year ended March 31, 2018:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and marketing	Increase of \$69,061	Increased due to new marketing and social media campaigns engaged to increase investor awareness.
Consulting fees	Decrease of \$43,253	Decreased due to the Company ceasing to engage a consultant for financial, strategic and corporate advisory services.
Investors' relations	Increase of \$81,927	Increased due to new investor road shows and awareness campaigns.
Management fees	Increase of \$183,431	Increased due to full year of CEO's salary and higher management compensation.
Professional fees	Decrease of \$92,842	Decreased as the Company underwent the Reactivation Plan in the prior period to relist its shares on Tier 2 of the TSXV.
Share-based compensation	Decrease of \$563,373	Decreased as the stock options granted in the prior period vested with higher value.

As at March 31, 2020, the Company had not yet achieved profitable operations and has accumulated losses of \$23,801,255 (2019 - \$22,059,656) since inception. These losses resulted in a net loss per share (basic and diluted) for the year ended March 31, 2020 of \$0.05 (2019 - \$0.08).

Summary of Quarterly Results

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

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	\$	\$	\$	\$
Total assets	9,736,351	10,042,586	10,462,564	9,830,050
Total liabilities	343,319	250,236	415,344	347,304
Working capital	2,568,704	3,169,859	3,573,219	4,174,424
Revenues	-	-	-	-
Net loss	(539,366)	(460,189)	(439,936)	(565,240)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
	\$	\$	\$	\$
Total assets	8,547,466	5,655,368	6,023,353	6,832,407
Total liabilities	270,054	335,975	164,792	148,296
Working capital	3,390,967	728,201	2,070,952	2,768,042
Revenues	-	-	-	-
Net loss	(487,664)	(889,715)	(937,569)	(457,497)
Loss per share (basic and diluted)	(0.01)	(0.03)	(0.03)	(0.01)

Variances quarter over quarter can be explained as follows:

In January 2019, the Company raised gross proceeds of \$3,500,000 through the issuance of 5,833,333 common shares at \$0.60 per share. In June 2019, the Company raised gross proceeds of \$1,568,506 through the issuance of 3,409,795 common shares at \$0.46 per share. In July 2019, the Company raised gross proceeds of \$279,187 through the issuance of 606,928 common shares at \$0.46 per share. See "Liquidity and Capital Resources" below.

In the quarters ended March 31, 2020, September 30, 2019, June 30, 2019, March 31, 2019, September 30, 2018, and June 30, 2018, stock options were granted to various directors, officers, and consultants. These grants resulted in share-based compensation expenses of \$140,048, \$142,122, \$171,192, \$195,201, \$112,019, and \$144,384, respectively, contributing to significantly higher losses related to share-based compensation in these quarters compared to quarters in which no stock options were granted.

In the quarters ended December 31, 2018 and September 30, 2018, the Company wrote off exploration and evaluation assets of \$537,845 and \$526,280, respectively, related to the Swales Project contributing to significantly higher losses in the quarters. See "Geological Summary – Exploration and Evaluation Properties – Swales Project" above.

Fourth Quarter

During the fourth quarter ended March 31, 2020, the Company recorded net loss of \$539,366 or \$0.01 per share compared with net loss of \$487,664 or \$0.01 per share in the fourth quarter of 2019. During the fourth quarter of 2020, the Company recorded the following significant expenses: management fees of \$210,311, professional fees of \$82,192, and share-based compensation of \$140,048. During the fourth quarter of 2019, the Company recorded the following significant expenses: advertising and marketing of \$33,178, consulting fees of \$40,097, management fees of \$138,216, professional fees of \$81,093, and share-based compensation of \$195,201.

Liquidity and Capital Resources

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

	March 31, 2020	March 31, 2019
	\$	\$
Cash	2,622,306	3,381,163
Receivables	12,636	36,334
Prepaid expenses	233,053	243,524
Total current assets	2,867,995	3,661,021
Accounts payables and accrued liabilities	265,982	270,054
Current portion of lease liabilities	33,309	-
Working capital	2,568,704	3,390,967

During the year ended March 31, 2020, the Company closed two tranches of a non-brokered private placement ("Teck Financing") consisting of 4,016,723 common shares at a price of \$0.46 per share for gross proceeds of \$1,847,693. The Company had working capital of \$2,568,704 as at March 31, 2020 (2019 - \$3,390,967).

The Company has not generated revenues from its operations to date. As at March 31, 2020, the Company has accumulated net losses of \$23,801,255 since inception and has working capital of \$2,568,704. The operations of the Company have primarily been funded by the issuance of common shares and will rely on its ability to obtain adequate equity financing in the future. Management believes that the Company has sufficient working capital to meet the Company's obligations and activities over the next twelve months.

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) In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect and harm our business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.
- (b) 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.
- (c) Barksdale has limited financial resources and no operating revenues. To earn and/or maintain its interest in the Sunnyside, Four Metals, and San Antonio Properties, the Company has contractually agreed or is required 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.

- (d) 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.
- (e) 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 Sunnyside, Four Metals and San Antonio Properties 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 Sunnyside, Four Metals or San Antonio Properties and the Company's proposed exploration programs are exploratory searches for commercial quantities of ore. In addition, the close proximity of the Sunnyside, Four Metals and San Antonio Properties to South 32's Hermosa project and Taylor deposit is not necessarily indicative of the mineralization on the Sunnyside, Four Metals or San Antonio Properties. There is no assurance that Barksdale's exploration will result in the discovery of an economically viable mineral deposit.
- (f) 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.
- (g) None of the Sunnyside Property, the Four Metals Property, or the San Antonio Property 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.
- (h) Barksdale must comply with environmental laws and regulations governing air and water quality and land disturbance and provide for reclamation and closure costs in addition to securing the necessary permits to advance exploration activities at its mineral properties. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Furthermore, environmental hazards may exist on the Company's properties that are unknown to the Company at the present and that have been caused by the Company or by previous owners or operators of the properties, or that may have occurred naturally. The Company may be liable for remediating such damages. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Future production, if any, at the Company's properties will involve the use of hazardous materials. Should these materials leak or otherwise be discharged from their containment systems, the Company may become subject to liability. In addition, neighboring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by permitting and/or exploration activities including the release of hazardous substances or other waste material into the environment on or around the Company's properties. There can be no assurance that the Company's defense of such claims will be successful and a successful claim against the Company could have a material adverse effect on its business prospects, financial condition and results of operations. In addition, Barksdale may become subject to liability for hazards against which it is not insured.

- (i) 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.
- (j) 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.
- (k) 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.

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

Related Party Transactions and Balances

During the year ended March 31, 2020, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- a. Incurred professional fees of \$93,200 (2019 - \$84,597) to a company controlled by Michael Waldkirch, CFO of the Company. As at March 31, 2020, \$13,100 (2019 - \$5,000) was included in accounts payable and accrued liabilities for professional fees.
- b. Incurred management fees of \$122,808 (2019 - \$121,263) to a company controlled by Richard Silas, the Corporate Secretary of the Company. As at March 31, 2020, \$10,404 (2019 - \$Nil) was included in accounts payable and accrued liabilities for management fees.
- c. Incurred management fees of \$237,684 (2019 - \$202,453) to Richard Trotman, CEO and director of the Company. As at March 31, 2020, \$31,842 (2019 - \$Nil) was included in accounts payable and accrued liabilities for management fees.
- d. Incurred management fees of \$134,671 (2019 - \$Nil) to Terri Anne Welyki, Vice President of Communications for the Company. As at March 31, 2020, \$9,714 (2019 - \$Nil) was included in accounts payable and accrued liabilities for reimbursement of expenses.
- e. Incurred exploration and evaluation asset expenditures of \$70,957 (2019 - \$Nil) to Caroline Whitehill, former Project Manager of the Company.
- f. Incurred rent of \$7,500 (2019 - \$18,000) to Gold Standard Ventures Corp., a company related by a director and a common officer.
- g. Incurred exploration and evaluation asset expenditures of \$Nil (2019 - \$77,069) and property investigation costs of \$Nil (2019 - \$14,045) to a company controlled by Lewis Teal, the former Project Manager of the Company. As at March 31, 2020, \$Nil (2019 - \$8,956) was included in accounts payable and accrued liabilities for exploration and evaluation asset expenditures.
- h. Incurred director fees of \$6,250 (2019 - \$3,750) to Glenn Kumoi, a director of the Company. As at March 31, 2020, \$Nil (2019 - \$1,500) was included in accounts payable and accrued liabilities.
- i. Incurred director fees of \$9,173 (2019 - \$Nil) to Darren Blasutti, a director of the Company.
- j. Incurred director fees of \$5,750 (2019 - \$2,750) to Jeffrey O'Neill, a director of the Company. As at March 31, 2020, \$Nil (2019 - \$1,250) was included in accounts payable and accrued liabilities.

- k. Incurred director fees of \$5,750 (2019 - \$2,750) to Peter McRae, a director of the Company. As at March 31, 2020, \$Nil (2019 - \$1,250) 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,	
	2020	2019
	\$	\$
Management fees	522,086	332,966
Exploration and evaluation assets	70,957	77,069
Professional fees	93,200	84,597
Property investigation costs	-	14,045
Share-based compensation	472,976	401,415
	<u>1,159,219</u>	<u>910,092</u>

In January 2019, the Company completed the Osisko Financing with Osisko whereby Osisko acquired a total of 5,833,333 common shares at a price of \$0.60 per share for gross proceeds of \$3,500,000 representing approximately 15.1% of the Company's then issued and outstanding common shares. As a term of the Osisko Financing, the Company granted Osisko, inter alia, the Osisko Participation Right to participate in future equity or equity linked offerings by the Company (subject to certain exceptions) to maintain its pro rata interest in the Company from time to time provided that Osisko owns at least 10% of the issued and outstanding shares of the Company. During the first quarter of 2020, Osisko elected to exercise the Osisko Participation Right in connection with the Teck Financing to purchase an additional 606,928 common shares of the Company at a price of \$0.46 per share for an aggregate purchase price of \$279,187 to maintain its current equity percentage interest in the Company. Osisko's participation in the Teck Financing constitutes a "related party transaction" for the purposes of MI 61-101 and the Company is relying upon exemptions from the "formal valuation" and "minority shareholder approval" requirements of MI 61-101 on the basis that the fair market value of Osisko's participation in the Teck Financing is less than 25% of the Company's current market capitalization. Osisko's participation in the Teck Financing was closed in July 2019. See "Overview – Corporate Activities" above for further details regarding the Teck Financing and Osisko's participation therein.

Off- Balance Sheet Arrangements

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

Changes in Accounting Policies

Leases

On April 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets.

The following is the accounting policy for leases as of April 1, 2019 upon adoption of IFRS 16:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

Stock options and warrants

Effective April 1, 2019, the Company voluntarily changed its accounting policy for its expired and cancelled stock options and warrants. Share-based payments previously recognized will be transferred from reserves to deficit when the stock options are cancelled or expire unexercised. Warrant value previously recognized will be transferred from reserves to share capital when the warrants expire. The Company has determined that this change in accounting policy enhances the clarity of the financial statements as the reserves will now reflect the value of the outstanding stock options and warrants. This change in accounting policy has been applied retrospectively and as a result the opening deficit and the 2019 comparative figures were restated.

As a result of the restatement the balance of share capital as at March 31, 2019 and March 31, 2018 increased by \$25,500, reserves as at March 31, 2019 and March 31, 2018 decreased by \$1,561,278 and the deficit as at March 31, 2019 and March 31, 2018 decreased by \$1,535,778.

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, lease liabilities, 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, 2020, the Company had a foreign currency net monetary asset position of approximately US\$247,898. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$24,790.

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. The Company is not exposed to interest rate risk with its lease liability as it is not subject to floating interest rates.

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 copper, 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 annual filings as well as interim filings and other reports provided by the Company under securities legislation.

Commitments

The Company has two separate management consulting agreements with the Corporate Secretary and the CFO of the Company to provide management and other consulting services to the Company for an indefinite term. The agreements require total combined payments of \$14,500 per month. The consulting agreements provide for a one-year payout totalling, on a collective basis, approximately \$209,000 (including average discretionary bonuses paid in the preceding two years) in the event of termination without cause and in the event of termination following a change in control of the Company.

The Company has two separate employment agreements with the CEO and executive director and the VP of Corporate Communications of the Company to provide management and other consulting services to the Company for an indefinite term. The agreements require total combined payments of \$24,500 per month. The employment agreement with the CEO and executive director of the Company provides for a two-year payout totalling, on a collective basis, approximately \$458,000 (including average discretionary bonuses paid in the preceding year) in the event of termination following a change in control of the Company or approximately \$403,000 (including average discretionary bonuses paid in the preceding year) in the event of termination without cause. The employment agreement with the VP of Corporate Communications of the Company provides for a one month payout of \$10,000 for each full year employment, up to a maximum of six months payout of \$60,000, in the event of termination without cause or a six months payout of \$60,000 in the event of termination upon change in control.

In addition to the foregoing, the Company is required to pay certain annual federal and county maintenance fees and taxes to maintain the Sunnyside, Four Metals, and San Antonio Properties in good standing as well as certain options payments (in cash and/or shares) and exploration work commitments to earn its interests in such exploration and evaluation assets as more particularly described under "Geological Summary – Exploration and Evaluation Properties" above.

The Company intends to fund these financial commitments in 2021 from existing working capital. See "Liquidity and Capital Resources" above.

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:

	As at March 31, 2020	Date of this MD&A
Common shares	43,768,750	43,995,181
Stock options	4,306,528	4,306,528
Warrants	350,000	350,000

As at the date of this MD&A, the Company has 43,995,181 common shares issued and outstanding, of which 3,850,000 shares related to the Sunnyside Option of the Sunnyside Property are subject to cancellation and return to treasury if the Company determines not to proceed with the Sunnyside 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:

Number of options outstanding	Number of options exercisable	Exercise price \$	Expiry date
1,600,000	1,600,000	0.42	October 6, 2022
600,000	600,000	0.88	November 14, 2022
30,000	10,000	0.365	January 28, 2023
621,528	207,176	0.365	February 26, 2023
100,000	100,000	0.79	April 19, 2023
770,000	513,333	0.58	March 1, 2024
385,000	256,667	0.52	April 26, 2024
200,000	66,667	0.53	September 20, 2024
4,306,528	3,353,843		

Details of the outstanding warrants:

Number of warrants	Exercise price \$	Expiry date
350,000	0.60	January 18, 2021

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, potential property acquisitions, 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 copper, 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 Sunnyside Property, the Four Metals Property and the San Antonio Property being consistent with the Company's current expectations; (4) political developments in the United States and the State of 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 copper, 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 Sunnyside Property, the Four Metals Property and the San Antonio Property 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: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of copper, 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 copper 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 copper 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 23, 2020.

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 audited consolidated financial statements for the years ended March 31, 2020 and 2019.

This MD&A has been approved by the Board on July 23, 2020.