

**MATERIAL CHANGE REPORT  
FORM 51-102F3**

**Item 1. Reporting Issuer**

Barksdale Capital Corp. (the "**Company**")  
Suite 610 – 815 West Hastings Street  
Vancouver, B.C.  
V6C 1B4

**Item 2. Date of Material Change**

December 13, 2018

**Item 3. Press Release**

December 17, 2018 – disseminated via ACCESSWIRE and Canada Stockwatch.

**Item 4. Summary of Material Change**

The Company has arranged a non-brokered private placement with Osisko Gold Royalties Ltd. ("**Osisko**") to purchase 5,833,333 common shares of the Company at a price of C\$0.60 per share, for a total investment of C\$3,500,000 (the "**Placement**"). Following the Placement, Osisko will own approximately 15.2% of the issued and outstanding common shares of Barksdale on a non-diluted basis.

In connection with the Placement, Osisko will obtain the following rights for so long as it holds 10% or more of the outstanding common shares of Barksdale:

- Equity participation right to maintain pro-rata ownership interest, and
- The right to nominate one person to Barksdale's board of directors.

Osisko will also receive a right of first refusal on any proposed royalty, streaming, or similar transactions for a period of five years from the closing date.

The Placement is subject to the execution of definitive documentation and receipt of necessary regulatory approvals including the conditional acceptance of the TSX Venture Exchange as well as Osisko closing a separate acquisition of certain existing royalty interests over the Company's Sunnyside project located in Santa Cruz County, Arizona from an arm's length private vendor.

The Placement is expected to close on or about January 4, 2019.

**Item 5. Full Description of Material Changes**

The Company has arranged a non-brokered private placement with Osisko to purchase 5,833,333 common shares of the Company (the "**Shares**") at a price of C\$0.60 per Share, for a total investment of C\$3,500,000. Following the Placement, Osisko will own approximately 15.2% of the issued and outstanding common shares of Barksdale on a non-diluted basis. Concurrently with the Placement, Osisko has also reached an agreement to acquire certain existing royalty interests over the Company's Sunnyside project located in Santa Cruz County, Arizona from an arm's length private vendor.

In connection with the Placement, Osisko and Barksdale will negotiate and enter into a binding investment agreement, the provisions of which will include, inter alia, the following rights in favor of Osisko for so long as it holds 10% or more of the outstanding common shares of Barksdale:

- Equity participation right to maintain pro-rata ownership interest, and
- The right to nominate one person to Barksdale's board of directors.

In connection with the Placement, Osisko will also receive a right of first refusal on any proposed royalty, streaming, or similar transactions for a period of five years from the closing date.

The net proceeds from the Placement will be used to advance the Company's mineral projects, including the Sunnyside project, and for general corporate and working capital purposes. The Placement is subject to the execution of definitive documentation and receipt of necessary regulatory approvals including the conditional acceptance of the TSX Venture Exchange as well as Osisko closing a separate acquisition of certain existing royalty interests over the Sunnyside project from an arm's length private vendor. The Placement is expected to close on or about January 4, 2019. All newly issued securities will be subject to a customary hold period of four months plus one day.

Medalist Capital Ltd. acted as financial advisor to the Company on the transaction.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

N/A

**Item 7. Omitted Information**

There are no significant facts required to be disclosed herein which have been omitted.

**Item 8. Senior Officers**

To obtain further information contact Rick Trotman, Chief Executive Officer, at (778) 588 - 7145.

**Item 9. Date of Report**

December 17, 2018.

*CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This material change report includes "forward-looking information" under applicable Canadian securities legislation including, but not limited to, the Placement and the expected closing date and anticipated use of proceeds thereof. Such forward-looking information reflects management's current beliefs and are based on a number of estimates and assumptions made by and information currently available to the Company that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Readers are cautioned that such forward-looking information are neither promises nor guarantees, and are subject to known and unknown risks and uncertainties including, but not limited to, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, actual results of exploration activities, environmental risks, future prices of base metals, operating risks, accidents, labor*

*issues, delays in obtaining governmental approvals and permits, and other risks in the mining industry. There are no assurances that the Company will successfully negotiate and enter into definitive documentation and complete the Placement on the terms set out herein or at all. All forward-looking information contained in this material change report is qualified by these cautionary statements and those in our continuous disclosure filings available on SEDAR at [www.sedar.com](http://www.sedar.com). Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*