



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

Notice of no Auditor review of Interim Financial Statements

Under National Instrument 51-102, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

BARKSDALE RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

	December 31, 2024	March 31, 2024
	\$	\$
ASSETS		
Current		
Cash	661,070	1,713,733
Receivables	6,548	28,042
Prepays	317,326	251,130
	<u>984,944</u>	<u>1,992,905</u>
Exploration and evaluation assets (Notes 4 and 9)	26,719,014	22,012,246
Reclamation bond	297,997	280,621
Right-of-use assets (Note 5)	<u>33,594</u>	<u>47,032</u>
	<u>28,035,549</u>	<u>24,332,804</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 6 and 9)	535,544	1,635,302
Current portion of lease liabilities (Note 5)	42,454	30,614
Convertible debentures (Note 7)	1,651,644	1,417,618
	<u>2,229,642</u>	<u>3,083,534</u>
Lease liabilities (Note 5)	<u>-</u>	<u>24,404</u>
	<u>2,229,642</u>	<u>3,107,938</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	57,611,992	52,064,302
Reserves (Note 8)	2,955,330	2,427,756
Equity component of convertible debentures (Note 7)	118,535	118,535
Deficit	<u>(34,879,950)</u>	<u>(33,385,727)</u>
	<u>25,805,907</u>	<u>21,224,866</u>
	<u>28,035,549</u>	<u>24,332,804</u>

Nature of Operations and Going Concern (Note 1)
Subsequent events (Note 14)

Approved on behalf of the Board of Directors on February 27, 2025:

"Darren Blasutti" Director

"Peter McRae" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BARKSDALE RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS

(Expressed in Canadian Dollars - Unaudited)

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
Advertising and marketing	62,200	100,349	226,612	285,736
Consulting fees	28,125	32,500	67,036	43,167
Depreciation (Note 5)	-	6,718	13,438	20,156
Financing charges	40,484	40,074	121,012	119,786
Foreign exchange gain	(50,186)	973	(114,636)	(21,572)
Insurance	4,513	12,885	32,297	34,225
Interest expense (Notes 5 and 7)	37,808	38,990	114,736	116,891
Investor relations	21,085	7,533	36,343	23,100
Management fees (Note 9)	111,200	114,125	350,719	342,375
Office and general	57,701	68,572	173,905	218,763
Professional fees (Note 9)	52,777	95,250	168,316	253,991
Property investigation costs	-	-	-	1,227
Rent	25,767	18,967	70,433	61,013
Share-based compensation (Notes 8 and 9)	118,571	206,766	380,996	943,315
Transfer agent and filing fees	17,039	24,319	41,229	53,855
Travel and related	2,439	8,718	14,117	65,608
	(529,523)	(776,739)	(1,696,553)	(2,561,636)
Gain on write off accounts payable	-	14,771	-	14,771
Write off of exploration and evaluation asset	-	-	(146,315)	-
Gain on Settlement of debt	7,756	-	7,756	-
Interest income	13,757	18,893	16,049	87,280
Loss before income tax	(508,010)	(743,075)	(1,819,063)	(2,459,585)
Deferred tax recovery	-	-	-	(47,470)
Loss and comprehensive loss for the period	(508,010)	(743,075)	(1,819,063)	(2,459,585)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.03)
Weighted average number of common shares outstanding – basic and diluted	133,753,592	81,344,265	118,825,302	81,168,395

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BARKSDALE RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the nine months ended December 31,	
	2024	2023
	\$	\$
Cash flows used in operating activities		
Loss for the period	(1,819,063)	(2,507,055)
Items not affecting cash		
Depreciation	13,438	20,156
Interest accrual	-	49,004
Write off of Exploration & Evaluation assets	146,315	-
Accretion	121,012	119,786
Deferred tax expense (recovery)	-	47,470
Share-based compensation	380,996	943,316
Interest expense	114,736	116,893
Unrealized foreign exchange loss	(13,876)	(1,301)
	<u>(1,056,442)</u>	<u>(1,211,731)</u>
Changes in non-cash working capital items		
Receivables	21,494	7,695
Prepays	(66,196)	(99,901)
Accounts payable and accrued liabilities	(1,410,274)	62,077
	<u>(2,511,418)</u>	<u>(1,241,860)</u>
Cash flows used in investing activities		
Exploration and evaluation asset expenditures	(4,508,954)	(3,661,976)
	<u>(4,508,954)</u>	<u>(3,661,976)</u>
Cash flows provided from financing activities		
Proceeds from share issuance	6,300,000	-
Obligation to issue shares	-	35,000
Share issuance costs	(314,505)	-
Proceeds from stock options exercised	-	101,292
Repayment of lease liabilities	(17,785)	(25,005)
	<u>5,967,710</u>	<u>111,287</u>
Net change in cash	(1,052,663)	(4,792,549)
Cash, beginning of the period	<u>1,713,733</u>	<u>5,914,177</u>
Cash, end of the period	<u>661,070</u>	<u>1,121,628</u>

Supplemental cash flow information (Note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BARKSDALE RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars - Unaudited)

	Number of Shares Issued	Share Capital \$	Reserves \$	Equity component of convertible debentures \$	Accumulated Deficit \$	Total Shareholders' Equity \$
Balance at March 31, 2023	80,827,018	47,905,461	3,204,591	138,638	(30,652,991)	20,595,699
Share issued for exploration and evaluation assets	261,813	167,560	-	-	-	167,560
Convertible debenture equity	-	-	-	47,470	-	47,470
Share-based compensation	-	-	943,315	-	-	943,315
Stock options exercised	90,100	358,176	(256,883)	-	-	101,293
Stock options expired	-	-	(299,712)	-	299,712	-
Warrants expired	-	-	(1,067,069)	-	1,067,069	-
Net loss for the period	-	-	-	-	(2,507,055)	(2,507,055)
Balance at December 31, 2023	81,178,931	48,431,197	2,524,242	186,108	(31,793,265)	19,348,282
Shares issued for cash	9,775,970	3,910,388	-	-	-	3,910,388
Shares issued for convertible debentures	467,708	177,729	-	-	-	177,729
Share-based compensation	-	-	43,081	-	-	43,083
Convertible debenture equity	-	-	-	(67,573)	-	(67,573)
Share issuance costs	-	(455,012)	119,629	-	-	(335,383)
Stock options exercised	190,470	-	-	-	-	-
Stock options expired	-	-	(526,732)	-	526,732	-
Warrants issued for convertible debentures	-	-	267,536	-	-	267,536
Net loss for the period	-	-	-	-	(2,119,194)	(2,119,194)
Balance at March 31, 2024	91,613,079	52,064,302	2,427,756	118,535	(33,385,727)	21,224,866
Units issued for cash	42,000,000	6,300,000	-	-	-	6,300,000
Residual value allocated to warrants	-	(346,626)	346,626	-	-	-
Share-based compensation	-	-	380,996	-	-	380,996
Share issuance costs	-	(439,294)	124,790	-	-	(314,504)
Share issued for debt	258,543	33,611	-	-	-	33,611
Stock options expired	-	-	(324,838)	-	324,838	-
Net loss for the period	-	-	-	-	(1,819,061)	(1,819,061)
Balance at December 31, 2024	133,871,622	57,611,992	2,955,330	118,535	(34,879,950)	25,805,907

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BARKSDALE RESOURCES CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Barksdale Resources Corp. (“Barksdale” or the “Company”), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange (“TSXV”) and the OTCQX in the United States and trades under the symbol BRO.V and BRKCF respectively. The Company’s registered office is at 67 East 5th Avenue, Vancouver, British Columbia, Canada, V5T 1G7.

The Company’s principal business activities include the acquisition and exploration of precious and base metal mineral properties in Arizona, USA and Sonora, Mexico. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. A number of alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The Company has not generated revenues from its operations to date. As at December 31, 2024, the Company has accumulated net losses of \$34,879,950 since inception and has a working capital of \$1,244,698. The operations of the Company have primarily been funded by the issuance of common shares and convertible debentures. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company does not have sufficient cash for the upcoming fiscal year in order to maintain its operations and exploration activities and is exploring various financing activities to fund operations for the next twelve months.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

These condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the

BARKSDALE RESOURCES CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

Company for the years ended March 31, 2024 and 2023.

2. BASIS OF PRESENTATION (CONTINUED)

a) Statement of Compliance (continued)

These condensed interim consolidated financial statements for the three and nine months ended December 31, 2024 and 2023 were authorized by the Board of Directors for issuance on February 27, 2025.

b) Basis of Presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, TBJ Resources (US) Inc., Arizona Standard Resources Corp., Arizona Standard (US) Corp., Arizona Standard LLC., IC Exploration Ltd., IC Exploration (US) Ltd., 1260938 BC Ltd., and Estrella de Cobre, S.A. de C.V. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

d) Use of Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS Accounting Standards 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 consolidated 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.

Significant areas requiring the use of management estimates and judgments include:

- (i) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
- (ii) The determination that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- (iii) Inputs used in the valuation model to determine the fair value of stock options.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and reflect management's consideration of the following significant accounting policies:

a) Foreign Currency Transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

b) Exploration and Evaluation Assets

Pre-acquisition costs are expensed as incurred. Costs directly related to the acquisition and exploration of exploration and evaluation assets are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

c) Recent Accounting Pronouncements

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the nine months ended December 31, 2024 and have not been applied in preparing these condensed interim consolidated financial statements nor does the Company expect these amendments to have a significant effect on its financial statement.

d) New accounting standards issued and not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has not yet determined the impact of this amendment on its consolidated financial statements

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended December 31, 2024 and 2023
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4. EXPLORATION AND EVALUATION ASSETS

	Sunnyside	Four Metals	San Antonio	Guajolote	Canelo and Goat Canyon	San Javier	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, March 31, 2023	8,064,002	349,528	1,326,116	154,588	380,550	5,735,343	16,010,127
Acquisition and staking costs	-	300,430	-	-	-	8,492	308,922
<i>Exploration expenditures:</i>							
Accommodation and related	71,501	-	-	-	-	11,032	82,533
Claim maintenance fees	104,167	8,903	118,838	-	151,765	28,955	412,628
Consulting	848,377	-	1,485	-	-	395,614	1,245,476
Core transportation	5,579	-	-	-	-	-	5,579
Data analytics	34,897	-	-	-	-	-	34,897
Drilling	4,508,069	-	72,056	-	-	34,433	4,614,558
Geological	-	-	-	-	-	2,677	2,677
Insurance	1,714	-	-	-	-	-	1,714
Legal	273,729	-	-	-	-	-	273,729
Permitting	284,239	-	-	-	-	-	284,239
Sampling and processing	37,769	-	-	-	-	-	37,769
Storage	-	-	-	-	-	179	179
Supplies and fuel	124,720	-	-	-	-	2,848	127,568
Truck rental	88,145	-	-	-	-	-	88,145
Impairment of exploration and evaluation asset	-	-	(1,518,494)	-	-	-	(1,518,494)
Balance, March 31, 2024	14,446,908	658,861	1	154,588	532,315	6,219,573	22,012,246
Acquisition and staking costs	717,071	-	-	-	-	-	717,071
<i>Exploration expenditures:</i>							
Accommodation and related	101,382	-	-	-	-	34,421	135,803
Claim maintenance fees	102,214	10,954	146,313	-	163,502	13,454	436,437
Consulting	741,155	-	-	-	-	141,073	882,228
Data analytics	139	-	-	-	-	-	139
Drilling	2,135,749	-	-	-	-	25,350	2,161,099
Geological	413	-	-	-	-	-	413
Insurance	6,854	-	-	-	-	-	6,854
Legal	78,714	-	-	-	-	-	78,714
Permitting	221,681	-	-	-	-	-	221,681
Sampling and processing	36,093	-	-	-	-	-	36,093
Storage	27,794	-	-	-	-	6,263	34,057
Supplies and fuel	111,775	-	-	-	-	69	111,844
Truck rental	30,648	-	-	-	-	-	30,648
Impairment of exploration and evaluation asset	-	-	(146,313)	-	-	-	(146,313)
Balance, December 31, 2024	18,758,590	669,815	1	154,588	695,817	6,440,206	26,719,014

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Sunnyside Project

In August 2017, the Company entered into an arm's length definitive agreement (the "Sunnyside Agreement") with Regal Resources USA, Inc. ("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 totalling \$2,950,000 cash and the issuance of 10,100,000 common shares to Regal US 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 an additional \$550,000 cash and the issuance of 4,900,000 common shares to Regal US 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 (paid)	3,000,000 (incurred)	3,850,000 (issued)
On or before end of Year 2	1,000,000	3,000,000 (incurred)	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 commenced on September 7, 2023, the date the Company received all required governmental permits including drilling permits to carry out its initial exploration program on the Sunnyside Property. In November 2017, the Company paid the final option payment of \$254,700 (US\$200,000) to the original optionors on behalf of Regal US. Pursuant to the Regal Transaction (see below), the Company offset \$150,000 of transaction costs and \$78,229 proxy costs against its option payment obligations due to Regal BC under the Sunnyside Agreement. In September 2024, the balance of \$717,071 was paid to fulfil the Year 1 cash commitment as defined above.

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 Agreements 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.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Sunnyside Project (Continued)

The Sunnyside Agreement further provides that:

- a) during the first two years of the Option, Regal US 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 US or the Sunnyside Property and subject to Regal US's right to abstain from voting in its discretion;
- b) Regal US shall give the Company not less than five (5) days advance notice of any proposed sale of Barksdale shares for so long as Regal US owns 5% or more of the Company's outstanding shares;
- c) 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;
- d) the Company has a 15 day right of first refusal to acquire all or any part of Regal US's remaining interest in the Sunnyside Property in the event of a proposed sale or transfer of such interest by Regal US;
- e) 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
- f) the Sunnyside Agreement is subject to a net smelter return ("NSR") between 1.5% to 3%.

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.

In October 2020, the Company closed an agreement to acquire historic diamond drill core samples and data in exchange for 25,000 common shares of the Company with a fair value of \$12,750.

In May 2021, the Company entered into a definitive purchase agreement with Regal BC whereby the Company would consolidate a 100% interest in the Sunnyside project (the "Regal Transaction"). Subsequently in July 2021, Regal BC failed to obtain the required number of votes for approval of the Regal Transaction, and as a result, the Regal Transaction was terminated. Pursuant to the definitive purchase agreement, the Company is entitled to offset \$150,000 of transaction costs against its future option payment obligations due to Regal BC under the Sunnyside Agreement. Additionally, the Company will offset double the costs against the Sunnyside Agreement related to Regal BC's hiring of a proxy agent.

Four Metals Project

In April 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.

In April 2023 the Company completed the acquisition of Four Metals by making option payments totaling US\$450,000 (the "Option Payments") 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:

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Four Metals Project (Continued)

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

San Antonio Project

In July 2019, the Company closed a purchase and sale agreement with Teck Resources Limited ("Teck") to acquire a 100% undivided interest in the San Antonio Property located in Santa Cruz County, Arizona, southeast of the Sunnyside Property.

Guajolote Patented Mining Claim

In June 2021, through an option agreement, the Company acquired 100% interest in a patented mining claim. The property is located within close proximity to the Company's projects located in Santa Cruz County, Arizona. In order to exercise the option, the Company made option payments of US\$125,000 in cash and common shares of the Company.

Canelo and Goat Canyon Property

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 located in Santa Cruz Country, Arizona, from Kennecott Exploration Inc. ("Kennecott").

Consideration for the projects consisted of \$44,310 (US\$35,000) in cash (paid) as well as a 2.0% NSR that covers both properties. The Company will retain the right to repurchase 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.

In June 2022, the Company dropped certain federal mining claims at Goat Canyon Property that were deemed to have limited geologic potential.

San Javier Project

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. ("Tusk") The San Javier property is located in central Sonora, Mexico.

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4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

San Javier Project (continued)

In order to exercise the option, the Company will make option payments to the optionors as follows:

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	*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 rectify 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 NSR 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 NSR is subject to a right of first refusal in favor of the Company.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-Use Assets

	Office Leases
Cost:	\$
At March 31, 2023, 2024 and December 31, 2024	155,843
Depreciation:	
At March 31, 2023	81,936
Charge for the year	26,875
At March 31, 2024	108,811
Charge for the period	13,438
At December 31, 2024	122,249
Net book value:	
At March 31, 2024	47,032
At December 31, 2024	33,594

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5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease Liabilities

	\$
At March 31, 2023	83,464
Lease payments made	(33,496)
Interest expense on lease liabilities	4,920
Foreign exchange adjustment	130
At March 31, 2024	55,018
Lease payments made	(17,785)
Interest expense on lease liabilities	1,722
Foreign exchange adjustment	3,499
	42,454
Less: current portion	(42,454)
At December 31, 2024	-

The lease liabilities were discounted at a discount rate of 7%.

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

	\$
Fiscal 2025	8,892
Fiscal 2026	26,677

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	March 31, 2024
	\$	\$
Accounts payable	386,833	1,443,748
Accrued liabilities	148,711	191,554
	535,544	1,635,302

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7. CONVERTIBLE DEBENTURES

Convertible debentures

	\$
Balance, March 31, 2022	1,637,622
Share issued for convertible debenture	(264,792)
Repayment of interest from convertible debentures	(8,125)
Accretion	141,821
Accrued interest	90,439
Gain on settlement of debt	(96,965)
Balance, October 21, 2022	1,500,000
Allocation of proceeds to equity component	(189,915)
Accretion	70,129
Accrued interest	66,164
Balance, March 31, 2023	1,446,378
Shares issued for repayment of interest	(177,729)
Accretion	119,786
Accrued interest	120,919
Gain on settlement of debt	(9,354)
Balance, December 27, 2023	1,500,000
Allocation of proceeds to equity component	(162,377)
Accretion	41,365
Accrued interest	38,630
Balance, March 31, 2024	1,417,618
Accretion	121,012
Accrued interest	113,014
Balance, December 31, 2024	1,651,644

In January 2022, the Company closed and issued convertible debentures for aggregate total proceeds of \$1,750,000 ("2022 Debentures") which bear interest at 10% per annum and matured on December 31, 2022.

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. As a result, the Company reclassified \$18,334 from the equity component of the convertible debentures to share capital.

In October 2022, the Company extended the maturity date of the 2022 Debentures, with a remaining principal amount of \$1,500,000, by one year until December 31, 2023 ("2023 Debentures"). As a result, the 2022 Debentures were extinguished, and the Debenture Extension was recognized. A gain of \$96,965 on settlement of debt was recognized related to the modification to the debt component, a loss of \$18,334 was recognized related to the modification of the equity component, and a further loss of \$1,067,068 was recognized on the settlement of debt related to an extension fee for a net loss on settlement of debt of \$988,437. The remaining terms of the 2022 Debentures remained unchanged, except for the increase of the conversion price from \$0.45 to \$0.55 per share.

Pursuant to the 2023 Debentures, the Company issued 206,595 units of the Company in settlement of \$99,166 of accrued interest payable on the 2022 Debentures. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.72 for a period of three years.

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7. CONVERTIBLE DEBENTURES (CONTINUED)

In exchange for extending the 2022 Debentures, the Company issued an extension fee of 2,777,777 share purchase warrants, exercisable into 2,777,777 common shares of the Company at a price of \$0.72 for a period lasting up to December 31, 2023 ("2023 Extension Warrants"). Should any part of the 2022 Debentures be repaid or converted prior to the maturity date, a pro-rata portion of the 2023 Extension Warrants will have their maturity date accelerated to the later of (i) one year from closing of the 2023 Debenture Extension, and (ii) 30 days after the date of repayment or conversion. The 2,777,000 warrants were valued at \$1,067,068 using the Black-Scholes pricing model with the following assumptions: estimated life of 1.19 years, risk-free rate of 4.20%, and volatility of 97% and were expensed as a loss on settlement of debt.

In January 2024, the Company received approval to extend the maturity of the 2023 Debentures, with a remaining principal amount of \$1,500,000, by one year until December 31, 2024 ("2024 Debenture Extension"). As a result, the 2023 Debentures were extinguished, and the 2024 Debenture Extension was recognized. A gain of \$9,354 on settlement of debt was recognized related to the modification to the debt component, a gain of \$235,643 was recognized related to the modification of the equity component, a loss of \$225,334 was recognized on the settlement of debt related to an extension fee, and a further loss of \$42,202 was recognized for warrants issued for settlement of accrued interest on the 2023 Debentures, for a net loss on settlement of debt of \$22,539. The remaining terms of the 2023 Debentures remained unchanged.

Pursuant to the 2024 Debenture Extension, the Company issued 467,708 units of the Company in settlement of \$187,083 of accrued interest payable on the 2023 Debentures. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.60 for a period of three years.

In exchange for extending the 2023 Debentures, the Company issued an extension fee of 2,777,777 share purchase warrants, exercisable into 2,777,777 common shares of the Company at a price of \$0.60 for a period lasting up to December 31, 2024 ("2024 Extension Warrants"). Should any part of the 2023 Debentures be repaid or converted prior to the maturity date, a pro-rata portion of the 2024 Extension Warrants will have their maturity date accelerated to the later of (i) one year from closing of the 2023 Debenture Extension, and (ii) 30 days after the date of repayment or conversion. The 2,777,000 warrants were valued at \$225,334 using the Black-Scholes pricing model with the following assumptions: estimated life of 1 year, risk-free rate of 4.83%, and volatility of 91% and were expensed as a loss on settlement of debt.

At the option of the lenders, the lenders can convert their debentures and any accrued interest into common shares of the Company, for a price equal to \$0.55 per share prior to maturity. In the event the debentures remain outstanding at maturity, the debentures with its accrued interest will be payable, in cash or shares, at the option of the lenders, at \$0.55 per common share.

The 2023 Debentures that were extended, are secured by a general security agreement over all the present and after-acquired personal property of the Company and a share pledge agreement over all of the issued and outstanding shares of the Company's wholly-owned subsidiary IC Exploration Ltd. which owns, indirectly through IC Exploration (US) Ltd., the San Antonio Property.

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7. CONVERTIBLE DEBENTURES (CONTINUED)

The 2022 Debentures were compound instruments, and the proceeds were bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model using an estimated market interest rate for equivalent debt of 12%. The initial fair value of the debt was calculated to be \$1,574,187 with the residual portion of \$175,813 allocated to equity. In addition, the resulting deferred tax amount of \$47,470 was charged to the equity component. Pursuant to the 2023 Debenture Extension, the fair value of the debt was recalculated to be \$1,310,085 with the residual portion of \$189,915 allocated to equity. In addition, the resulting deferred tax amount of \$51,277 was charged to the equity component and the deferred tax amount \$47,470 was expensed. Pursuant to the 2024 Debenture Extension, the fair value of the debt was recalculated to be \$1,337,623 with the residual portion of \$162,377 allocated to equity. In addition, the resulting deferred tax amount of \$43,842 was charged to the equity component and the deferred tax amount \$51,277 and \$47,470 was expensed.

8. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The authorized share capital is comprised of an unlimited number of common shares without par value.

Issued Share Capital

During the nine months ended December 31, 2024:

In June 2024, the Company closed the first tranche of a private placement financings of 27,325,317 units, at a price of \$0.15 per unit for gross proceeds of \$4,098,798. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.23 for a period of three years. The warrants were valued at \$273,253 using the residual value method based on a closing price on date of issuance of \$0.14 per common share. The Company incurred finders' fees and cash expenses of \$200,567 and issued 1,330,111 finders' warrants in connection with the financing. The 1,330,111 warrants were valued at \$93,358 using the Black-Scholes pricing model with the following assumptions: estimated life of three years, risk-free rate of 3.88%, volatility of 94%, and nil forecasted dividend yield.

In July 2024, the Company closed the second and final tranche of a private placement financings of 14,674,683 units, at a price of \$0.15 per unit for gross proceeds of \$2,201,202. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.23 for a period of three years. The warrants were valued at \$73,373 using the residual value method based on a closing price on date of issuance of \$0.145 per common share. The Company incurred finders' fees and cash expenses of \$112,671 and issued 429,309 finders' warrants in connection with the financing. The 429,309 warrants were valued at \$31,430 using the Black-Scholes pricing model with the following assumptions: estimated life of three years, risk-free rate of 3.35%, volatility of 94%, and nil forecasted dividend yield.

In October 2024, the Company settled \$41,367 of outstanding accounts payable in exchange for 258,543 shares valued at \$0.16 per share.

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8. SHARE CAPITAL AND RESERVES (CONTINUED)

Issued Share Capital (Continued)

During the year ended March 31, 2024:

In April 2023, the Company issued 261,813 common shares with a fair value of \$167,560 in accordance with the option agreement for Four Metals (Note 4).

In June 2023, the Company issued 39,400 common shares in connection with the exercise of 39,400 options with an exercise price of \$0.68 for total proceeds of \$26,792. As a result, the Company transferred \$13,857 representing the fair value of the exercised share options from reserves to share capital.

In September 2023, the Company issued 50,700 common shares in connection with the exercise of 50,700 options with an exercise price of \$0.50 for total proceeds of \$25,350. As a result, the Company transferred \$14,132 representing the fair value of the exercised share options from reserves to share capital.

In October 2023, the Company issued 98,300 common shares in connection with the exercise of 98,300 options with an exercise price of \$0.50 for total proceeds of \$49,150. As a result, the Company transferred \$27,400 representing the fair value of the exercised share options from reserves to share capital.

In October 2023, the Company issued 90,891 common shares in connection with the cashless exercise of 713,500 options with an exercise price of \$0.50, and 622,609 common shares were surrendered. As a result, the Company transferred \$198,876 representing the fair value of the exercised share options from reserves to share capital.

In November 2023, the Company issued 1,279 common shares in connection with the cashless exercise of 9,400 options with an exercise price of \$0.50, and 8,121 common shares were surrendered. As a result, the Company transferred \$2,620 representing the fair value of the exercised share options from reserves to share capital.

In January 2024 the Company closed a private placement financing of 9,775,970 units, at a price of \$0.40 per unit for gross proceeds of \$3,910,388. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.60 for a period of three years. The Company incurred finders' fees and cash expenses of \$335,383 and issued 459,420 compensation warrants with a fair value of \$106,259 and 68,638 finders' warrants with a fair value of \$13,370 in connection with the financing.

In January 2024, the Company issued 467,708 units as payment of the \$187,083 accrued interest payable on the 2023 Debentures (Note 7). Each unit consists of one common share of the Company and one-half share purchase warrant. The common shares were valued at \$177,729 based on the trading price on the date of issuance of \$0.38 per share. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.60 for a period of three years. The 233,854 warrants were valued at \$42,202 using the Black-Scholes pricing model with the following assumptions: estimated life of three years, risk-free rate of 3.77%, volatility of 88%, and nil forecasted dividend yield.

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8. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock Options

The Company's stock option plan provides for the issuance of stock options to its officers, directors, employees and consultants. Stock options are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to stock options may not exceed 10% of the issued shares of the Company at the time of granting. The exercise price and vesting terms of stock options is determined by the Board of Directors of the Company at the time of grant. The Company's stock option plan permits the holder of stock options to exercise cashless (net exercise) by surrendering a portion of the underlying stock option shares to pay for the exercise cost.

In August 2023, the Company granted 1,305,000 stock options to employees and consultants of the Company at an exercise price of \$0.59 per share for a period of three years. 1,155,000 stock options will vest as follows: 1/3 on the date of grant, 1/3 six months from the date of grant, and 1/3 twelve months from the date of grant. The remaining 150,000 stock options will vest if the Company completes a property purchase. The 1,305,000 options were valued at \$407,073 using the Black-Scholes pricing model with the following assumptions: estimated life of three years, risk-free rate of 4.40%, volatility of 88%, and nil forecasted dividend yield.

In August 2024, the Company granted 5,000,000 stock options to employees and consultants of the Company at an exercise price of \$0.15 per share for a period of three years. 5,000,000 stock options will vest as follows: 1/3 on the date of grant, 1/3 six months from the date of grant, and 1/3 twelve months from the date of grant. The 5,000,000 options were valued at \$472,987 using the Black-Scholes pricing model with the following assumptions: estimated life of three years, risk-free rate of 3.17%, volatility of 94%, and nil forecasted dividend yield.

During the nine months ended December 31, 2024, 200,000 stock options expired and as a result, \$99,649 was reclassified from reserves to deficit.

During the nine months ended December 31, 2024, the Company recorded share-based compensation of \$380,996 (December 31, 2023 - \$943,315).

A summary of stock option activities is as follows:

	Number of options #	Weighted average exercise price \$
Balance, March 31, 2023	6,676,500	0.61
Granted	1,565,000	0.61
Exercised	(911,300)	0.51
Expired	(1,953,200)	0.58
Balance, March 31, 2024	5,377,000	0.64
Granted	5,000,000	0.15
Expired	(663,339)	0.54
Balance, December 31, 2024	9,713,661	0.39

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8. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock Options (Continued)

A summary of the stock options outstanding and exercisable at December 31, 2024 is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$			
0.62	1,748,661	1,748,661	December 9, 2025
0.74	1,425,000	1,425,000	February 8, 2026
0.73	260,000	260,000	June 1, 2026
0.59	1,280,000	1,130,000	August 14, 2026
0.15	5,000,000	1,666,667	August 19, 2027
	9,713,661	6,230,328	

The weighted average life of options outstanding and exercisable at December 31, 2024 was 1.94 years and 1.57 years respectively.

A summary of warrant activities is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, March 31, 2023	5,564,271	0.72
Issued	8,427,674	0.59
Expired	(2,777,777)	0.72
Balance, March 31, 2024	11,214,168	0.62
Issued	43,703,444	0.23
Balance, December 31, 2024	54,917,612	0.31

A summary of the warrants outstanding and exercisable at December 31, 2024 is as follows:

Exercise Price	Number Outstanding and Exercisable	Expiry Date
\$		
0.72	2,408,197	September 21, 2025
0.72	275,000	October 5, 2025
0.72	103,297	October 21, 2025
0.40	459,420	January 9, 2027
0.60	68,638	January 9, 2027
0.60	4,887,985	January 9, 2027
0.60	233,854	January 12, 2027
0.60	2,777,777	January 11, 2025
0.23	28,655,428	June 27, 2027
0.23	14,998,992	July 27, 2027
	54,868,588	

The weighted average life of warrants outstanding at December 31, 2024 was 2.25 years.

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9. RELATED PARTY TRANSACTIONS AND BALANCES

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.

During the nine months ended December 31, 2024, the Company entered into the following transactions with key management personnel:

	For the six months ended December 31,	
	2024	2023
	\$	\$
Management fees	350,728	342,375
Exploration and evaluation assets	200,580	176,051
Professional fees	81,090	81,390
Share-based compensation	284,690	705,744
	917,088	1,305,560

As at December 31, 2024, the Company had \$5,444 (March 31, 2024 - \$17,705) included in accounts payable and accrued liabilities due to officers, directors, and companies controlled by officers and directors for management fees, professional fees, and reimbursement of expenses.

10. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

December 31, 2024	Canada	USA	Mexico	Total
	\$	\$	\$	\$
Exploration and evaluation assets	-	20,278,811	6,440,203	26,719,014
Reclamation bond	-	297,997	-	297,997
Right-of-use assets	-	33,594	-	33,594
Other assets	646,209	162,278	176,457	984,944
Total assets	646,209	20,772,680	6,616,660	28,035,549
March 31, 2024	Canada	USA	Mexico	Total
	\$	\$	\$	\$
Exploration and evaluation assets	-	15,792,673	6,219,573	22,012,246
Reclamation bond	-	280,621	-	280,621
Right-of-use assets	-	47,032	-	47,032
Other assets	1,654,170	162,278	176,457	1,992,905
Total assets	1,654,170	16,282,604	6,396,030	24,332,804

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11. SUPPLEMENTAL CASH FLOW

	For nine months ended December 31,	
	2024	2023
Non-cash transactions		
Exploration and evaluation assets in accounts payable and accrued liabilities	344,129	2,478,565
Shares issued for exploration and evaluation assets	-	167,560
Warrants issued for share issuance cost	124,790	-
Residual value allocated to warrants	346,626	-
Reclassification of cancelled stock options	295,468	299,712
Reclassification of exercised stock options	-	256,884
Reclassification of expired warrants	-	1,067,069

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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, reclamation bond, accounts payable and accrued liabilities, lease liabilities and convertible debentures. The carrying values of cash, receivables, accounts payable and accrued liabilities approximate their fair values due to the short term nature of these instruments. The carrying values of convertible debentures and lease liabilities approximate fair values, as there has not been any significant changes in interest rates since initial recognition.

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 and Mexico. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian dollars, US dollars, and Mexican peso. As at December 31, 2024, the Company had a US foreign currency net monetary asset position of approximately US\$490,074 and a MXN Peso net monetary liability position of approximately MXN Peso 32,097. 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 \$70,500 and \$200, 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.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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 liabilities 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. Liquidity risk has been assessed as low.

The table below summarizes the maturity profile of the Company's financial liabilities;

December 31, 2024	Current within 1 year	Non-current 1 – 5 years	Non-current 5 years - beyond
Financial liabilities	\$	\$	
Accounts payable and accrued liabilities	535,544	-	-
Lease liabilities	42,454	-	-
Convertible debentures	1,651,644	-	-

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.

13. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it, in order to have the funds available to support the exploration of its mineral properties. The Company is an exploration stage company, as such the Company is dependent on external equity financing to fund its activities. In order to pay for administrative costs and exploration expenditures, the Company plans to raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

BARKSDALE RESOURCES CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the Three and Nine Months Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars - Unaudited)

14. SUBSEQUENT EVENTS

- a) In January 2025, 2,777,777 warrants with an exercise price of \$0.60 expired unexercised.
- b) In February 2025, the Company extended the maturity date of the convertible debentures from December 31, 2024 to December 31, 2025. In connection with the extension of the maturity date, the Company issued 1,684,931 units of the Company in settlement of \$151,644 of accrued interest. Each unit consists of one common share having a deemed price of \$0.09 per Common Share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at a price of \$0.12 for a period of three years from the date of issuance.

In exchange for extending the Debentures, the Company has also issued an extension fee of 8,000,000 share purchase warrants, exercisable into 8,000,000 Common Shares at a price of \$0.12, for a period of one year, expiring December 31, 2025.