BARKSDALE CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

General

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

All information contained in this MD&A is current as of February 25, 2019 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.

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

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

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

On October 15, 2018, the Company terminated the mining lease agreement to lease a 100% right in certain unpatented lode mining claims known as the Swales Project, situated in Elko County, Nevada, U.S. The property was returned to the original vendor and the Company paid a drilling escape payment of $244,574 (US$187,500) in cash as well as issued 480,770 common shares valued at $293,270.

On January 18, 2019, the Company closed a private placement financing of 5,833,333 common shares at a price of $0.60 per share for proceeds of $3,500,000. Finders' fees of $210,000 cash and 350,000 finder's warrants were paid and issued in connection with the private placement financing, each finder's warrant entitles the holder to purchase one common share of the Company at a price of $0.60 for a period of two years from closing.

Geological Summary

Exploration and Evaluation Properties

For the nine months ended December 31, 2018, the Company incurred exploration and evaluation expenditures of $1,950,945 as compared to $3,534,863 in the comparative period for 2017 as follows:

	Swales	Sunnyside	Four Metals	Total
	$	$	$	$
For the nine months ended December 31, 2017				
Property acquisition	95,317	3,096,095	-	3,191,412
Exploration expenditures:				
Accommodation and related	5,482	-	-	5,482
Claim maintenance fees	27,627	58,953	-	86,580
Consulting	69,430	29,572	-	99,002
Data analysis	4,658	8,169	-	12,827
Geological	5,765	-	-	5,765
Geophysics	26,223	-	-	26,223
Sampling and processing	106,106	773	-	106,879
Supplies and fuel	693	-	-	693
Total	**341,301**	**3,193,562**	**-**	**3,534,863**
For the nine months ended December 31, 2018				
Property acquisition and staking costs	-	-	32,278	32,278
Exploration expenditures:				
Accommodation and related	-	152,285	-	152,285
Claim maintenance fees	26,557	59,408	16,141	102,106
Consulting	-	289,764	-	289,764
Drilling escape payment	537,844	-	-	537,844
Geological	-	193,133	-	193,133
Geophysics	-	199,511	-	199,511
Permit	-	139,141	-	139,141
Sampling and processing	130	284,515	-	284,645
Supplies and fuel	-	20,238	-	20,238
Total	**564,531**	**1,337,995**	**48,419**	**1,950,945**

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

	Swales	Sunnyside	Four Metals	Total
	$	$	$	$
Balance, March 31, 2017	**100,073**	**-**	**-**	**100,073**
Acquisition and staking costs	151,948	3,096,095	-	3,248,043
Exploration expenditures:				
Accommodation related	5,482	2,205	-	7,687
Claim maintenance fees	27,627	58,953	-	86,580
Consulting	71,019	38,583	-	109,602
Data analysis	4,658	8,169	-	12,827
Geological	5,765	-	-	5,765
Geophysics	26,223	-	-	26,223
Sampling and processing	106,106	773	-	106,879
Supplies and fuel	693	-	-	693
Balance, March 31, 2018	**499,594**	**3,204,778**	**-**	**3,704,372**
Acquisition and staking costs	-	-	32,278	32,278
Exploration expenditures:				
Accommodation and related	-	152,285	-	152,285
Claim maintenance fees	26,557	59,408	16,141	102,106
Consulting	-	289,764	-	289,764
Drilling escape payment	537,844	-	-	537,844
Geological	-	193,133	-	193,133
Geophysics	-	199,511	-	199,511
Permit	-	139,141	-	139,141
Sampling and processing	130	284,515	-	284,645
Supplies and fuel	-	20,238	-	20,238
	1,064,125	4,542,773	48,419	5,655,317
Write-off of exploration and evaluation assets	(1,064,125)	-	-	(1,064,125)
Balance, December 31, 2018	**-**	**4,542,773**	**48,419**	**4,591,192**

Swales Project

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

In October 2018, the Company terminated the Swales Agreement. The property was returned to the original vendor and the Company paid a drilling escape payment of $244,574 (US$187,500) in cash as well as issued 480,770 common shares valued at $293,270.

Sunnyside Property

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

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

Upon acquiring an initial 51% interest in the Sunnyside Property, the Company will be entitled to increase its interest to 67.5% upon payment of 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 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	3,000,000	3,850,000 (issued and held in escrow)
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.

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

The Sunnyside Agreement further provides that:

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

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

During the quarter ended December 31, 2017, Barksdale initiated discussions with the U.S. Forest Service regarding obtaining the approvals necessary to bring Sunnyside to a drill-ready status. Additionally, the Company interviewed environmental consulting firms that will ultimately be engaged to complete baseline cultural and biological studies as well as documentation of the final Environmental Assessment document.

On May 9, 2018 the Company submitted a draft application document for a Plan of Operations (POO) exploration permit with the U.S. Forest Service, Tucson, Arizona 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 federal surface lands is currently underway.

Subject to receipt of all necessary governmental approvals and permits, commencing in 2019 the Company intends to undertake an initial, pre-drilling exploration program of $1,350,000 on the Sunnyside Property including surface geochemical sampling, geophysical orientation surveys. Upon formal approval of the 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.

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 $3,000,000 on the Sunnyside Property in order to maintain the Option in good standing. See "Geological Summary – Exploration and Evaluation Properties – *Sunnyside Property*".

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. (together "Allegiant") to acquire a 100% undivided interest in the Four Metals property ("Four Metals") located in Santa Cruz County, Arizona. Four Metals consists of a contiguous block of 40 unpatented lode claims (760 acres) strategically located approximately 3km south of the Company's Sunnyside project within the Patagonia Mountains of Arizona. In order to exercise the option, the Company must make option payment totaling US$450,000 (the "Option Payments") to the MinQuest Ltd. and Allegiant on a 50/50 basis, in cash and common shares of Barksdale (based on the market price of the Company's shares at the time of issue) over a period of five years as follows:

Date	Cash US$	Value of Shares US$	Total US$
Upon execution option agreement	(paid) 25,000	-	25,000
First anniversary of option agreement – April 19, 2019	25,000	25,000	50,000
Second anniversary of option agreement – April 19, 2020	25,000	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 on Four Metals totaling US$6,215.

Quality Control and Quality Assurance

The scientific and technical content and interpretations contained in this MD&A have been reviewed and approved by Lewis Teal, M.Sc. Economic Geology, CPG-6932, Project Manager of Barksdale and a "qualified person" as defined by NI 43-101.

Summary of Quarterly Results

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

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
	$	$	$	$
Total assets	5,655,368	6,023,353	6,832,407	7,196,108
Total liabilities	335,975	164,792	148,296	198,884
Working capital	728,201	2,070,952	2,768,042	3,292,852
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	-	-	-	1,145
Net loss	(889,715)	(937,569)	(457,497)	(384,217)
Loss per share (basic and diluted)	(0.03)	(0.03)	(0.01)	(0.01)

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
	$	$	$	$
Total assets	7,466,901	3,041,621	700,462	685,525
Total liabilities	150,381	263,291	127,285	89,051
Working deficit	3,681,584	2,277,526	332,054	496,401
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	36,923	-	-	4,644
Net loss	(1,325,019)	(237,847)	(23,297)	(64,619)
Loss per share (basic and diluted)	(0.04)	(0.02)	(0.00)	(0.01)

Variances quarter over quarter can be explained as follows:

In October 2017, the Company raised gross proceeds of $5,412,000 through the issuance of 13,530,000 common shares at $0.40 per share. See "Liquidity and Capital Resources" below.

In the quarters ended March 31, 2018, December 31, 2017, and March 31, 2017, the Company recorded gains of $1,145, $36,923, and $4,644, respectively, from the derecognition of prior years' accounts payable and accrued liabilities.

In the quarters ended December 31, 2018, September 30, 2018, June 30, 2018, and December 31, 2017, stock options were granted to various directors, officers, and consultants. These grants resulted in share-based compensation expenses of $57,277, $112,019, $144,384, and $1,007,333, respectively, contributing to significantly higher losses 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, contributing to significantly higher losses in the quarter.

Operations

The following table sets forth selected financial information from the Financial Statements for the three and nine months ended December 31, 2018 and 2017:

	For the three months ended December 31,		For the nine months ended December 31,	
Expenses	2018	2017	2018	2017
	$	**$**		**$**
Advertising and marketing	12,957	-	52,674	-
Consulting fees	15,877	147,000	168,877	170,000
Foreign exchange loss (gain)	10,390	(28,331)	14,316	(17,018)
Insurance	3,821	2,188	10,271	2,188
Investors' relations	29,123	6,049	86,477	6,049
Management fees	70,750	62,785	194,750	89,285
Office and general	18,632	5,840	37,461	8,185
Professional fees	65,788	106,132	163,608	272,999
Property investigation costs	36,299	13,240	78,754	35,373
Rent	4,500	4,500	13,500	4,500
Share-based compensation	57,277	1,007,333	313,680	1,007,333
Transfer and filing fees	9,479	15,054	27,737	22,400
Travel and related	24,157	20,152	79,392	21,792
	(359,050)	(1,361,942)	(1,241,497)	(1,623,086)

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

Net Loss

At December 31, 2018, the Company had not yet achieved profitable operations and has accumulated losses of $23,107,770 (March 31, 2018 – $20,822,989) since inception. The loss incurred during the period resulted in a net loss per share (basic and diluted) for the nine months ended December 31, 2018 of $0.07 (December 31, 2017 - $0.08).

The table below details the changes in major expenditures for the three months ended December 31, 2018 as compared to the corresponding period ended December 31, 2017:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $131,123	Decrease due to the Company stopped engaging a consultant for financial, strategic and corporate advisory services.
Investors' relation costs	Increase of $23,074	Increased due to new investor roadshows and awareness campaigns.
Professional fees	Decrease of $40,344	Decrease as the Company underwent a reactivation plan in the prior period in order to relist its shares to Tier 2 of the TSXV.
Share-based compensation	Decrease of $950,056	Decreased as the stock options granted in the prior period vested with higher value.

The table below details the changes in major expenditures for the nine months ended December 31, 2018 as compared to the corresponding period ended December 31, 2017:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and marketing	Increase of $52,674	Increased due to new marketing and social media campaigns engaged to promote mineral properties.
Investors' relation	Increase of $80,428	Increased due to new investor roadshows and awareness campaigns.
Management fees	Increase of $105,465	Increased due to hiring of new CEO.
Professional fees	Decrease of $109,391	Decrease as the Company underwent a reactivation plan in the prior period in order to relist its shares to Tier 2 of the TSXV.
Share-based compensation	Decrease of $693,653	Decreased as the stock options granted in the prior period vested with higher value.
Travel and related	Increase of $57,600	Increased due to significant increase in corporate activity related to site visits and marketing.

Liquidity and Capital Resources

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

	December 31, 2018	March 31, 2018
	$	$
Cash	979,636	3,197,440
Receivables	18,967	20,850
Prepaid expenses	65,573	273,446
Total current assets	1,064,176	3,491,736
Accounts payables and accrued liabilities	335,975	198,884
Working capital	728,201	3,292,852

In October 2017, the Company completed the Reactivation Financing of 13,530,000 common shares at price of $0.40 per share for gross proceeds of $5,412,000. The net proceeds of the Reactivation Financing have been allocated towards making the initial cash option payment of $650,000 to Regal US (paid), funding initial exploration programs on the Four Metals Property, Sunnyside Property, and Swales Project, and for general corporate and working capital purposes. The remainder of the proceeds from this financing is included in the Company's working capital of $728,201 as at December 31, 2018 (March 31, 2018 - $3,292,852).

Risks and Uncertainties

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

(a) Barksdale has only recently re-commenced operations after having been inactive for a number of years. As such, it is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel and lack of revenues.

(b) Barksdale has limited financial resources and no operating revenues. To maintain its interest in the Sunnyside Property and Four Metals Property, the Company has contractually agreed to make certain payments and expenditures for and on such properties. Barksdale's ability to continue as a going concern is dependent upon, among other things, Barksdale establishing commercial quantities of mineral reserves on its properties and obtaining the necessary financing and permits to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis, none of which is assured.

(c) Barksdale has only generated losses to date and will require additional funds to further explore its properties. The only sources of funds for exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, presently available to Barksdale are the sale of equity capital or the offering by Barksdale of an interest in its properties to be earned by another party carrying out further exploration or development. Barksdale's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There is no assurance such additional funding will be available to Barksdale when needed on commercially reasonable terms or at all. Additional equity financing may also result in substantial dilution thereby reducing the marketability of Barksdale's shares. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in its properties.

(d) Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in Barksdale's case given its formative stage of development and the fact that the Sunnyside Property and Four Metals Property 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 Property or Four Metals Property and the Company's proposed exploration programs are exploratory searches for commercial quantities of ore. There is no assurance that Barksdale's exploration will result in the discovery of an economically viable mineral deposit.

(e) Barksdale activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects.

(f) Neither the Sunnyside Property nor Four Metals 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.

(g) Barksdale must comply with environmental regulations governing air and water quality and land disturbance and provide for reclamation and closure costs. In addition, Barksdale may become subject to liability for hazards against which it is not insured.

(h) The mining industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. It is also highly competitive in all its phases and Barksdale will be competing with other mining companies, many with greater financial, technical and human resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals.

(i) Certain of Barksdale's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which Barksdale may participate, such directors and officers of Barksdale may have a conflict of interest.

(j) Barksdale has not declared or paid any dividends on its common shares and does not expect to do so in the foreseeable future. Future earnings, if any, will likely be retained to finance growth. Any return on investment in Barksdale's shares will come from the appreciation, if any, in the value thereof. The payment of any future dividends will depend upon the Company's earnings, if any, its then-existing financial requirements and other factors, and will be at the discretion of the Company's board of directors.

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

Related Party Transactions and Balances

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

a. Incurred professional fees of $48,000 (December 31, 2017 - $33,941) to a company controlled by Michael Waldkirch, CFO of the Company. As at December 31, 2018, $6,466 (March 31, 2018 - $10,000) was included in accounts payable and accrued liabilities for professional fees and reimbursement of expense.

b. Incurred management fees of $76,500 (December 31, 2017 - $54,500) to a company controlled by Richard Silas, Director and Corporate Secretary of the Company.

c. Incurred management fees of $113,000 (December 31, 2017 - $31,585) to Richard Trotman, CEO of the Company. As at December 31, 2018, $13,391 (March 31, 2018 - $22,682) was included in accounts payable and accrued liabilities for reimbursement of expenses.

d. Incurred exploration and evaluation asset expenditures of $63,719 (December 31, 2017 - $6,105) and property investigation costs of $14,045 (December 31, 2017 - $Nil) to a company controlled by Lewis Teal, Project Manager of the Company. As at December 31, 2018, $13,564 (March 31, 2018 - $29,335) was included in accounts payable and accrued liabilities for exploration and evaluation asset expenditures.

e. Incurred rent of $13,500 (December 31, 2017 - $4,500) to Gold Standard Ventures Corp., a company related by a director and common officers.

f. Incurred director fees of $2,250 (December 31, 2017 - $Nil) to Glenn Kumoi, a director of the Company.

g. Incurred director fees of $1,500 (December 31, 2017 - $Nil) to Jeffrey O'Neill, a director of the Company.

h. Incurred director fees of $1,500 (December 31, 2017 - $Nil) to Peter McRae, a director of the Company.

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 nine months ended December 31,	
	2018	2017
	$	$
Management fees	**194,750**	86,085
Exploration and evaluation assets	**63,719**	6,105
Professional fees	**48,000**	33,941
Property investigation costs	**14,045**	-
Share-based compensation	**254,509**	508,644
	575,023	634,775

Off- Balance Sheet Arrangements

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

Accounting policy and Financial Instruments

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2018, except for the following:

Financial instruments
On April 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities.

The following summarizes the significant changes in IFRS 9 compared to the previous standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

Accounting standards and amendments not yet adopted

New accounting standards issued but not yet effective

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

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

Critical Accounting Estimates

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

Financial Instruments and Other Instruments

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

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

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

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

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

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

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

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

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

Internal Control over Financial Reporting Procedures

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

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

Commitments

In September 2018, the Company entered into a management consulting services agreement with Richard Silas, Corporate Secretary of the Company, to provide management services to the Company for an indefinite term. The agreement requires payment of $102,000 per annum ($8,500 per month). Included in the agreement is a provision for a one year payout in the event of termination without cause or in the event of a change in control.

In September 2018, the Company entered into a management consulting services agreement with Michael Waldkirch, CFO of the Company, to provide management services to the Company for an indefinite term. The agreement requires payment of $72,000 per annum ($6,000 per month). Included in the agreement is a provision for a one year payout in the event of termination without cause or in the event of a change in control.

In September 2018, the Company entered into an employment agreement with Richard Trotman, CEO of the Company, to provide management services to the Company for an indefinite term. The agreement requires payment of $174,000 per annum ($14,500 per month). Included in the agreement is a provision for a two year payout in the event of termination without cause or in the event of a change in control.

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 December 31, 2018	Date of this MD&A
Common shares	32,656,353	38,489,686
Stock options	2,850,000	2,850,000
Warrants	307,500	657,500

As at the date of this MD&A, the Company has 38,489,686 common shares issued and outstanding, of which 3,850,000 shares related to the Option of the Sunnyside Property are subject to cancellation and return to treasury if the Company determines not to proceed with the Option after completing its initial exploration of the Sunnyside Property. See "Geological Summary – Exploration and Evaluation Properties – *Sunnyside Property*".

Details of the outstanding stock options:

Number of options outstanding	Number of options exercisable	Exercise price $	Expiry date
2,000,000	2,000,000	0.42	October 6, 2022
600,000	400,000	0.88	November 14, 2022
100,000	100,000	0.79	April 19, 2023
150,000	50,000	0.71	July 25, 2023
2,850,000	**2,550,000**		

Details of the outstanding warrants:

Number of warrants	Exercise price $	Expiry date
307,500	0.40	October 5, 2019
350,000	0.60	January 18, 2021
657,500		

Forward Looking Statements

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

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

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company’s future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company’s exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for gold, zinc and other base metals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward looking-information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company’s current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of the Sunnyside Property, and Four Metals Property being consistent with the Company’s current expectations; (4) political developments in the United States and the States of Nevada and Arizona including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company’s current expectations; (5) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold, zinc and other base metals; (7) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (8) the results of the Company’s exploration programs on the Sunnyside Property and Four Metals 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: fluctuations in the currency markets; fluctuations in the spot and forward price of gold, zinc or other commodities (such as diesel fuel and electricity);

changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of gold and zinc exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold and/or zinc bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward looking statements and forward-looking information contained herein are based on information available as of February 25, 2019.

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 consolidated financial statements for the three and nine months ended December 31, 2018; and
- the Company's audited consolidated financial statements for the years ended March 31, 2018 and 2017.

This MD&A has been approved by the Board on February 25, 2019.