BARKSDALE CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

Overview

Barksdale Capital Corp. (the "Company") is engaged in the acquisition and exploration of mineral properties domiciled in Nevada, USA. The following management discussion and analysis ("MD&A") of the operations, results and financial position of the Company has been prepared as of July 28, 2017, and is for year ended March 31, 2017 and should be read in conjunction with the audited consolidated financial statements and notes for the year ended March 31, 2017.

The consolidated financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All financial amounts in this MD&A are in Canadian dollars, except as otherwise indicated.

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

The Company is currently listed on the NEX board of the TSX Venture Exchange ("TSX-V") under the symbol BRO.H.

On February 24, 2016, the Company signed a non-binding memorandum of understanding ("MOU") with GES Electro Aero Corporation with the expectation it would constitute a reverse takeover of the Company. On May 3, 2016, the Company terminated the MOU.

On July 25, 2016, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common share.

In August 2016, the Company appointed Richard Silas, Mark McCartney and Jeff O'Neil as directors of the Company. Ross Wilmot, Kurt Lahey and Ken Taylor resigned as directors of the Company. In addition, Michael Waldkirch was also appointed as the CFO of the Company.

The Company closed two private placements from the beginning of the 2017 fiscal year to the date of this report as follows:

- On August 19, 2016, the Company closed a $350,000 non-brokered private placement through the issuance of 7,000,000 common shares at price of $0.05 per common share.
- On October 17, 2016, the Company closed an $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per common share.

Geological Summary

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

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

Date	Payment amount (US$)
Upon execution of the agreement (paid)	75,000
December 11, 2017	75,000
December 11, 2018	75,000
December 11, 2019	100,000
December 11, 2020	150,000
December 11, 2021	250,000
December 11, 2022	500,000
December 11, 2023	750,000
December 11, 2024 and each anniversary date thereafter.	1,500,000

The Agreement is subject to a nonparticipating royalty based on the gross value from the production or sale of minerals from Swales of 3% with a buy-down option of 0.5% for US$2,500,000, at any time before December 11, 2021. The minimum payments above shall be credited cumulatively against any royalty obligations.

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

Date	Minimum Feet Drilled
December 11, 2018	7,500'
December 11, 2019	10,000'
December 11, 2020	10,000'
December 11, 2021	10,000'
December 11, 2022	20,000'
December 11, 2023	20,000'
December 11, 2024	20,000'
December 11, 2025	20,000'
December 11, 2026 and each anniversary date thereafter.	20,000'

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

The Swales Project is in the southern Independence Mountains of Elko County, NV. The Property is comprised of a contiguous block of unpatented mining claims in portions of Secs. 1, 12, 13, 24, 25 of T35N R52E, portions of Secs. 6, 7, 18, 19, 20, 21 of T35N R53E, and portions of Secs. 31, 32 of T36N R53E. The property is located adjacent to and just northeast of the Carlin Trend, a northwest alignment of more than 40 sedimentary rock-hosted gold deposits that have produced more than 80 million ounces of gold to date. The Project is 12 miles (20 km) east of the Carlin Mine and 10 miles (16 km) northeast of the Gold Quarry Mine.

The Project is centered on the western and southern flanks of Swales Mountain, the southernmost peak of the Independence Mountains. Swales Mountain is the middle member of a series of five known north-south aligned igneous intrusive centers of Eocene-age. The north and south end-members of this series of igneous intrusions are known to be associated with important Carlin-style gold districts. The Bullion Stock and recent gold discoveries made by Gold Standard Ventures lie in the Pinon Range twenty miles south of Swales Mountain. Forty miles to the north in the Independence Mountains, the Jerritt Canyon District (+9 million ounces of gold production) hosts numerous Eocene-age igneous dikes.

Paleozoic sedimentary rocks of both the upper and lower plate of the Roberts Mountain thrust are exposed at the Property. Rocks of the upper plate are mainly siliceous and siliciclastic whereas the lower plate rocks are comprised mainly of carbonates. These rocks are intruded by two types of igneous rocks of Eocene age. These igneous intrusions have uplifted and exposed carbonate rocks of Devonian and Mississippian age along the eastern flank of Swales Mountain in a structural window through the Roberts Mountains thrust. Certain of these lower plate carbonate rocks bear similarities of age, lithology, and thickness to important ore host rocks at the Gold Quarry Mine. These same rock units are interpreted to lie at depth along the western flank of Swales Mountain where uplift has been insufficient to create a window through the Roberts Mountains thrust.

Youngest rocks within the Property consist of thin veneers of fanglomerate and landslide deposits that have accumulated along the east side of this mountain range and subsequently the east side of Swales Mountain.

Very limited information is available for historic mineral exploration on Swales Mountain other than a few simple descriptions of the historic mineral occurrences. The mineral occurrences located directly on the Property are Bad Apple, Prospect #4 and Edgar Turquoise Mine.

There is potential for three styles of mineralization within the Swales Project area:

- Carlin-type sedimentary rock-hosted gold (+/-) silver mineralization.
- Skarn-type silver, copper, lead, zinc, gold mineralization.
- Sedimentary rock-hosted gold, silver and copper mineralization hosted in hornfelsed Paleozoic rocks (similar to geologic patterns observed at the Mike Gold-Copper-Zinc-Silver Deposit, as described by Norby and Orobona (2002).

Exploration Work

Geologic mapping at a scale of 1:5000 is ongoing with approximately 60 percent of the property mapped as of July 20, 2017. The complex tectono-stratigraphic aspects of the area are being studied in attempts to determine the age of units exposed on the property. The presence of phosphate nodules and ripple marks suggest that rocks previously thought to be Ordovician Vinini Fm may be Devonian rocks equivalent to some of the important host rocks at the nearby Gold Quarry mine.

The Swales Mountain Property Gravity Survey GIS Compilation report by James Wright is dated April 23, 2017. The survey consisted of 523 gravity stations with the objective of lithologic and structural definition. Interpretation of the data indicate that carbonate units correspond to relatively high gravity and intrusive rocks correspond to low gravity. Carbonate units are interpreted to underlie siliciclastic rocks along the west flank of an anticline. Linear density contrasts indicate major north-south, northeast and northwest trending structures.

Barksdale commissioned North American Exploration Services, Inc. (N.A.E.) of Layton, Utah to complete a soil geochemical sampling program, which consisted of 1,699 soil samples. Results from the soil program are summarized as follows:

- A significant copper in soil anomaly is spatially associated with the historic Edgar Turquoise Mine in the southeast portion of Section 18, which occurs at the contact between Ordovician Vinini Formation sedimentary rocks and a porphyry intrusive into the sedimentary complex. Some minor Au, Ba and Zn in soils were detected associated with the prospect, supporting the historic observation that there is a "*moderate amount of gold*" associated with the Prospect.
- A significant number of anomalous gold in soil samples were identified in the northeast corner of Section 18 in the vicinity of the Prospect #4 occurrence (Figure 9.2). Spatially associated with gold is anomalous Cu-Zn and minor As and Sb in the vicinity of "Prospect #4". The geology of Prospect #4 is described as *"Mineralized rock is exposed mainly along contacts of Monzonite Porphyry with chert and limestone"* (USGS website). The prospect was categorized as a small occurrence. Apparently, a historic sample collected from this anomaly was analyzed and yielded greater than 1 ppm of gold (Smith, 1976).

- Soil sampling along the central western portion of Section 18 along the contact between the Monzonite Porphyry and Vinini Formation sedimentary rocks has identified a striking Ba-Zn in soil anomaly along with anomalous Au and Cu, with soil samples yielding up to 370 ppb Au (Figures 9.1 to 9.7).

- Soil sampling within the southeast portion of Section 6 yielded a strong Au in soil anomaly with several anomalous samples with up to 177 ppb Au spatially associated with the Bad Apple Occurrence (Figure 9.2). The geology of the area is described as Vinini Formation sedimentary rocks in contact with a quartz porphyry in the southeast corner of the section. Spatially associated with the Au in soils are interesting amounts of Cu, a strong As anomaly and highly anomalous Pb, Zn and Ba.

Results of forty-three (43) rock samples indicate anomalous gold (to 48 ppb), silver (to 19.4 ppm), arsenic (to 393 ppm), and antimony (to 17.3 ppm) occurs in and around intrusive dikes and surrounding silicified Paleozoic rocks. An additional 42 rock samples are being analyzed.

Recommendations are to complete the detailed mapping and rock sampling program, conduct CSAMT surveys over the area of high gravity along the west flank of the anticline, and consider additional soil sampling. This work should be followed by about 3000 meters of reconnaissance drilling.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Steven R. Koehler, B.Sc. Geology, CPG-10216, a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

Selected Annual Information

	2017 **$**	**2016** **$**	**2015** **$**
Total assets	685,525	891	153
Total liabilities	89,051	444,442	364,666
Working capital (deficit)	496,401	(443,551)	(364,513)
Revenues	Nil	Nil	Nil
Major expense items			
Management fees	18,000	Nil	Nil
Consulting fees	42,750	Nil	Nil
Professional fees	49,840	51,179	46,437
Interest expense	16,974	33,124	23,127
Other item			
Gain on derecognition of accounts payable and accrued liabilities	(32,890)	(16,381)	(56,937)
Net loss	109,975	79,038	27,437
Loss per share	0.01	0.02	0.01

During the three years ended March 31, 2017, 2016 and 2015, the Company’s expenditures related to continuous disclosure requirements and seeking new business opportunities.

Summary of Quarterly Results

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

	March 31, 2017	**December 31, 2016**	**September 30, 2016**	**June 30, 2016**
	$	$	$	$
Total assets	685,525	740,354	37,441	3,989
Total liabilities	89,051	79,261	148,631	431,036
Working capital (deficit)	496,401	561,020	(111,190)	(427,047)
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	4,644	607	2,277	25,362
Net income (loss)	(64,619)	(25,717)	(36,143)	16,504
Income (loss) per share	(0.01)	(0.00)	(0.01)	0.01

	March 31, 2016	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**
	$	$	$	$
Total assets	891	1,347	3,633	12,244
Total liabilities	444,442	443,461	433,443	420,377
Working capital (deficit)	(443,551)	(442,114)	(429,810)	(408,133)
Revenues	-	-	-	-
Other item				
Gain on derecognition of accounts payable and accrued liabilities	16,381	-	-	-
Net income (loss)	7,674	(12,304)	(30,788)	(43,620)
Income (loss) per share	(0.00)	(0.00)	(0.01)	(0.01)

The Company has had working capital deficits in the past, except for quarters ended December 31, 2016 and March 31, 2017, as the Company continued to incur expenses related to its business but received no revenue. In the quarters ended March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, the Company recorded gains of $4,644, $607, $2,277, $25,362, and $16,381, respectively, from the derecognition of prior years accounts payable and accrued liabilities.

Operations

<u>For the year ended March 31, 2017 and 2016</u>

Expenses

Total expenses were $142,865 for the year ended March 31, 2017, compared to $95,419 for the comparative 2016 period. The Company recorded interest expense of $16,974 related to interest accrued for the loans outstanding during the year ended March 31, 2017 as compared to $33,124 in the comparative 2016 period. Management fees of $18,000 were incurred during the year ended March 31, 2017 as compared to $Nil in the comparative 2016 period. Consulting fees of $42,750 were incurred during the year ended March 31, 2017 as compared to $Nil in the comparative 2016 period. Professional fees of $51,179 were incurred during the year ended March 31, 2016 for the Company's continuous disclosure matters and the legal action that was settled as compared to $49,840 legal, audit and accounting fees in the current year.

Net Loss

The Company recorded a net loss of $109,975 or $0.01 per share for the year ended March 31, 2017 compared with a net loss of $79,038 or $0.02 per share for the comparative 2016 period. The higher net loss during the current year was mainly due to higher management fees with more corporate activities.

Fourth Quarter

During the fourth quarter ended March 31, 2017, the Company recorded net loss of $64,619 or $0.01 per share compared with net income of $7,674 or $0.00 per share in the fourth quarter of 2016. During the fourth quarters of 2017 and 2016, the Company recorded gains on the derecognition of accounts payable and accrued liabilities of $4,644 and $16,381, respectively. Excluding these derecognition gains, the net losses for the 2017 and 2016 fourth quarters would be $69,263 and $8,707, respectively.

Liquidity and Capital Resources

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

	March 31, 2017	March 31, 2016
	$	$
Cash	583,864	633
Receivables	338	258
Prepaid expenses	1,250	-
Total current assets	585,452	891
Accounts payables and accrued liabilities	89,051	219,636
Loans payable and accrued interest	-	224,806
Working capital (deficit)	496,401	(443,551)

In August 2016, the Company closed a $350,000 non-brokered private placement through the issuance of 7,000,000 common shares at price of $0.05 per share. The Company used the proceeds to repay the loans payable, accounts payable and accrued liabilities. In October 2016, the Company closed an $800,000 non-brokered private placement through the issuance of 4,000,000 common shares at price of $0.20 per share. The proceeds was used for general working capital and the acquisition of the Swales project.

As at March 31, 2017, the Company had working capital of $496,401 (2016 – deficit $443,551).

During the year ended March 31, 2017, the Company's expended $224,916 of cash as compared to $51,405 during the comparative year ended March 31, 2016 due to repayment of accounts payable and payments for prepaid expenses during the current year. In addition, the Company spent $100,073 to acquire exploration and evaluation assets in Nevada, USA in the current year. Moreover, the Company's received total proceeds of $1,150,000 from share issuances, which was partially offset by repayment of loans payable and accrued interest of $241,780 during the current year. In the comparative period, the Company entered into an additional working capital loan facility to fund the Company's minimum working capital requirements which resulted in net proceeds of $52,000.

The Company believes it has adequate working capital to fund operations over the next twelve months. There can be no assurance that any additional financing will be available to the Company or, if it is, that it will be available on terms acceptable to the Company and will be sufficient to fund cash needs or it achieves positive cashflow.

Outstanding Share Data

The share capital of the Company as at the date of this MD&A consists of 13,545,583 common shares currently issued and outstanding. There are no stock options or warrants outstanding.

Related Party Transactions and Balances

During the year ended March 31, 2017, the Company entered into the following transactions with related parties:

a. Incurred management fees of $9,000 (March 31, 2016 - $Nil) to a company controlled by Richard Silas, President, CEO and Corporate Secretary of the Company.

b. Incurred management fees of $9,000 (March 31, 2016 - $Nil) and professional fees of $9,500 (March 31, 2016 - $Nil) to a company controlled by Michael Waldkirch, CFO of the Company. As at March 31, 2017, $5,000 (March 31, 2016 - $Nil), was included in accounts payable and accrued liabilities for accrued professional fees.

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 year ended March 31,	
	2017	2016
	$	$
Professional fees	9,500	-
Management fees	18,000	-
	27,500	-

Off- Balance Sheet Arrangements

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

Accounting standards and amendments not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2017 and have not been applied in preparing these consolidated financial statements:

IFRS 9 – Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – Clarifications to IFRS 15 “Revenue from Contracts with Customers” issued. The amendments do not change the underlying principles of the standard, just clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 – Leases, establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company’s consolidated financial statements.

Critical Accounting Estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from management's best estimates as additional information becomes available.

Financial Instruments and Other Instruments

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

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

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

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

a) Currency risk

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at March 31, 2017, the Company does not have any significant monetary assets or liabilities in US dollars, therefore, the Company has determined that there is very limited currency risk at this time.

b) Credit risk

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

c) Interest rate risk

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

d) Liquidity risk

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

e) Commodity price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors gold prices to determine the appropriate course of action to be taken.

Forward-looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts that address future operations, acquisitions, financings, activities and events or developments that the Company expects are forward-looking statements. Specifically, this MD&A contains in its discussion on "Liquidity and Capital Resources" forward-looking statements about the Company's success in obtaining adequate financing to fund necessary working capital to achieve its business objectives and the Company' strategy to attract new business opportunities.

These forward-looking statements and information are based on current expectations but are subject to uncertainty and changes in circumstances that may cause actual results to differ materially from those expressed or implied by such forward-looking statements and information. Inherent in forward-looking statements and information are risks and uncertainties beyond the Company's ability to predict or control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements and information contained in this MD&A. Such statements and information are based on a number of assumptions and factors which may prove to be incorrect, including, but not limited to, assumptions about the availability of financing for the Company on reasonable terms or at all, market competition on new business opportunities and changes in general economic conditions or conditions in the financial markets.

The Company undertakes no obligation to publicly revise forward-looking information to reflect subsequent events or circumstances except as required by securities laws. The forward-looking information contained herein is made as of the date hereof and is expressly qualified in its entirety by cautionary statements in this MD&A.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's audited consolidated financial statements for the years ended March 31, 2017 and 2016.

This MD&A has been approved by the Board on July 28, 2017.