



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2024

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 for the three and nine months ended December 31, 2024 and 2023 (the “**Interim Financial Statements**”) and audited consolidated financial statements for the years ended March 31, 2024 and 2023 (the “**Financial Statements**”).

All information contained in this MD&A is current as of February 27, 2025 unless otherwise stated.

The Financial Statements and related notes and all financial information in this MD&A has been prepared in accordance with IFRS Accounting Standards 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+. 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 interest 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 holds an option to acquire 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. This setting 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 targets are multiple mineralized replacement sulfide skarn and carbonate hosted replacement deposits located on the northeast margin of the intrusive complex that are interpreted to be the extension of the world-class Taylor deposit (South32 Limited). Systematic exploration on the Sunnyside Property began in late-September 2023, following final approval of exploration drilling permits by the lead permitting agency, U.S. Forest Service. This involved three related approvals, including a positive Environmental Assessment (“**EA**”), a Finding of No Significant Impact (“**FONSI**”), and a positive Decision Memorandum (“**DM**”) from the United States Forest Service, all of which were received in the first half of calendar year 2023.

Barksdale holds the right to acquire, by way of option, up to a 67.5% undivided interest in the Sunnyside Property in consideration of 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 calendar year 2025 include: complete the Phase II drilling program that consists, in part, of a minimum of 3,500 feet, that fulfil Barksdale’s requirements under the option agreement. The program will also target deep, up to 5,000ft, CRD/Skarn targets on the eastern side of the Sunnyside Project where the Company believes significant discoveries can be made.

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. As well, Four Metals has 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. In April 2023, Barksdale made its fifth and final option payment to acquire a 100% undivided interest in the Four Metals Property in consideration for a combination of cash and share payments totaling US\$450,000. 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) referred to as the San Antonio Property. San Antonio is 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. Barksdale completed three RC scout holes in April, 2023, none of which intersected bedrock mineralization and assays returned no significant values.

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 buy back 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 calendar year 2025 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 encouraging but is not necessarily indicative of the historical ore mined and previous documented drill intersected mineralization by ASARCO at the Company’s Sunnyside Property. Likewise, drill-intersected mineralization at Four Metals, and geologic setting at the nearby Guajolote and San Antonio properties is also encouraging, but not necessarily indicative to that seen at the adjacent Hermosa Project.

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.

The San Javier project is a development stage asset with significant value potential, as outlined in the 2024 preliminary economic assessment (see page 16 for more details). The project has a pre-tax NPV (7%) of US\$118.8 million with an IRR of 26.3% and a payback of 3.8 years based on a US\$4.00 per pound long term copper price. Additionally, the project has robust growth opportunities including resource expansion, assessing the potential for gold recovery, and operational efficiencies such as run of mine processing.

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 reclassify these historic estimates at San Javier as current mineral resources. In November 2022 Barksdale's technical team and qualified person prepared an initial resource estimate at Cerro Verde as part of the San Javier copper-gold project based on the historic drilling performed between 2006 and 2021 (see below).

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 a classic iron-oxide-copper-gold ("IOGC") type deposit system, which generally exhibits 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. Barksdale completed a 5,000-meter Phase I core drilling campaign and metallurgical testing program in 2021. In November 2022, the Company announced its maiden resource at Cerro Verde that included approximately 419 million pounds of contained copper within measured and indicated categories. See "Geological Summary – Exploration and Evaluation Properties – San Antonio Property" below for further details regarding this maiden resource at Cerro Verde.

Objectives for San Javier during calendar year 2025 include: financial evaluation of the project, and planning of future value-add exploration programs that could expand the existing resource at Cerro Verde, or yield discoveries at other prospects on the property.

Corporate Activities

In June 2024, the Company issued 27,325,317 units to raise gross proceeds of \$4,098,798. Each unit consisted of one common share and one Common Share purchase warrant, with each warrant entitling the holder thereof to purchase one Common share at \$0.23 for a period of three years from the date of issuance. The Company paid a related cash commission of \$199,517 and issued 1,330,111 finders warrants. Each warrant is exercisable at \$0.23 for a period of three years from the date of issuance.

In July 2024, the Company issued 14,674,683 units to raise gross proceeds of \$2,201,202. Each unit consisted of one common share and one Common Share purchase warrant, with each warrant entitling the holder thereof to purchase one Common share at \$0.23 for a period of three years from the date of issuance. The Company paid a related cash commission of \$64,396 and issued 429,309 finders warrants.

In July 2024, the Company appointed Mr. Alan Roberts, MSc, CPG, as Vice President of Exploration. Concurrently, Mr. Thomas Simpson, SVP Exploration and Mr. Andrew Pooler, SVP Development, retired from the Company.

In August 2024, Dr. Quinton Hennigh joined the Board of Directors of the Company.

In August 2024, the Company granted 5,000,000 stock options to certain directors, officers, employees and consultants pursuant to the Company's stock option plan. Each stock option is convertible into a common share at an exercise price of \$0.15 until August 19, 2027 and will vest as follows: 1/3 on the date of grant, 1/3 six months from date of grant, and 1/3 twelve months from the date of grant.

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

In February 2025, Richard Trotman resigned as CEO and the Company appointed William Wulfange as interim CEO.

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 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.

Geological Summary

Exploration and Evaluation Properties

The total cumulative acquisition and deferred exploration costs of the Company to December 31, 2024 are summarized as follows:

	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

For the nine months ended December 31, 2024, the Company incurred exploration and evaluation expenditures (inclusive of acquisition and staking costs) of \$6,256,086 as compared to \$4,706,768 in the comparative period for 2023 as follows:

	Sunnyside	Four Metals	San Antonio	Guajolote	Canelo and Goat Canyon	San Javier	Total
	\$	\$	\$	\$	\$	\$	\$
For the nine months ended December 31, 2023							
Property acquisition and staking costs	-	300,430	-	-	-	8,492	308,922
<i>Exploration expenditures:</i>							
Accommodation and related	52,974	-	-	-	-	11,032	64,006
Claim and Maintenance fee	104,167	8,903	118,838	-	151,765	14,174	397,847
Consulting	573,218	-	610	-	-	331,055	904,883
Core Transportation	5,579	-	-	-	-	-	5,579
Drilling	3,518,658	-	43,048	-	-	32,805	3,594,511
Geological	-	-	-	-	-	2,677	2,677
Permit	553,473	-	-	-	-	-	553,473
Sampling and processing	6,976	-	-	-	-	-	6,976
Storage	-	-	-	-	-	179	179
Supplies and Fuel	110,456	-	-	-	-	2,848	113,304
Truck Rental	38,366	-	-	-	-	-	38,366
Legal	265,363	-	-	-	-	-	265,363
Total	5,229,230	309,333	162,496	-	151,765	403,262	6,256,086

	Sunnyside	Four Metals	San Antonio	Guajolote	Canelo and Goat Canyon	San Javier	Total
	\$	\$	\$	\$	\$	\$	\$
For the nine months ended December 31, 2024							
Acquisition and staking costs	-	-	-	-	-	-	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)
Total	4,311,682	10,954	-	-	163,502	220,630	4,706,768

Sunnyside Property Agreement

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

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, or substantially all of the Company's project-related expenditures incurred to date will count towards the Year 1 work commitment.

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⁾⁽²⁾	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

- (1) 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.
- (2) In May 2021, the Company entered into a definitive agreement with Regal to acquire the remaining interest in and consolidate a 100% ownership of the Sunnyside Property (the "Regal Transaction") in consideration for a combination of cash, common shares of Barksdale and the acquisition and forgiveness of certain existing debt of Regal. However, Regal failed to obtain the requisite shareholder approval for the Regal Transaction and, as a result, the transaction was terminated. Pursuant to the terms of the definitive agreement, the Company offset \$150,000 of transaction costs and \$78,229 of proxy related costs against its option payment obligations due to Regal 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.

Sunnyside Property Exploration Permit

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 of 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 was necessary.

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.

The Company completed two public comment periods related to the Sunnyside permit application. The Company's draft Environmental assessment ("**EA**"), which was prepared with the USFS, underwent a 30-day public comment period ending April 5, 2021. Additionally, the US Army Corp of Engineers ("**USACE**") completed a 30-day public comment period ending April 2, 2021, related to the Company's pending Section 404 Individual Permit applications at Sunnyside, which was issued in late 2022. Also in 2022, the Arizona Department of Environmental Quality approved two additional permits including the CWA Section 401 Water Quality Certification and the SWPPP and Arizona Pollutant Discharge Elimination System Industrial Stormwater Multi-Sector General Permit.

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, 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.

On January 25, 2023, the USFS published a draft Finding of No Significant Impacts ("**FONSI**") and draft Decision Memorandum ("**DM**") for the Company's seven-year exploration drilling proposal. On June 19, 2023, the USFS issued a DM and FONSI for the Sunnyside Property pending final approval for the Company's Sunnyside PoO.

In response thereto, various non-profit environmental groups filed a lawsuit in the United States District Court for the District of Arizona ("**USD Court**") against the USFS seeking to set aside its DM and FONSI related to the Company's Sunnyside Property (as well as that of a nearby project) alleging that the USFS made certain errors in its analysis related to cumulative impacts of the various exploration and mining projects in the area, potential effects to various species of wildlife, and baseline conditions of groundwater resources.

The Company had voluntarily agreed with the plaintiffs and the Department of Justice to delay drilling at Sunnyside until September 15, 2023, pending the hearing of a preliminary injunction ("**PI**") request by the plaintiffs to the USD Court to halt drilling at Sunnyside. During this period, Barksdale continued to work with the USFS to finalize and approve the Company's Sunnyside PoO. Approval of the Sunnyside PoO was obtained in September 2023. In September 2023, the Company also received a positive court ruling, in which the Plaintiffs request for the PI was denied. Subsequently, the Plaintiff appealed the Federal District Court's ruling to the Federal Ninth Circuit Court of Appeals, which was denied.

On August 19, 2023 the Company posted a reclamation performance bond of \$402,200 USD as required by the United States Department of Agriculture. The posted bond consists of a \$201,100 USD cash component which has been included in permitting costs, and a remaining balance provided by a surety bond.

Sunnyside Property – Barksdale’s Exploration History

Prior to September 2023, Barksdale’s exploration of the Sunnyside Property had been limited to surface exploration. In 2018 and 2019, this 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.

In September 2023, the Company commenced drilling at the first target, a 765 meter deep core wedge hole, SUN-001. In October 2023, the SUN-001 hole encountered a 20-meter void as it transitioned from volcanics into the targeted carbonate horizon which resulted in its abandonment prior to testing the mineralized horizon. In December 2023, SUN-002 had been completed to a depth of 1,897 meters having intersected multiple zones of porphyry related mineralization including a shallow enrichment blanket, veins, and porphyry mineralization. Mineralization intersected within SUN-002 consisted of chalcocite that was encountered between 332 and 360m. The zone hosts copper mineralization with a strong silver component that correlates well with historic drilling that extends nearly 2km to the northwest. This intercept is correlated with historic drill holes approximately 700m away, showing that an extensive zone of enrichment is present at shallow depths across much of the permitted drill area. Deeper zones of sulfide mineralization were encountered between 1,103-1,203m and 1,248-1,261m depth that displayed disseminated mineralization (chalcopyrite, sphalerite, and molybdenite) as well as quartz-pyrite-chalcopyrite veining up to 2cm diameter with quartz-sericite halos and potassium silicate altered quartz monzonite porphyry. Highlights of results include;

- 27m at 0.33% copper, 13.9 g/t silver, 0.04 g/t gold, 0.13% zinc from 332 meters.
 - Including 9.15m at 0.49% copper, 28.8 g/t silver, 0.05 g/t gold, 0.22% zinc from 332 meters.

In February 2024, the SUN-003 hole intersected the host carbonate stratigraphy as projected by the current exploration model. Thirteen zones of disseminated polymetallic CRD mineralization with narrow intervals of semi-massive sulfides were encountered within carbonate rocks between 65 and 95m northwest of historic hole TCH-2. Highlights of results include;

- 4.97m grading 1.54% zinc, 1.54% lead, 14.90 g/t silver, and 0.01 g/t gold from 1354.97m
- 5.95m grading 1.67% copper, 0.44% lead, 0.10% zinc, 40.64 g/t silver, and 0.04 g/t gold from 1383.33m
 - Including 0.98m grading 8.18% copper, 0.12% lead, 0.21% zinc, 114 g/t silver and 0.04 g/t gold from 1385.77m
- 1.77m grading 0.96% copper, 3.04% zinc, 2.09% lead, 26.69 g/t silver, and 0.08 g/t gold from 1394.52m
 - Including 0.49m grading 1.42% copper, 9.19% zinc, 5.61% lead, and 67.7 g/t silver and 0.04 g/t gold from 1395.8m
- 0.76m grading 1.3% copper, 4.99% zinc, 3.56% lead, and 50.6 g/t silver and 0.13 g/t gold from 1405.04m

In March 2024, the Company received final assays from the lower zones of polymetallic CRD mineralization intersected in SUN-003 which included the following results;

- 2.28m grading 1.72% Zn, 0.63% Pb, 13.5 g/t Ag, and 0.016 g/t Au from 1480.57m depth
- 1.01m grading 0.46% Cu, 11.9% Zn, 3.8% Pb, 377 g/t Ag, and 0.028 g/t Au from 1550.67m depth

In September 2024, three exploration reverse-circulation drill holes were completed for a total of 532m (1,747ft); two holes were intended to be used as pre-collar holes for core drilling; the third hole was an exploration hole that returned anomalous results for Zinc and Manganese.

In November 2024, the Company received initial assay results from the drill hole SUN24-002 that ended at 650m (2133.5ft). A zone of mineralization known as the Chalcocite zone included the following results:

- 4.33% copper, 2.45% zinc and 99.7 g/t silver
 - Including broader anomalous zones of copper, lead and zinc

In January 2025, the Company received assay results from the drill hole SUN24-002B, a deviation from drill hole SUN24-002, which included the following results:

- 3.1% copper, 5.5% zinc, 842 g/t silver and 7.5% lead.
 - Including broad zones of anomalous iron, manganese, lead, zinc, copper and silver

Drill hole SUN24-002B was lost at a depth of 1,374m (4,507ft) when the rods became stuck, and the hole had to be abandoned.

As of the date of this report, the Company has completed approximately 21,800ft ft of drilling in Phase I and II drill programs. The Company will be putting future drill contracts out to bid for the 2025 exploration programs.

The Company continues to explore a range of strategic opportunities for its upcoming drilling.

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 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:

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	(paid) 100,000	(issued) 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 in the event the Company seeks to sell all or any portion of the Four Metals Property to an arm’s length third party if Teck owns greater than 5% of the total issued and outstanding shares of the Company.

In April 2023, the Company made a payment of US\$100,000 and issued 261,813 common shares at a deemed price of \$0.64 per share in connection with the fifth and final payment required under the option agreement with MinQuest, Ltd. and Allegiant. As a result, the Company now owns a 100% interest in the Four Metals Project.

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 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 from May 15 to August 31. In April 2023, the Company completed three initial reverse circulation drill holes to test for the copper deposit geophysical, IP chargeability target at depth previously identified by Teck based on geophysical targets. All three holes encountered alluvial gravels containing altered clasts of porphyry and carbonates with varying amounts of pyrite and magnetite, but assay results returned no significant economic values. These data suggest a bedrock source is most likely “upstream” of the drill area to the west.

As at March 31, 2024, the Company did not have any future exploration expenditures planned for the property, and as such has recognized an impairment of exploration and evaluation assets of \$1,518,494.

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 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

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 geological 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 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 discussions 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. Consequently, 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 (Cu₂S). 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 structural blocks of mineralized rock have subsequently been separated from their original point of mineral 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 – CuFeS_2), 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 were performed by Skyline Assayers & Laboratories, of Arizona, which is an accredited laboratory (ISO 9001). Core samples were analyzed for total copper, acid soluble copper, cyanide soluble copper, 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 were included in each batch of samples submitted to the lab. These controls were 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.

In November 2022, the Company announced an initial resource estimate at Cerro Verde as part of the San Javier copper-gold project. The estimate was prepared by Independent Mining Consultants of Tucson, Arizona ("IMC") based on historic drilling at Cerro Verde between 2006 and 2021 effective October 31, 2022.

Results of the mineral resource estimate effective October 31, 2022, as are follows:

	Tonnes X1000	TCu %	As + Cn Cu %	AsCu %	CnCu %	Total contained Cu Lbs x1000	Soluble contained Cu Lbs x 1000
Measured	12,485	0.278	0.203	0.172	0.032	76,573	55,938
Indicated	57,664	0.270	0.184	0.148	0.037	342,669	233,504
Total M&I	70,149	0.271	0.187	0.152	0.036	419,242	289,442
Inferred	5,965	0.240	0.152	0.114	0.038	31,563	19,923

TCu = total copper grade; AsCu = acid soluble copper; CnCu = cyanide soluble copper. AsCu + CnCu cutoffs vary by oxidation type: leach cap & oxide = 0.04%, mixed = 0.07%, sulfide = 0.08%. Contained pounds = ktonnes x TCu x 22.04. Soluble pounds = ktonnes x AsCu + CnCu x 22.04. Mineral Resource tonnage and grades are restricted to the Cerro Verde Deposit. Total pit shell tonnage = 95,175 ktonnes; ratio of ktonnes below cutoff to above cutoff = 0.25. Grade capping was applied to reduce the influence of outlier samples; 2.5% Cu was used for the oxide and mixed zones and 1.5% Cu was used for the sulfide zones. The economic parameters used to define mineral resources is US\$4.00 per pound copper. Recovery estimates were 85% for leach cap and oxide, 75% for mixed, and 60% for sulfide. Numbers may not add due to rounding

Approximately 419 million pounds of contained copper occurring within measured and indicated categories was strategically located near existing infrastructure. In addition, nearly 93% of resources are in higher confidence measured and indicated categories with an additional 31 million pounds of contained copper occurring within inferred resources. The San Javier resource is open in most directions and does not include other near-by prospects where historic drilling has confirmed the presence of additional copper mineralization. Furthermore, the resource estimate yielded a very low, less than one, waste to mineralized material ratio of 0.25 with excellent leaching characteristics, including low acid consumption and high recoveries, which will be the foundation to a preliminary economic assessment. These results suggest Cerro Verde could be a quality low-cost development project that has considerable resource upside. Next steps will be to complete an economic study that envisions an open pit, solvent-extraction electro-winning operation producing copper cathodes on site.

Results of sensitivity to copper price are as follows:

Copper Price	Cutoff Range	Measured			Indicated			Sum Measured + indicated			Inferred			Total Ktonnes
		ktonnes	Soluble Cu, %	TCu, %	ktonnes	Soluble Cu, %	TCu, %	ktonnes	Soluble Cu, %	TCu, %	ktonnes	Soluble Cu, %	TCu, %	
US\$ 4.50	.03-.07	13,581	0.185	0.265	69,228	0.166	0.252	82,809	0.169	0.254	7,393	0.139	0.227	109,341
4.25	.03-.08	13,425	0.193	0.265	66,032	0.170	0.254	79,457	0.174	0.256	6,548	0.146	0.234	103,911
4.00	.04-.08	12,485	0.203	0.278	57,664	0.184	0.270	70,149	0.187	0.271	5,965	0.152	0.240	95,175
3.75	.04-.09	12,315	0.205	0.279	55,155	0.187	0.272	67,470	0.190	0.274	5,537	0.154	0.243	91,068
3.50	.04-.10	12,093	0.206	0.280	52,149	0.192	0.276	64,242	0.195	0.276	5,291	0.158	0.247	86,753
3.25	.04-.11	11,782	0.209	0.281	48,805	0.198	0.280	60,587	0.200	0.280	4,211	0.169	0.265	80,859
3.00	.05-.12	10,772	0.222	0.295	41,968	0.214	0.297	52,740	0.215	0.296	3,335	0.190	0.298	73,295
2.50	.06-.14	9,218	0.238	0.312	32,598	0.238	0.317	41,816	0.238	0.316	2,593	0.207	0.324	61,228

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no guarantee that any part of the mineral resources discussed herein will be converted and thus be reclassified into a mineral reserve in the future. Further, due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded and reclassified to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

In May 2024 the Company completed a Preliminary Economic Assessment (“PEA”) yielding positive results. Highlights of the PEA include;

- Robust economics using a conservative base case copper price of \$4.00 per pound.
 - 13-year mine life producing 209 million pounds of cathode copper via an on-site SXEW;
 - Conventional open pit mining with a very low waste to ore ratio of 0.66 to 1;
 - Life of mine average cash costs of \$2.16/lb copper produced;

- Pre-tax NPV (7%) of \$111.8 million, with an IRR of 26.3% and payback of 3.8 years;
- After-tax NPV (7%) of \$61.5 million, with an IRR of 18.1% and payback of 5.3 years;
- At \$4.50/lb copper, the after-tax NPV (7%) increases significantly to \$103.3 million, with an IRR of 24.8% and a payback of four years;
- Low initial capital costs of \$116.8 million; and
- Excellent growth opportunities including resource expansion, assessing the potential for gold recovery, and run of mine processing.

Readers are encouraged to read the National Instrument 43-101 technical report dated November 21, 2022 and titled "San Javier Copper Project, Sonora, Mexico, Mineral Resource Estimate" prepared by IMC in its entirety, a copy of which is available for review under the Company's profile on SEDAR+. The report includes, among other things, a description of IMC's data verification procedures, key assumptions, qualifications, parameters and methods used to estimate the mineral resources and known legal, political, environmental and other risks that could materially affect the potential development of such resources and is intended to be read as a whole and sections should not be read or relied upon out of context.

Quality Control and Quality Assurance

The scientific and technical content and interpretations contained in this MD&A have been reviewed and approved Alan Roberts, M.Sc. Mineral Exploration & Geophysics, CPG-11260, Vice President of Exploration to Barksdale Resources Corp. 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 and nine months ended December 31, 2024, and 2023, has been prepared in accordance with IFRS and is presented in Canadian dollars, unless otherwise indicated:

	As at December 31,	
	2024	2023
	\$	\$
Total assets	28,035,549	23,873,556
Total liabilities	2,229,642	2,690,243
Working capital deficit	(1,244,698)	(2,913,130)
Exploration and evaluation assets	26,719,014	22,266,213

	For the three months ended		For the nine months ended	
	December 31,		December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Revenues	-	-	-	-
General and administrative expenses	(529,523)	(776,739)	(1,696,553)	(2,561,636)
Other items				
Gain on settlement of debt	7,756	-	-	-
Interest income	13,757	18,893	16,049	87,280
Loss and comprehensive loss	(508,010)	(743,075)	(1,819,063)	(2,459,585)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.02)	(0.03)

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 nine months ended December 31, 2024 totaled \$1,696,553 (December 31, 2023 - \$2,561,636), including share-based compensation incurred during the period, valued at \$380,996 (December 31, 2023 - \$943,315) calculated using the Black Scholes option pricing model.

The following table sets forth selected financial information regarding the Company's operating and administrative expenses for the three and nine months ended December 31, 2024 and 2023:

Expenses	For the three months ended December 31,		For the nine months ended December 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Advertising and marketing	62,200	100,349	226,612	285,736
Consulting fees	28,125	32,500	67,036	43,167
Depreciation	-	6,718	13,438	20,156
Financing charges	40,484	40,074	121,012	119,786
Foreign exchange (gain) loss	(50,186)	973	(114,636)	(21,572)
Insurance expense	4,513	12,885	32,297	34,225
Interest expenses on lease liabilities	37,808	38,990	114,736	116,891
Investor relations costs	21,085	7,533	36,343	23,100
Management fees	111,200	114,125	350,719	342,375
Office and general	57,701	68,572	173,905	218,763
Professional fees	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	118,571	206,766	380,996	943,315
Transfer 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)

The table below details the changes in major expenditures for three months ended December 31, 2024 as compared to the corresponding three months ended December 31, 2023:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and marketing	Decrease of \$38,149	Decreased due to limited budget.
Professional fees	Decrease of \$42,473	Decreased due to limited budget.
Share-based compensation	Decrease of \$88,195	Decreased due to stock options granted in Q3 2025 vested with lower value as compared to stock options vested in Q3 2024.

As at December 31, 2024, the Company had not yet achieved profitable operations and has accumulated losses of \$34,879,950 (March 31, 2024 - \$33,385,727) since inception. These losses resulted in a net loss per share (basic and diluted) for the nine months ended December 31, 2024 of \$0.02 (December 31, 2023 - \$0.03).

The table below details the changes in major expenditure for the nine months ended December 31, 2024 as compared to the corresponding nine months ended December 31, 2023:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Investor relations costs	Increase of \$13,243	Increased due to more activities involved to increase investors awareness.
Office and general	Decrease of \$44,858	Decreased due to limited budget.
Professional fees	Decrease of \$85,675	Decreased due to limited budget.
Share-based compensation	Decrease of \$562,318	Decreased due to stock options granted in Q3 2025 vested with lower value as compared to stock options vested in Q3 2024.

Travel and related	Decrease of \$51,491	Decreased due to limited budget.
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Summary of Quarterly Results

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

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
	\$	\$	\$	\$
Total assets	28,035,549	28,396,759	27,048,427	24,332,804
Total liabilities	2,229,642	2,233,757	2,417,517	3,107,938
Working capital (deficit)	(1,244,698)	1,261,511	1,951,857	(1,090,629)
Revenues	-	-	-	-
Net loss	(508,010)	(782,997)	(528,054)	(2,119,194)
Loss per share (basic and diluted)	(0.00)	(0.01)	(0.01)	(0.02)

	December 31, 2023	September 30, 2023	June 30, 2023	December 31, 2022
	\$	\$	\$	\$
Total assets	23,873,556	22,046,521	22,221,969	19,020,823
Total liabilities	4,490,274	2,211,081	1,943,174	1,865,869
Working capital	(2,913,130)	1,288,757	2,611,393	1,810,714
Revenues	-	-	-	-
Net loss	(743,075)	(861,911)	(902,069)	(1,676,421)
Loss per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)

Major variances quarter over quarter can be explained as follows:

In September 2022, the Company raised gross proceeds of \$2,219,000 through the issuance of 4,622,917 common shares at \$0.48 per share. In October 2022, the Company raised gross proceeds of \$264,000 through the issuance of 550,000 common shares at \$0.48 per share. Such financings resulted in the increased working capital positions of the Company as at the respective fiscal quarters compared to the preceding quarter ended June 30, 2022.

During the quarter ended December 31, 2022, a loss on the settlement of debt of \$988,437 related to the Debenture Extension was recognized contributing to the higher loss observed during the quarter compared to prior quarters. Additionally, 1,777,000 stock options were granted to various directors, officers, and consultants. These grants resulted in share-based compensation expenses of \$277,421 further contributing to the higher loss observed in the quarter ended December 31, 2022, compared to prior quarters.

During the quarters ended March 31, 2024, December 31, 2023 and September 30, 2023 the Company had greater exploration expenditures than in preceding quarters resulting in the working capital decreasing to a deficit position.

During the quarter ended March 31, 2024 the Company impaired the San Antonio property by \$1,518,494 resulting in a greater net loss than in preceding quarters.

In June 2024, the Company raised gross proceeds of \$4,098,798 through the issuance of 27,325,317 common shares at \$0.15 per share. This financing resulted in the increased working capital positions of the Company for the quarter ended June 30, 2024 as compared to the preceding quarter.

In July 2024, the Company raised gross proceeds of \$2,201,202 through the issuance of 14,674,683 common shares at \$0.15 per share.

During the quarter ended September 30, 2024 the Company impaired the San Antonio property by further \$146,313 related to claim maintenance fees.

Quarter over quarter increases in the Company’s total assets reflect cumulative increases in the Company’s exploration and evaluation expenditures (inclusive of acquisition and staking costs) on its various mineral projects over time. See “Geological Summary – Exploration and Evaluation Properties” above.

Liquidity and Capital Resources

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

	December 31, 2024	March 31, 2024
	\$	\$
Cash	661,070	1,713,733
Receivables	6,548	28,042
Prepaid expenses	317,326	251,130
Total current assets	984,944	1,992,905
Accounts payables and accrued liabilities	535,544	1,635,302
Current portion of lease liabilities	42,454	30,614
Convertible debentures	1,651,644	1,417,618
Working capital (deficit)	(1,244,698)	(1,090,629)

The Company had working capital deficit of \$1,244,698 as at December 31, 2024 (March 31, 2024 – deficit of \$1,090,629).

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 working capital deficit of \$1,244,698. The Company is currently considering a number of different financing options. To date, 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.

Risks and Uncertainties

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

- (a) Barksdale has 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. 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. See also “Commitments” below.

- (b) 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 interests in its properties.
- (c) 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. Save and except for Cerro Verde at the San Javier Property (see "Geological Summary – Exploration and Evaluation Properties – San Javier Property" above), 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.
- (d) 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 in 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. Further, mining, development and exploration operations are inherently dangerous and involve a high degree of risk including unexpected or unusual geological operating conditions including rock bursts, cave-ins, ground fall, fires, explosions, flooding and earthquakes. Although the Company obtains insurance to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. Furthermore, the Company may decide not to insure against certain risks as a result of high premiums or other reasons. The payment of any uninsured liabilities would reduce the funds available to the Company and the occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company.
- (e) Some of the Company's mining properties may be subject to the rights or asserted rights of various community stakeholders, including indigenous peoples. The presence of community stakeholders may impact the Company's ability to develop or operate its mining properties and projects or to conduct exploration activities. As such, the Company is subject to the risk that one or more groups may oppose the exploration, development and/or mining, as applicable, of the Company's current or future mining properties and projects. Further, 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. Further, 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. The United States government agencies involved in permitting process at, inter alia, Sunnyside, including the USFS, USF&WS and USACE, could face legal challenges related to their efforts. Any legal challenges related to permits heighten the risk of delays or even partial or total shutdown of exploration activities. See "Geological Summary– Exploration and Evaluation Properties – Sunnyside Property" above for details of the legal challenge filed against the USFS with respect to its granting of a DM and FONSI for the Company's Sunnyside Property.

- (f) 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.
- (g) The Company's success and viability depends, in large part, on its ability to attract and maintain qualified key management personnel. The number of persons skilled in acquisition, exploration, development and operation of mining properties are limited and competition for such persons is intense. The Company's growth and viability has depended, and will continue to depend, on the efforts of key personnel and the Company's ability to retain such personnel and attract and retain additional key financial, administrative and technical personnel as well as additional operations staff. The loss of any key personnel or inability to recruit new skilled and experienced executives could result in increases in its recruiting and training costs and decreases in the Company's operating efficiency and productivity which may have a material adverse effect on the Company's future operations, financial position and financial condition. Although the Company has employment and/or management contracts with its key personnel it does not have key-man life insurance. The Company provides its key personnel with long-term incentive compensation including stock options which is designed to retain these employees and align their interests with those of the Company's shareholders.
- (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 ("EA") 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 in Mexico 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, if applicable, 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. Additional risks and uncertainties include, among others, terrorism, corruption of government officials, military repression, expropriation, theft, sabotage, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, risks of war or civil unrest, illegal mining, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions arising from changes in government and otherwise, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Corruption of foreign officials could also affect or delay required permits, service levels by foreign officials, and protection by police and other government services. If the Company were to experience resistance or unrest in connection with its Mexican properties, it could have a material adverse effect on its operations. Further, Mexico continues to face risks from drug cartels and organized crime including murders, kidnappings, blackmail, extortion, violence and threats of violence, the occurrence of which against the Company or its personnel cannot be accurately predicted. The Mexican Government has conducted a highly publicized crackdown on the drug cartels, resulting in a loss of lives. There is no assurance that the Company's operations in Mexico will not be adversely impacted by such organizations. Also, 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.
- (l) Extreme weather events (such as prolonged drought, increased frequency and intensity of storms, flooding, landslides and wildfires) have the potential to disrupt the Company's operations and the transportation routes that the Company uses. The Company's ability to conduct exploration activities also depends upon access to the volumes of water that are necessary to operate its drilling equipment. Changes in weather patterns and extreme weather events including flooding or wildfires, either due to normal variances in weather or due to global climate change, could adversely impact, disrupt or increase the costs of the Company's exploration activities. There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on the Company's business and operations. Also, various governments around the world have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels regulating, among other things, emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If current regulatory trends continue, this may result in increased costs at some or all of the Company's properties.

- (m) The Company's operations depend, in part, upon information technology systems to securely process, maintain and transmit information and data critical to the Company's business. The Company and its third-party service providers also collect and store sensitive data in the ordinary course of business, including personal information of the Company's employees and contractors, as well as proprietary and confidential business information relating to the Company (including potential merger candidates or other parties with whom the Company may have entered into confidentiality agreements) and in some cases, the Company's customers, suppliers, lenders, investors and other stakeholders. With the increasing dependence and interdependence on electronic data communication and storage, including the use of cloud-based services and personal devices, the Company is exposed to evolving technological risks relating to this information and data. Disruption or damage to or failure of the Company's information technology systems may arise from a number of sources, including, but not limited to, hacking, computer viruses, malware, ransom ware, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Although the Company employs security measures in respect of its information and data including implementing systems to monitor and detect potential threats, the performance of periodic audits, and penetration testing, the Company cannot be certain that it will be successful in securing this information and data and there may be instances where the Company is exposed to malware, cyber or ransom ware attacks or other unauthorized access or use of the Company's information and data. Any data breach or other improper or unauthorized access or use of the Company's information could have a material adverse effect on the Company's business and could severely damage the Company's reputation, compromise the Company's network or systems and result in the loss or escape of sensitive information, the destruction or corruption of data, the misappropriation of assets or incidents of fraud, the disruption of the Company's normal operations including delays and exploration downtimes, and cause the Company to incur additional time and expense to remediate and improve the Company's information systems. In addition, the Company could also be subject to legal and regulatory liability in connection with any such cyber-attack or breach, including potential breaches of laws relating to the protection of personal information. As cyber threats continue to evolve, the Company will be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

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

Related Party Transactions and Balances

During the nine months ended December 31, 2024, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- a. Management fees of \$350,728 (December 31, 2023 - \$342,375) incurred to Richard Trotman, former CEO and director of the Company. As at December 31, 2024, \$272 (March 31, 2024 - \$13,177) was included in accounts payable and accrued liabilities for reimbursement of expenses.
- b. Incurred professional fees of \$81,090 (December 31, 2023 - \$81,390) to a company controlled by Michael Waldkirch, CFO of the Company.
- c. Incurred management fees of \$99,000 (December 31, 2023 - \$99,000) to Terri Anne Welyki, Vice President of Communications for the Company.
- d. Incurred management fees of \$48,788 (December 31, 2023 - \$nil) to a company controlled by Janet Francis, Corporate Secretary of the Company. As at December 31, 2024, \$5,171.25 (March 31, 2024 - \$1,903) was included in accounts payable and accrued liabilities for management fees.
- e. Incurred exploration and evaluation expenditures of \$106,612 (December 31, 2023 - \$92,683) to Andrew Pooler, former Senior Vice President of Project Development of the Company.
- f. Incurred exploration and evaluation expenditures of \$93,968 (December 31, 2023 - \$83,368) to Thomas Simpson, former Senior Vice President of Exploration of the Company.
- g. Incurred exploration and evaluation expenditures of \$125,951 (December 31, 2023 - \$nil) to a company controlled by Alan Roberts, Vice President of Exploration of the Company.

- h. Incurred director fees of \$13,875 (December 31, 2023 - \$13,875) to Darren Blasutti, a director of the Company.
- i. Incurred director fees of \$9,000 (December 31, 2023 - \$9,000) to Jeffrey O'Neill, a director of the Company.
- j. Incurred director fees of \$9,000 (December 31, 2023 - \$9,000) to Peter McRae, a director of the Company.
- k. Incurred director fees of \$9,000 (December 31, 2023 - \$9,000) to William Wulfange, a director of the Company.
- l. Incurred director fees of \$4,565 (December 31, 2023 - nil) to Quinton Hennigh, a director of the Company

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Summary of key management personnel compensation (includes officers and directors of the Company):

	For the nine months ended	
	December 31,	
	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

Off- Balance Sheet Arrangements

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

Proposed Transactions

The Company does not have any proposed transactions.

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, 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 32,098. 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.

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. Liquidity risk has been assessed as low.

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.

Management's responsibility for financial statements

Information provided in the MD&A and the financial statements is the responsibility of management. In the preparation of the financial statements, estimates are sometimes necessary to make a determination of the carrying value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Commitments

The Company has an employment agreement with the VP of Corporate Communications of the Company to provide management and other consulting services to the Company for an indefinite term. The agreements require total combined payments of \$11,000 per month. The employment agreement with the VP of Corporate Communications of the Company provides for a one-month payout of \$11,000 for each full year of employment, up to a maximum of six months payout of \$66,000, in the event of termination without cause or a one year payout of \$132,000 in the event of termination upon a change in control.

The Company has a management consulting agreement with the CFO of the Company to provide management and other consulting services to the Company for an indefinite term. The agreement requires total payments of \$9,010 per month. The consulting agreement provides for a one-year payout totaling approximately \$131,870 (including average discretionary bonuses paid in the preceding two years) in the event of termination without cause and in the event of termination following a change in control of the Company.

The Company has an employment agreement with the Vice President of Exploration of the Company to oversee the advancement of the Company's project portfolio for a one year term. The agreement requires total combined payments of US\$16,667 per month. The employment agreement with the Vice President of the Company provides for a one-year payout totaling approximately US\$200,000 after one year of service and US\$400,000 after two years service in the event of termination following a change in control of the Company.

The Company has a consulting agreement with the Company controlled by Janet Francis, Corporate secretary of the Company, to provide Corporate secretary services to the Company for an indefinite term. The agreement requires an hourly payment of \$125 per hour for work completed.

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

The Company intends to fund these financial commitments in fiscal 2024 from additional equity financing. See "Liquidity and Capital Resources" above. See also "Risks and Uncertainties".

Disclosure of Data for Outstanding Common Shares, Stock Options, Warrants

The following table summarizes the outstanding common shares, stock options, warrants of the Company:

	As at December 31, 2024	Date of this MD&A
Common shares	133,753,592	135,556,553
Stock options ⁽¹⁾	9,713,661	9,713,661
Warrants ⁽¹⁾	54,917,612	60,933,277

(1) Each one stock option and one warrant is exercisable to acquire one common share of the Company.

As at the date of this MD&A, the Company has 135,556,553 common shares issued and outstanding.

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

Number of options outstanding		Number of options exercisable		Exercise price \$	Expiry date
As at December 31, 2024	Date of this MD&A	As at December 31, 2024	Date of this MD&A		
1,748,661	1,748,661	1,748,661	1,748,661	0.62	December 9, 2025
1,425,000	1,425,000	1,425,000	1,425,000	0.74	February 8, 2026
260,000	260,000	260,000	260,000	0.73	June 1, 2026
1,280,000	1,280,000	1,130,000	1,129,999	0.59	August 14, 2026
5,000,000	5,000,000	1,666,667	3,333,329	0.15	September 18, 2027
9,713,661	9,713,661	6,230,328	7,896,989		

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

Number of warrants	Exercise price \$	Expiry date
2,408,197	0.72	September 21, 2025
275,000	0.72	October 5, 2025
103,297	0.72	October 21, 2025
4,887,985	0.60	January 9, 2027
459,420	0.40	January 9, 2027
68,638	0.60	January 9, 2027
233,854	0.60	January 12, 2027
27,325,317	0.23	June 27, 2027
1,330,111	0.23	June 27, 2027
14,674,683	0.23	July 27, 2027
324,309	0.23	July 27, 2027
842,466	0.12	February 14, 2028
8,000,000	0.12	December 31, 2025
60,933,277		

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. In particular, there are no assurances that the Sunnyside PoO will be approved by the USFS on the basis applied for by the Company or at all or that the USD Court will uphold the USFS’ issuance of the DM and FONSI for Sunnyside in the face of environmental challenges thereto. Further, there are no guarantees that Cerro Verde at the Company’s San Javier project will develop into a quality low-cost development project with considerable resource upside or otherwise. 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 continued spread and severity of COVID-19, the war in Ukraine, elevated inflation and interest rates 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 February 27, 2025.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca] including, but not limited to:

- the Company's condensed interim consolidated financial statements for the three and nine months ended December 31, 2024 and 2023; and
- the Company's audited consolidated financial statements for the years ended March 31, 2024 and 2023.

This MD&A has been approved by the Board on February 27, 2025.