



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2022

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. (“**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 months ended June 30, 2022 and 2021 (the “**Financial Statements**”) and the audited consolidated financial statements for the years ended March 31, 2022 and 2021.

All information contained in this MD&A is current as of August 25, 2022 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 and listed on the OTCQX 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 and Sonora, Mexico.

Mineral Projects

Currently, Barksdale holds interests in multiple exploration projects within the Patagonia Mining district located in Santa Cruz County, Arizona. These projects include Sunnyside, Four Metals, San Antonio, Canelo, Goat Canyon, as well as the Guajolote property, for which the Company holds both mineral and certain private surface rights. In addition, Barksdale has acquired an interest in the San Javier copper-gold project located in Sonora, Mexico.

Arizona properties

Barksdale’s 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, confirmed by previous drilling, that is interpreted to have driven a large hydrothermal system which resulted in deposition of a classically zoned porphyry copper deposit and associated distal, polymetallic skarn (Cu, Pb, Zn, Ag) and carbonate replacement 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 upon final pending approval of exploration drilling permits. 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.

Objectives for Sunnyside during 2022 include: 1) completing the federal permitting process to obtain permissions necessary to begin a drilling program and 2) initiating a Phase I drilling program that fulfils Barksdale’s requirements under the option agreement.

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 identified and documented potential for discovery of 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\$100,000 has been paid and US\$75,000 value of shares has been issued to date). See “Geological Summary – Exploration and Evaluation Properties – Four Metals Property” below for further details regarding the Four Metals Property.

The Guajolote property is a 10 acre patented mining claim located between the Sunnyside and Four Metals properties. Barksdale secured an option to acquire a 100% interest in Guajolote in June 2020 and subsequently acquired such 100% interest in June 2021 by fulfilling the option payment requirements. See “Geological Summary – Exploration and Evaluation Properties – Guajolote Patented Mining Claim” below for further details regarding the Guajolote property.

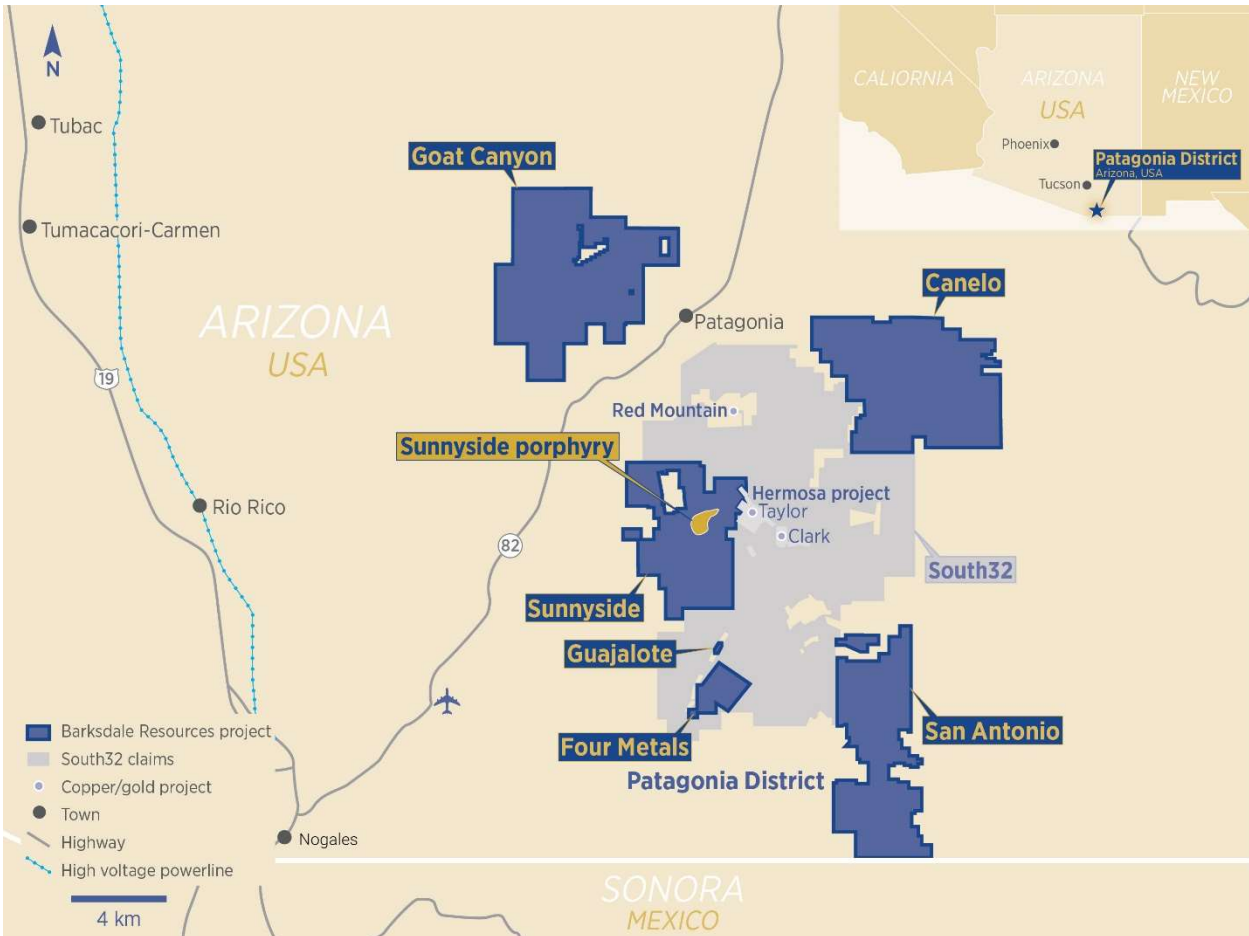
In July 2019, the Company entered into a purchase and sale agreement with Teck American Incorporated, a subsidiary of Teck Resources Limited (TSX, NYSE) (collectively “**Teck**”), to acquire a 100% undivided interest in 315 unpatented lode claims totaling approximately 6,300 acres (2,550 hectares) and located about five kilometers southeast of the Company’s Sunnyside Property, and immediately adjacent to the southeastern border of South32’s Hermosa project (the “**San Antonio Property**”). The purchase price consisted of 898,809 common shares of the Company. Additionally, Teck retained 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, systematic surface exploration has been completed on the San Antonio Property, including geologic mapping, geochemical sampling, and extensive geophysical surveys by Teck. This effort has outlined a shallow IP anomaly, designated the ‘Cosmos’ target, that Barksdale interprets as an undrilled, potentially productive porphyry system occurring under shallow cover. See “Geological Summary – Exploration and Evaluation Properties – San Antonio Property” below for further details regarding the San Antonio Property.

Objectives for San Antonio during 2022 include: 1) completing the federal permitting process to obtain permissions necessary to begin a drilling program, which has been completed subsequent to year-end and 2) initiating a Phase I drilling program to test for the presence of a mineralized copper porphyry deposit following the end of the Yellow-Billed Cuckoo breeding season in the fall.

In March 2021, the Company entered into a purchase and sale agreement with Kennecott Exploration Company, a wholly owned subsidiary of Rio Tinto Limited (ASX: RIO) (collectively “**Kennecott**”), to acquire a 100% undivided interest in the Canelo and Goat Canyon properties as well as certain raw geophysical data. The Canelo property consists of 8,700 acres (3,521 hectares) of federal mineral claims (administered by the United States Forest Service) located approximately 10km northeast of Sunnyside and is immediately adjacent to the eastern border of South32’s Hermosa project. The Goat Canyon property consists of approximately 7,654 acres (3,097 hectares) of mineral claims located approximately 10km northwest of Sunnyside. Goat Canyon contains two Arizona State Land Department exploration leases totaling 1,254 acres (507 hectares) as well as approximately 6,400 acres of federal mineral claims (2,590 hectares), being a mix of Bureau of Land Management and United States Forest Service administered claims. The purchase price consisted of US\$35,000 in cash as well as a 2% net smelter return royalty on future production and a one-time production payment of US\$3,500,000 should a mine reach commercial production on either the Canelo or Goat Canyon properties. Barksdale can elect to buyback half (1%) of the net smelter return royalty for US\$10,000,000 at any time. Kennecott will maintain reversionary rights over the Goat Canyon and Canelo properties, should Barksdale elect to drop any mineral claims in the future.

Objectives for Canelo and Goat Canyon during 2022 include target generation and developing permitting strategies for potential future exploration drilling programs.

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



While in close surrounding proximity, the advanced development of South 32’s adjacent Hermosa Project (Taylor deposit) is not necessarily indicative of the mineralization located at the Company’s Sunnyside, Four Metals, Guajalote and San Antonio properties.

Mexican property

In September 2020, the Company entered into a definitive option agreement to acquire a 100% interest in the San Javier copper-gold project from Tusk Exploration Ltd. The San Javier property is located in central Sonora, Mexico, approximately a six-hour drive from the Company’s projects in southern Arizona. The project consists of twelve separate mineral concessions totaling approximately 1,184 hectares, upon which multiple zones of near-surface, oxide copper mineralization have been identified to date.

Multiple companies have previously explored and drilled within the San Javier property position, including Servicios Industriales Peñoles S.A. de C.V., Phelps Dodge, Outokumpu Oyj and Constellation Copper. Notably, the San Javier property has not been actively worked since 2007. Approximately 30,000 meters of drilling has been completed to date in three separate zones, two of which contain historic resource estimates which Barksdale believes can be used as a guide for future exploration drilling. However, the Company is not treating these historical estimates as current mineral resources and such estimates should not be relied upon. Barksdale’s technical team and “qualified person” (as defined in National Instrument 43-101) are currently performing work to verify or replace these historic estimates at San Javier as current mineral resources.

Mineralization at Cerro Verde, the most densely drilled zone (~90% of historic drilling), consists of structurally controlled hydrothermal breccias, stockworks, and veins that have intense specular hematite associated with copper mineralization. The mineralization has been characterized by previous operators as typical of an iron-oxide-copper-gold (“IOGC”) system, which generally exhibit structurally controlled mineralization. Previous exploration activity was focused on delineating near-surface oxidized mineralization, for the purpose of bulk mining. Hence, the structurally controlled high-grade mineralization that was encountered was never adequately followed-up on and thus represents a significant opportunity for Barksdale. Additionally, gold-dominant oxide mineralization, as well as deeper occurring copper-gold sulfide mineralization has been encountered historically and requires additional investigation. Progress through the end of 2021 include completion of a 5,000-meter, Phase I core drilling campaign and a metallurgical testing program that concluded in early 2022.

Technical objectives for San Javier completed through the first half of 2022 include: 1) Completion of all detailed core logging from the 2021 campaign and receipt of all 2021 drill hole analyses for input into an updated 2022 resource estimate; 2) completion of metallurgical column leach tests 3) calculation of an updated resource estimate at Cerro Verde 4) financial evaluation of the project via the completion of a preliminary economic assessment, and 5) additional drill testing, based on available funding, of geologic targets aimed at increasing the overall size and confidence of potential mineral resources.

Corporate Activities

In February 2022, the Company closed a non-brokered private placement of \$1,750,000 secured convertible debentures (“Debentures”). The Debentures bear interest at 10% per annum and are secured by a general security agreement over all of the present and after-acquired personal property of the Company as well as a pledge of shares over IC Exploration Ltd. that holds the San Antonio, Goat Canyon, and Canelo properties in Arizona. The Debentures mature on December 31, 2022 and are convertible into common shares of the Company at any time by the purchaser prior to maturity at a conversion price of \$0.45 per share. In June 2022, the Company issued 588,426 common shares with a fair value of \$264,792 in connection with the conversion of a portion of the 2022 Debentures at a conversion price of \$0.45 per share and paid \$8,125 interest in cash.

In April 2022, the Company paid US\$25,000 and issued 67,736 common shares in accordance with the option agreement for the Four Metals Property.

In August 2022, the Company issued 310,000 common shares in connection with the exercise of 310,000 stock options with an exercise price of \$0.42 for total proceeds of \$130,200.

Geological Summary

Exploration and Evaluation Properties

For the three months ended June 30, 2022, the Company incurred exploration and evaluation expenditures (inclusive of acquisition and staking costs) of \$789,209 as compared to \$936,673 in the comparative period for 2021 as follows:

	Sunnyside	Four Metals	San Antonio	Guajolote	Canelo and Goat Canyon	San Javier	Total
	\$	\$	\$	\$	\$	\$	\$
For the three months ended June 30, 2021							
Property acquisition and staking costs	-	60,102	-	121,493	2,456	-	184,051
<i>Exploration expenditures:</i>							
Accommodation and related	1,126	-	-	-	-	9,771	10,897
Claim maintenance fees	59,488	8,143	63,872	-	175,000	-	306,503
Consulting	39,526	-	1,701	-	1,701	206,067	248,995
Geological	7,512	-	-	-	414	57,335	65,261
Metallurgy	-	-	-	-	-	7,002	7,002
Permitting	86,967	-	-	-	2,447	-	89,414
Storage	-	650	-	-	-	-	650
Supplies and fuel	-	-	-	-	-	23,900	23,900
Total	194,619	68,895	65,573	121,493	182,018	304,075	936,673
For the three months ended June 30, 2022							
Property acquisition and staking costs	-	63,585	-	-	-	-	63,585
<i>Exploration expenditures:</i>							
Accommodation and related	2,636	-	-	-	-	4,336	6,972
Assaying	-	-	-	-	-	2,852	2,852
Claim maintenance fees	61,842	8,395	91,298	-	132,379	-	293,914
Consulting	40,966	-	2,127	-	-	119,591	162,684
Drilling	-	-	-	-	-	37,060	37,060
Geological	215	-	-	-	-	145,535	145,750
Metallurgy	-	-	-	-	-	14,904	14,904
Permitting	40,867	-	-	-	-	-	40,867
Storage	-	748	-	-	-	-	748
Supplies and fuel	-	-	-	-	-	19,873	19,873
Total	146,526	72,728	93,425	-	132,379	344,151	789,209

The total cumulative acquisition and deferred exploration costs of the Company to June 30, 2022 are summarized as follows:

	Sunnyside	Four Metals	San Antonio	Guajolote	Canelo and Goat Canyon	San Javier	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, March 31, 2021	7,027,866	203,728	845,696	33,095	46,618	1,242,056	9,399,059
Acquisition and staking costs	-	60,102	-	121,493	2,456	-	184,051
<i>Exploration expenditures:</i>							
Accommodation and related	5,356	-	-	-	-	110,266	115,622
Assaying	-	-	-	-	-	39,842	39,842
Claim maintenance fees	59,488	8,143	63,873	-	178,161	45,943	355,608
Consulting	166,452	-	5,890	-	1,701	453,797	627,840
Drilling	-	-	2,597	-	-	1,212,155	1,214,752
Geological	10,779	-	340	-	414	748,905	760,438
Metallurgy	-	-	-	-	-	329,507	329,507
Permitting	166,431	-	15,386	-	2,447	-	184,264
Storage	-	2,721	-	-	-	-	2,721
Supplies and fuel	-	-	-	-	-	156,706	156,706
Balance, March 31, 2022	7,436,372	274,694	933,782	154,588	231,797	4,339,177	13,370,410
Acquisition and staking costs	-	63,585	-	-	-	-	63,585
<i>Exploration expenditures:</i>							
Accommodation and related	2,636	-	-	-	-	4,336	6,972
Assaying	-	-	-	-	-	2,852	2,852
Claim maintenance fees	61,842	8,395	91,298	-	132,379	-	293,914
Consulting	40,966	-	2,127	-	-	119,591	162,684
Drilling	-	-	-	-	-	37,060	37,060
Geological	215	-	-	-	-	145,535	145,750
Metallurgy	-	-	-	-	-	14,904	14,904
Permitting	40,867	-	-	-	-	-	40,867
Storage	-	748	-	-	-	-	748
Supplies and fuel	-	-	-	-	-	19,873	19,873
Balance, June 30, 2022	7,582,898	347,422	1,027,207	154,588	364,176	4,683,328	14,159,619

Sunnyside Property

On August 10, 2017, the Company entered into arm's length definitive agreements (collectively the "**Sunnyside Agreement**") with Regal USA 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 (\$482,929 fulfilled)	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 of the Sunnyside Property on behalf of Regal and the payment was credited towards the required cash payment of \$1,200,000 above.

* Pursuant to the Regal Transaction, the Company offset \$150,000 of transaction costs and \$78,229 of proxy cost against its option payment obligations due to Regal BC under the Sunnyside Agreement.

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 net smelter royalties 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 included: 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 is ongoing.

Formal acceptance of the Sunnyside PoO application document was received from the USFS in the quarter ended June 30, 2019. During the quarter ended September 30, 2019, the Company actively began public engagement meetings with local communities and authorities to seek required consents, 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.

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 the Company's project related expenditures incurred to date will count towards the Year 1 work commitment.

To date, the Company has completed two public comment periods related to the Sunnyside permit application. The Company's draft environmental assessment, which is being prepared by the USFS, underwent a 30-day public comment period ending April 5, 2021. Additionally, the US Army Corp of Engineers completed a 30-day public comment period ending April 2, 2021, related to the Company's pending 404 permit applications at Sunnyside. The current anticipated timeline for completion of the permitting process is H2 2022. Following USFS approval, and subsequent objection period, the Company anticipates the necessary permits to initiate its drilling programs at Sunnyside will be forthcoming in late 2022.

In October 2020, the Company entered into an agreement to acquire certain Sunnyside historic diamond drill core samples and data from ASARCO Ltd, a wholly owned subsidiary of Grupo Mexico, in exchange for 25,000 common shares of Barksdale. ASARCO controlled portions of the Sunnyside Property between the 1940's and early 2000's and, over that time period, conducted several exploration drilling programs that focused on exploring for near-surface copper targets such as supergene blankets and breccia pipes as well as deeper porphyry and skarn mineralization.

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 payments totaling US\$450,000 to MinQuest Ltd. And Allegiant on a 50/50 basis, in cash and common shares of Barksdale (based on the 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	(paid) 25,000	(issued) 25,000	50,000
Fourth anniversary of option agreement – April 19, 2022	(paid) 25,000	(issued) 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

The Four Metals Property is subject to a contractual right of first refusal in favour of Teck Resources in the event the Company seeks to sell all or any portion of the Four Metals Property to an arm's length third party as long as Teck owns greater than 5% of the total issued and outstanding shares of the Company.

San Antonio Property

Pursuant to a purchase and sale agreement with Teck dated July 15, 2019, the Company acquired 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 retains 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.

In February, 2020 the Company submitted a Plan of Operations with the Coronado National Forest unit of the USFS for their initial comments. The exploration program will utilize a single reverse-circulation drill, and up to five drilling sites, to test the Cosmos porphyry target with up to a dozen drill holes. On July 1, 2020, the USFS notified the Company that the San Antonio Plan of Operations contained sufficient information to be added to the USFS program of work. The Plan of Operations is advancing under a categorical exclusion from the National Environmental Policy Act ("NEPA"). The Company completed a 30-day public comment period during September and October 2020.

In April 2022, the United States Forest Service ("USFS") approved Barksdale's proposed drill program at the San Antonio copper project, which included a provision that restricts drilling during the Yellow-Billed Cuckoo breeding season. The Company will look to complete an initial reverse circulation drilling program to test for the presence of a shallow porphyry copper deposit in late 2022, once the Yellow-Billed Cuckoo breeding season has concluded.

Guajolote Patented Mining Claim

In June 2020, the Company entered into an option agreement to acquire a 100% interest in the Guajolote patented mining claim located within close proximity to the Company's other projects in Santa Cruz County, Arizona. In June, 2021, the Company acquired a 100% interest in such claim by fulfilling the following option payments to the optionors:

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

In June 2021, the Company fulfilled its commitments and acquired a 100% undivided interest in the Guajolote Patented Mining Claim Property.

Canelo and Goat Canyon Properties

In March 2021, the Company entered into a purchase and sale agreement to acquire a 100% interest in two separate copper exploration projects, the Canelo and Goat Canyon properties, from Kennecott.

Canelo is an early-stage copper porphyry and skarn/CRD exploration project located within the Patagonia mining district, approximately 10 kilometers north-northeast of the Company’s Sunnyside Property in Santa Cruz County, Arizona. The property consists of 433 federal mining claims that cover approximately 8,700 acres.

The Goat Canyon property is an early-stage porphyry copper-molybdenum exploration project located approximately 10 km northwest of the Sunnyside Property. The property consists of 314 federal mining claims that cover approximately 6,400 acres, as well as two Arizona State Land Department exploration leases that cover an additional 1,254 acres. In 2022 Barksdale dropped 116 federal mining claims at Goat Canyon that were deemed to have limited geologic potential, reducing the total number of federal mining claims to 314 from 430.

Aggregate consideration for the two projects consisted of \$44,310 (US\$35,000) in cash (paid) and a 2.0% net smelter return (“NSR”) royalty that covers both properties. The Company retains the right to repurchase one-half of the NSR at any time for a cash payment of US\$10,000,000. In the event that a mine is put into production on either property, a one-time cash payment of US\$3,500,000 will be payable to Kennecott upon reaching commercial production.

San Javier Property

In September 2020, the Company entered into a definitive option agreement to acquire a 100% interest in the San Javier copper-gold project in Sonora, Mexico from Tusk Exploration Ltd. (“**Tusk**”). The San Javier property is located in central Sonora, Mexico, approximately a two-hour drive (125km) east of the capital city of Hermosillo (population ~800,000) along National Highway 16 and approximately a six-hour drive from Barksdale’s projects in southern Arizona. The property consists of twelve separate mineral concessions totaling approximately 1,184 hectares, upon which multiple zones of copper mineralization have been identified to date. The project is positioned with significant logistical advantages as Cerro Verde, the main mineralized zone, is located less than 1km from a paved highway as well as the national power grid.

Under the terms of the option agreement, Barksdale may acquire a 100% interest in San Javier over a period of up to six-years for the following consideration:

Date	Cash \$	Number of Shares
Within 3 business days following the later of (a) execution and delivery of option agreement and (b) TSXV conditional acceptance (“Year 1”)	*50,000 *(\$32,500 paid)	*4,000,000 *(2,600,000 issued)
On or before September 22, 2021 (“Year 2”)	*100,000	*2,000,000
On or before the earlier of (a) September 22, 2023 and (b) the completion of a “pre-feasibility study” on the Property	150,000	3,000,000
On or before the earlier of (a) September 22, 2026 and (b) the date Barksdale enters into definitive documentation for financing the construction of a mine on the Property	200,000	4,000,000
Total	500,000	13,000,000

* Certain title issues exist with respect to three of the twelve mining concessions. Under the original definitive option agreement, Tusk agreed to defer 35% of the Year 1 and Year 2 option cash and share payments. If Tusk is able to rectifying the title issues, the deferred Year 1 and Year 2 payments will be due. During the year ended March 31, 2021, the Company issued 65% of the Year 1 share payment. The parties have temporarily postponed the remaining payments and are in discussion to amend the agreement terms.

Upon exercise of the option, the Company will be subject to a net smelter return on the San Javier project of 1.0% when copper prices are US\$3.50 or less per pound and 2.0% when copper prices are US\$3.51 or higher per pound. The royalty is subject to a right of first refusal in favor of the Company.

Iron oxide copper gold deposits (“IOCG deposits”) are generally recognized as containing significant amounts of iron oxide minerals, such as magnetite and various forms of hematite. The San Javier deposit is classified as an IOCG due to the occurrence of large amounts of hematite, specularite and goethite associated with the copper ± gold mineralization, as well as its lack of porphyry-style veining. Mineralization at San Javier was likely originally deposited as sulfide minerals, principally chalcopyrite with lesser amounts of pyrite. As the deposit was exposed to oxide weathering, primary sulfides precipitated secondary (oxide) copper mineral suite consisting of malachite, azurite, chrysocolla and tenorite. In San Javier drill core these minerals are often seen as fracture coatings and breccia-fillings.

Typically, as weathering progressed, acidic fluids that were generated from sulfide oxidation, then further leached and mobilized the copper until it encountered ground water. At this point leached copper participated to form zones of enriched secondary sulfide copper mineralization. At San Javier the predominant secondary sulfide mineral encountered in drill core to date is chalcocite. This suite of primary oxide and secondary sulfide copper minerals can generally be processed using industry standard heap-leach techniques.

The San Javier deposit is complex due to post-mineral faulting including numerous low-angle faults found within the deposit area. From drill evidence, the amount of displacement along these low-angle faults suggests that mineralization in the Cerro Verde zone has likely been subjected to post-mineral displacements, where blocks of mineralization have been separated from their original point of deposition. Barksdale believes that continued geologic mapping and evaluation of the surrounding district may find additional blocks of mineralization that were originally part of the same mineralizing system but subsequently were dismembered and transported by faulting.

The Company’s local subsidiary, Estrella del Cobre S.A. de C.V., received approval from Mexico’s environmental authority (“SEMARNAT”), that allowed the Company to complete the 2021 surface drilling at San Javier. Barksdale also received approval from the community of San Javier, which controls the surface rights over the Company’s key exploration concessions, to complete on-going exploration related activities, including project drilling.

The Company completed a 5,000-meter drilling program at San Javier in December 2021. Based on assay data the 2021 drilling has successfully extended mineralization laterally from previous known drilling and indicates that the Cerro Verde mineralized zone remains open particularly to the south, west, and northeast. At depth, drilling has frequently encountered a sharp boundary between zones of secondary sulfide copper mineralization (chalcocite) and primary copper mineralization (dominantly chalcopyrite), again, indicating the presence of post-mineral faulting. Additionally, the primary copper mineralization zones typically exhibit weak propylitic alteration with disseminated chalcopyrite, suggesting that these zones are distal to the core of the IOCG mineralizing system.

Drilling was completed using HQ size diamond drill core and core was logged by geologic consultants engaged by the Company. Drill holes were logged and marked for sampling prior to being sawn in half using a diamond blade saw, with one half of the sawn core being placed in a cloth sample bag, with a unique sample tag, while the second half was returned to the wooden core box for storage on site. Sample assays are being performed by Skyline Assayers & Laboratories, which is an accredited laboratory (ISO 9001). Core samples are analyzed for total copper, acid soluble copper, cyanide soluble copper, as well as well as a multi element ICP Analysis. The analytical work has been and is subject to a QA/QC program that includes certified reference standards from OREAS North America. These standards are of similar composition to the rock types at San Javier. Several different standards are included in each batch of samples submitted to the lab. These controls are tracked to ensure the integrity of the assay data. Results are all within acceptable limits. Following receipt of the final assay results of the 2021 drilling program, Barksdale initiated a new resource estimate at Cerro Verde.

In June 2022, the Company reported positive results from its first phase of metallurgical test work on copper mineralization at the San Javier project. A comprehensive testing program was completed in eight column tests utilizing material sourced from four large-diameter diamond core holes that were drilled by Barksdale in August and early September of 2021. The objective of the program was to help guide optimum processing options for the project. The metallurgical test program was conducted at McClelland Laboratories, Inc. in Reno, Nevada, under the supervision of Jack McPartland, Metallurgist / President at McClelland, with additional oversight by Steve Dixon, Barksdale's consulting metallurgist.

Extraction of acid soluble copper ranged between 77% and 93% and extraction of acid and cyanide soluble copper ranged between 72% and 89% within oxide dominant mineralization. Copper recovery was still increasing in all samples at the conclusion of the 120-day column tests, indicating the potential for residual copper extraction. In addition, test work indicated that acid curing and agglomeration is likely not required as the acid cured samples did not extract more copper than using raffinate alone. With respect to sulfide dominant mineralization, test work showed overall recoveries of both acid and cyanide soluble copper were between 51% and 58% and the recoveries were still increasing at the end of the 120-day irrigation cycle. Net acid consumption on non-cured oxide samples ranged between approximately 2 and 3 kilograms per tonne while net acid consumption on the non-cured sulfide sample was approximately 22 kilograms per tonne.

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 Quarterly Information

The following financial information is derived from the Company’s condensed interim consolidated financial statements for the three months ended June 30, 2022 and 2021, has been prepared in accordance with IFRS and is presented in Canadian dollars, unless otherwise indicated:

	As a June 30,	
	2022	2021
	\$	\$
Total assets	16,198,650	15,852,188
Total liabilities	1,984,343	658,592
Working capital	85,756	4,889,357
Exploration and evaluation assets	14,159,619	10,335,732

	For the three months ended June 30,	
	2022	2021
	\$	\$
Revenues	-	-
General and administrative expenses	(347,125)	(712,971)
Other items		
Interest income	181	31,692
Loss and comprehensive loss	(346,944)	(681,279)
Loss per share (basic and diluted)	(0.01)	(0.01)

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 net losses from operating and administrative expenses.

The Company’s operating and administrative expenses for the three months ended June 30, 2022 totalled \$347,125 (June 30, 2021 - \$712,971).

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the three months ended June 30, 2022 and 2021:

Expenses	For the three months ended June 30,	
	2022	2021
	\$	\$
Advertising and marketing	27,134	127,645
Consulting fees	-	21,959
Depreciation	6,719	9,122
Financing charges	49,155	-
Foreign exchange (gain) loss	(2,398)	30,883
Insurance expense	9,603	7,137
Interest expenses on lease liabilities	45,412	2,179
Investor relations costs	3,784	3,728
Management fees	99,065	92,125
Office and general	22,357	20,299
Professional fees	36,052	241,216
Rent	18,200	12,600
Share-based compensation	2,704	113,989
Transfer and filing fees	11,784	14,709
Travel and related	17,554	15,380
	347,125	712,971

The table below details the changes in major expenditures for the three months ended June 30, 2022 as compared to the corresponding period ended June 30, 2021:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and marketing	Decrease of \$100,511	Decreased due to new marketing and social media campaigns engaged to increase investor awareness in the prior period.
Professional fees	Decrease of \$205,164	Decreased due to fees incurred related to the Regal Transaction and related loans in the prior period.
Share-based compensation	Decrease of \$111,285	Decreased as stock options vested with lower value.

As at June 30, 2022, the Company had not yet achieved profitable operations and has accumulated losses of \$28,150,952 (March 31, 2022 - \$27,804,008) since inception. These losses resulted in a net loss per share (basic and diluted) for the three months ended June 30, 2022 of \$0.04 (March 31, 2022 - \$0.01).

Summary of Quarterly Results

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

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	\$	\$	\$	\$
Total assets	16,198,650	16,652,618	15,853,255	15,801,086
Total liabilities	1,984,343	2,409,257	1,346,088	914,853
Working capital	85,756	901,739	1,810,318	3,549,452
Revenues	-	-	-	-
Net loss	(346,944)	(404,319)	(413,263)	(370,982)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	\$	\$	\$	\$
Total assets	15,852,188	15,449,241	15,949,881	15,778,929
Total liabilities	658,592	538,079	519,640	441,494
Working capital	4,889,357	5,541,535	6,460,123	6,872,681
Revenues	-	-	-	-
Net loss	(681,279)	(690,824)	(803,100)	(408,687)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)

Variances quarter over quarter can be explained as follows:

In September 2020, the Company raised gross proceeds of \$5,800,000 through the issuance of 15,263,158 common shares at \$0.38 per share. In October 2020, the Company raised gross proceeds of \$525,000 through the issuance of 1,381,579 common shares at \$0.38 per share. Such financings resulted in the increased working capital positions of the Company as at the respective fiscal quarters. See “Liquidity and Capital Resources” below.

In the quarters ended June 30, 2021, December 31, 2020, and March 31, 2020, stock options were granted to various directors, officers, and consultants. These grants resulted in share-based compensation expenses of \$113,989, \$358,156, and \$140,048, respectively, contributing to significantly higher losses related to share-based compensation in these quarters compared to quarters in which no stock options were granted.

Liquidity and Capital Resources

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

	June 30, 2022	March 31, 2022
	\$	\$
Cash	1,756,682	2,954,681
Receivables	9,065	12,609
Prepaid expenses	171,489	206,638
Total current assets	1,937,236	3,173,928
Accounts payables and accrued liabilities	(368,224)	(610,013)
Current portion of lease liabilities	(25,766)	(24,554)
Convertible debentures	(1,457,490)	(1,637,622)
Working capital	85,756	901,739

The Company had working capital of \$85,756 as at June 30, 2022 (March 31, 2022 - \$901,739).

The Company has not generated revenues from its operations to date. As at June 30, 2022, the Company has accumulated net losses of \$28,150,952 since inception and has working capital of \$85,756. The Company is currently considering a number of different financing options. The operations of the Company have primarily been funded through the issuance of common shares and the Company will continue to rely on its ability to obtain adequate equity financing in the future. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Company raises additional financing through the issuance of shares from its treasury, control of the Company may change and existing shareholders will suffer additional dilution. See “Commitments” below.

In February 2022, the Company closed a non-brokered private placement of \$1,750,000 Debentures. The Debentures bear interest at 10% per annum and are secured by a general security agreement over all of the present and after-acquired personal property of the Company as well as a pledge of shares over IC Exploration Ltd. that holds the San Antonio, Goat Canyon, and Canelo properties in Arizona. The Debentures mature on December 31, 2022 and are convertible into common shares of the Company at any time by the purchaser prior to maturity at a conversion price of \$0.45 per share. In June 2022, the Company repaid \$250,000 of the Debentures plus interest through a combination of share issuances and cash at the request of the lender.

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 corona virus COVID-19 a global pandemic. This contagious disease outbreak and subsequent variants of concerns, which have 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 and adversely affect and harm our business and results of operations. At this time, it is not possible for the Company to predict the duration or magnitude of the adverse results of this pandemic and its effects on the Company's business or results of operations including Barksdale's personnel, supply chains, ability to access properties or procure equipment, contractors and other personnel and/or economic activity in general.

In April 2022, COVID cases have increased in Arizona, including Pima and Santa Cruz Counties. In June 2022, Arizona Department of Health Services reported 2200 new cases in Pima County and 682 new cases in Santa Cruz County. ADHS Deputy Director, Kim Van Pelt reported that many people are testing at home and not reporting, indicating that actual case numbers could be three to five times higher. Transmission rates continue to increase statewide as of July 6, 2022. There are currently no mask mandates in Arizona, including Pima and Santa Cruz County. Pima County has partnered with FEMA to provide COVID testing and anti-viral medication, free of charge. In August 2022, community transmission remains widespread throughout the state and they are advising residents to take adequate precautions when away from home and to adhere to social distancing guidelines. Currently, there are no mask mandates in Arizona and access to testing and anti-viral medication remains available, free of charge. The Company will continue to perform regular self- health checks and frequent office cleaning to maintain a healthy workplace for employees.

In July 2022, the pandemic is easing its grip in the Mexican state of Sonora, where the San Javier Project is located. Hermosillo is one of the municipalities in the state with more cases, but the severity of infections is decreasing. Currently, there are no mandatory practices instructed by the government, all activities are permitted.

- (b) Barksdale has limited financial resources and no operating revenues. To earn and/or maintain its interest in the Sunnyside, Four Metals, San Antonio, Canelo, Goat Canyon, Guajolote, and San Javier 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. See also "Commitments" below.
- (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, Four Metals, San Antonio, Canelo, Goat Canyon, Guajolote, and San Javier 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, San Antonio, Canelo, Goat Canyon, Guajolote, or San Javier 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, Canelo, Goat Canyon, Guajolote, and San Antonio Properties to South32's Hermosa project and Taylor deposit is not necessarily indicative of the mineralization on the Sunnyside, Four Metals, Canelo, Goat Canyon, Guajolote or San Antonio Properties. 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) None of the Sunnyside, Four Metals, San Antonio, Canelo, Goat Canyon, or San Javier properties 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 including the Company's proposed exploration programs at Sunnyside, San Antonio and San Javier. 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 proposed or future exploration activities or, if granted, that the licenses and permits will be on the basis applied for or remain in force as granted.
- (g) 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.
- (h) 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.
- (i) 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.

- (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.
- (k) Mexico has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations or their application affecting mineral exploration and mining activities. The Company's operations and properties are subject to a variety of governmental regulations including, among others: regulations promulgated by the Mexican Department of Economy – Dirección General de Minas, Mexico's Secretary of Environment and Natural Resources ("SEMARNAT"); the Mexican Mining Law; and the regulations of the Comisión Nacional del Agua with respect to water rights, the Mexican Department of labour and the Mexican Department of the Interior. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Company's mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or maintenance of its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. Mexico's status as a developing country may make it more difficult than it was in the past for the Company to obtain any required financing for its projects. The Mexican Government has conducted a highly publicized crackdown on the drug cartels, resulting in a loss of lives. There is no assurance that our operations will not be adversely impacted by such organizations.

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

Related Party Transactions and Balances

During the three months ended June 30, 2022, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- a. Incurred management fees of \$45,240 (June 30, 2021 - \$43,500) to Richard Trotman, CEO and director of the Company. As at June 30, 2022, \$50,000 (March 31, 2022 - \$50,000) was included in accounts payable and accrued liabilities for management fees.
- b. Incurred professional fees of \$26,520 (June 30, 2021 - \$25,500) to a company controlled by Michael Waldkirch, CFO of the Company. As at June 30, 2022, \$27,500 (March 31, 2022 - \$27,500) was included in accounts payable and accrued liabilities for professional fees.
- c. Incurred management fees of \$31,200 (June 30, 2021 - \$30,000) to Terri Anne Welyki, Vice President of Communications for the Company. As at June 30, 2022, \$14,000 (March 31, 2022 - \$14,000) was included in accounts payable and accrued liabilities for reimbursement of expenses.
- d. Incurred management fees of \$9,000 (June 30, 2021 - \$9,000) to a company controlled by Pam White, Corporate Secretary of the Company. As at June 30, 2022, \$3,431 (March 31, 2022 - \$nil) was included in accounts payable and accrued liabilities for management fees.
- e. Incurred exploration and evaluation expenditures of \$30,483 (June 30, 2021 - \$29,255) to Andrew Pooler, Senior Vice President of Project Development of the Company.
- f. Incurred exploration and evaluation expenditures of \$28,161 (June 30, 2021 - \$27,214) to Thomas Simpson, Senior Vice President of Exploration of the Company. As at June 30, 2022, \$nil (March 31, 2022 - \$1,532) was included in accounts payable and accrued liabilities for reimbursement of expenses.
- g. Incurred director fees of \$4,625 (June 30, 2021 - \$3,625) to Darren Blasutti, a director of the Company.
- h. Incurred director fees of \$3,000 (June 30, 2021 - \$2,000) to Jeffrey O'Neill, a director of the Company.
- i. Incurred director fees of \$3,000 (June 30, 2021 - \$2,000) to Peter McRae, a director of the Company.

- j. Incurred director fees of \$3,000 (June 30, 2021 - \$2,000) to William Wulfange, 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 three months ended	
	June 30,	
	2022	2021
	\$	\$
Management fees	99,065	92,125
Exploration and evaluation assets	58,643	56,469
Professional fees	26,520	25,500
Share-based compensation	-	78,574
	184,228	252,668

Off- Balance Sheet Arrangements

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

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, loans receivable, lease liabilities, accounts payable and accrued liabilities and convertible debentures. 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. Receivables, loans receivable, lease liabilities, accounts payable and accrued liabilities and convertible debentures are measured at amortized cost.

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 the majority of 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 June 30, 2022, the Company had a US foreign currency net monetary asset position of approximately US\$154,370 and a MXN Peso net monetary liabilities position of approximately MXN Peso 460,433. Each 10% change in the US dollar and Mexican peso relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$19,900 and \$2,900, respectively.

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 or convertible debentures as they are 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.

Changes in Accounting Policies including Initial Adoption

There were no changes to the Company's accounting policies during the three months ended June 30, 2022.

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 June 30, 2022	Date of this MD&A
Common shares	65,528,658	65,838,658
Stock options	6,224,528	5,914,528
Warrants	8,743,615	8,743,615

As at the date of this MD&A, the Company has 65,838,658 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*”.

As at the date of this MD&A, details of the outstanding stock options:

Number of options outstanding	Number of options exercisable	Exercise price \$	Expiry date
1,055,000	1,055,000	0.42	October 6, 2022
600,000	600,000	0.88	November 14, 2022
30,000	30,000	0.365	January 28, 2023
621,528	621,528	0.365	February 26, 2023
100,000	100,000	0.79	April 19, 2023
925,000	925,000	0.50	October 8, 2023
250,000	250,000	0.68	November 16, 2023
400,000	400,000	0.63	December 7, 2023
459,500	459,500	0.47	February 26, 2024
755,000	755,000	0.58	March 1, 2024
385,000	385,000	0.52	April 26, 2024
133,500	133,500	0.53	May 12, 2024
200,000	200,000	0.53	September 20, 2024
5,914,528	5,914,528		

As at the date of this MD&A, details of the outstanding warrants:

Number of warrants	Exercise price \$	Expiry date
8,052,825	0.55	September 29, 2022
690,790	0.55	October 1, 2022
8,743,615		

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, permitting and drilling plans and timing of permitting approvals and 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, COVID 19 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, the Guajolote Patented Mining Claim, the Canelo Property, the Goat Canyon Property, the San Antonio Property, and the San Javier Property being consistent with the Company's current expectations; (4) political developments in Mexico, 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 or between the Canadian dollar and the Mexican Peso 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, the Guajolote Patented Mining Claim, the Canelo Property, the Goat Canyon Property, the San Antonio Property, and the San Javier 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, Mexico, 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 is also uncertainty about the spread of COVID-19 and variants of concern and the impact they will have on the Company's operations, personnel, supply chains, ability to access properties or procure exploration equipment, contractors and other personnel on a timely basis or at all and economic activity in general. 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 August 25, 2022.

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 months ended June 30, 2022 and 2021; and
- the Company's audited consolidated financial statements for the years ended March 31, 2022 and 2021.

This MD&A has been approved by the Board on August 25, 2022.