BARKSDALE CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2016

Overview

Barksdale Capital Corp. (the "Company") is engaged in the acquisition and exploration of exploration and evaluation assets domiciled in Nevada, USA. The following management discussion and analysis ("MD&A") of the operations, results and financial position of the Company has been prepared as of March 1, 2017, and is for the nine months ended December 31, 2016 and should be read in conjunction with the unaudited condensed interim financial statements and notes for the three and nine months ended December 31, 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 currently listed on the NEX board of the TSX Venture Exchange ("TSX-V") under the symbol BRO.H.

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 an $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per common share.

In December 2016, the Company entered into a mining lease agreement (the "Agreement") to lease a 100% right in 123 unpatented lode mining claims known as the Swales Project ("Swales"), situated in Elko County, Nevada, U.S., for a primary period of 10 years.

The geologic setting of the Swales Project is prospective for Carlin-type deposits:

- An anticline cored by a Carlin system age, Eocene intrusive center is present at Swales Mountain;
- Silicification, barite and elevated Carlin geochemistry occur along dike-filled fault corridors; and
- Untested lower plate carbonate host rocks are present at depth beneath upper plate siliciclastic rocks.

Under the terms of the Agreement, the Company is required to pay the following yearly minimum payments

Date	Payment amount (US$)
Upon execution of the agreement (paid)	75,000
December 11, 2017	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 Agreement is subject to a nonparticipating royalty based on the gross value from the production or sale of minerals from Swales of 3% with a buy-down option of 0.5% for US$2,500,000, at any time before December 11, 2021.

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

Date	Minimum Feet Drilled
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’

In the event the Company fails to satisfy the minimum drill commitment in any year, the Company will be required to pay US$50 for each foot (1’) shortfall in drilling in that year.

Summary of Quarterly Results

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

	Q3 2017	**Q2 2017**	**Q1 2017**	**Q4 2016**
	$	$	$	$
Total assets	740,354	37,441	3,989	891
Total liabilities	79,261	148,631	431,036	444,442
Working capital (deficit)	561,020	(111,190)	(427,047)	(443,551)
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	607	2,277	25,362	16,381
Net income (loss)	(25,717)	(36,143)	16,504	(1,437)
Income (loss) per share	(0.00)	(0.01)	0.01	(0.00)

	Q3 2016	**Q2 2016**	**Q1 2016**	**Q4 2015**
	$	$	$	$
Total assets	1,347	3,633	12,244	153
Total liabilities	443,461	433,443	420,377	364,666
Working capital (deficit)	(442,114)	(429,810)	(408,133)	(364,513)
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	-	-	-	56,937
Net income (loss)	(12,304)	(30,788)	(34,509)	23,918
Income (loss) per share	(0.00)	(0.01)	(0.01)	0.01

The Company has had working capital deficits in the past, except for the quarter ended December 31, 2016, as the Company continued to incur expenses related to its business but received no revenue. In the quarters ended December 31, 2016, September 30, 2016, June 30, 2016, March 31, 2016, and March 31, 2015, the Company recorded gains of $607, $2,277, $25,362, $16,381 and $56,937, respectively, from the derecognition of prior years accounts payable and accrued liabilities.

Operations

For the three months ended December 31, 2016 and 2015

Expenses

Total expenses were $26,324 for the three months ended December 31, 2016, compared to $12,304 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 $14,020 in the comparative 2015 period. Management fees of $18,000 and professional fees of $7,571 were incurred during the three months ended December 31, 2016 while no management fees and professional fees were incurred in the comparative period.

Net Loss

The Company recorded net loss of $25,717 or $0.00 per share for the three months ended December 31, 2016 compared with a net loss of $12,304 or $0.00 per share for the comparative 2015 period.

For the nine months ended December 31, 2016 and 2015

Expenses

Total expenses were $73,602 for the nine months ended December 31, 2016, compared to $77,601 for the comparative 2015 period. The Company recorded interest expense of $16,974 related to interest accrued for the loans outstanding during the nine months ended December 31, 2016 as compared to $25,153 in the comparative 2015 period. Management fees of $36,000 were incurred during the nine months ended December 31, 2016. Professional fees of $43,679 were incurred during the nine months ended December 31, 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 a net loss of $45,356 or $0.01 per share for the nine months ended December 31, 2016 compared with a net loss of $77,601 or $0.02 per share for the comparative 2015 period. The lower net loss during the current period was 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:

	December 31, 2016	March 31, 2016
	$	$
Cash	612,376	633
Receivables	1,655	258
Prepaid expenses	26,250	-
Total current assets	640,281	891
Accounts payables and accrued liabilities	79,261	219,636
Loans payable and accrued interest	-	224,806
Working capital (deficit)	561,020	(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, accounts payable and accrued liabilities. In October 2016, the Company closed an $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per share. The proceeds was used for general working capital and the acquisition of the Swales project.

As at December 31, 2016, the Company had working capital of $561,020 (March 31, 2016 – deficit $443,551).

During the nine months ended December 31, 2016, the Company's expended $196,404 of cash as compared to $51,363 during the comparative nine months ended December 31, 2015 due to repayment of accounts payable and payments for prepaid expenses during the current period. In addition, the Company spent $100,073 to acquire exploration and evaluation assets in Nevada, USA in the current period. Moreover, the Company's received total proceeds of $1,150,000 from share issuances, which was partially offset by repayment of loans payable and accrued interest of $241,780 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 requirements which resulted in net proceeds of $52,000.

The Company believes it has adequate working capital to fund 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 nine months ended December 31, 2016, the Company entered into the following transactions with related parties:

a. Incurred management fees of $18,000 (December 31, 2015 - $nil) to a company controlled by Richard Silas, President, CEO and Corporate Secretary of the Company. As at December 31, 2016, $9,000 (March 31, 2016 - $nil), was included in accounts payable and accrued liabilities for accrued management fees.

b. Incurred management fees of $18,000 (December 31, 2015 - $nil) to a company controlled by Michael Waldkirch, CFO of the Company. As at December 31, 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 nine months ended December 31,	
	2016	2015
	$	$
Management fees	36,000	-

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 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, accounts payable and accrued liabilities, and loans payable and accrued interest. 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 for the Canadian and US dollars. As at December 31, 2016, the Company does not have any significant monetary assets or liabilities in US$, 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 receivable is 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. The Company monitors gold prices to determine the appropriate course of action to be taken.

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 nine months ended December 31, 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 March 1, 2017.