

Barksdale Announces San Javier Preliminary Economic Assessment

Vancouver, British Columbia--(Newsfile Corp. - May 9, 2024) - Barksdale Resources Corp. (TSXV: BRO) (OTCQX: BRKCF) ("**Barksdale**" or the "**Company**") is pleased to announce the positive results of a Preliminary Economic Assessment ("**PEA**") completed on the San Javier oxide copper-gold project located in Sonora, Mexico. The PEA envisions a modest capital cost project utilizing conventional open-pit mining with a solvent-extraction and electrowinning ("**SXEW**") plant to produce LME-grade copper cathodes on-site. A copy of the PEA, prepared in accordance with the requirements set forth in Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") will be filed under the Company's SEDAR+ profile within 45 days of this news release. All currency references in the PEA and this news release are in U.S. Dollars.

PEA Highlights

- San Javier PEA shows 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.

Rick Trotman, President and CEO of Barksdale, states, "The results of our PEA on San Javier outline a very simple operation with compelling economics. This base-case provides the foundation from which additional economic upside can be unlocked, such as the significant resource expansion opportunities at the Cerro Verde orebody, exploration upside at Mesa Grande and La Trinidad, and additional metallurgical testing to recover gold. In today's market it's rare to find a simple development project with such low upfront capital costs."

PEA Summary

The PEA, led by Tetra Tech Canada, was initiated in early 2023 and is based on the mineral resource estimate completed by Independent Mining Consultants Inc. in 2022. The PEA was completed in accordance with NI 43-101 and represents a significant milestone in the advancement of the project. The Company is currently earning a 100% interest in the San Javier project from Tusk Exploration Inc., a private British Columbia company.

Project Overview

The San Javier project is accessible from Hermosillo by a well-maintained paved two-lane highway near the town of San Javier. The project consists of multiple showings of surface copper outcrops including the Cerro Verde resource area and the La Trinidad and Mesa Grande prospects.

The San Javier project will be a truck and shovel operation at the Cerro Verde resource area and will operate at a processing rate of approximately 10,000 metric tons per day for a 13-year mine life. Mined material will be crushed and transported to a heap leach pad. Copper will be recovered via an SXEW plant producing LME-grade copper cathodes on site.

Mineral Resource Estimate

The Mineral Resource Estimate for the San Javier project is based on a \$4.00/lb copper price and the sum of tonnage and grades within the pit shell utilize a cutoff grade for soluble copper (acid-soluble plus cyanide-soluble copper), which varies depending on the oxidization type of each tonne of material. The table below highlights the Cerro Verde resource at San Javier:

Category	Kt and Grades Above Cutoff ⁽¹⁾					Copper Pounds x 1,000 ⁽²⁾	
	kt	TCu (%)	As+Cn Cu (%)	ASCu (%)	CNCu (%)	Total Contained	Soluble Contained
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

Notes:

1. ASCu+CNCu cutoff vary by oxidization type: leach cap and oxide = 0.04%, mixed = 0.07%, sulphide = 0.08%
2. Contained pounds = kt x TCu x 22.04
Soluble pounds = kt x ASCu+CNCu x 22.04
3. Mineral Resource tonnage and grades are restricted to the Cerro Verde Deposit
4. Total pit shell tonnage = 95,175 kt; ratio of kt below cutoff to above cutoff = 0.25
5. Total may not add due to rounding..

Figure 1. San Javier Mineral Resource (Cerro Verde Deposit); effective date October 31, 2022

To view an enhanced version of this graphic, please visit:

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Recovery Methods

The mineralized material from the Cerro Verde deposit will be crushed using a three-stage crushing and screening system to produce a -12.5 mm material which will be stockpiled and then transported to a lined heap leach pad. The material on the heap leach pad will be irrigated with a sulfuric acid solution to extract soluble copper and the pregnant leach solution will be stored in a pond and pumped to a solvent extraction circuit to purify and concentrate copper in a strong electrolyte solution. The electrolyte will be fed to a semi-automatic electrowinning (EW) circuit to produce copper cathodes with a >99.99% purity.

The processing plant has been designed to process leach feed at a nominal throughput of 10,000 t/d to produce market-grade copper cathodes at site. The average LOM leach feed grade will be 0.34% total copper and the anticipated overall recovery will be 63.5% of total copper. The recovery estimate is based on metallurgical column test work that showed recovery of soluble copper of 85% in the leach cap and oxide zones, 75% in the mixed oxide/sulfide and 60% recovery in the sulfide zone.

Capital and Operating Costs

The estimated initial capital cost for the project's design, construction, installation, and commissioning is \$116.8 million. This figure includes all direct, indirect and owner's costs as well as a contingency factor. The capital cost estimate is consistent with an Association for the Advancement of Cost Engineering (AACE) Class 5 estimate with an expected accuracy of plus/minus 35%. A summary breakdown of the capital cost is provided in the table below.

Capital Cost Area	Cost (Million \$)
Overall Site	0.33
Mining (includes haul roads)	1.06
Processing Plant (includes leach pad & ponds)	49.38
On-site Infrastructure	9.91
Others	3.42
Pre-production cost	8.13
Direct Cost	72.24
Indirect Cost	26.35
Owner's Cost	1.78
Contingency	16.45
Total Initial Cost	116.82

Note: Total may not add due to rounding.

Figure 2. Capital cost summary

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Sustaining capital costs are all required from Year 1 of operations to sustain the mining and processing operation for the life of mine and are estimated to be \$17.22 million. The project operating cost estimate consists of mining, processing and general and administrative (G&A) costs and are summarized in the table below. The average life-of-mine operating cost is \$10.17/t material processed, or \$2.16/lb copper produced.

Description	LOM Cost (Million \$)	Unit Cost (\$/t processed)	Unit Cost (\$/lb Cu)
Mining	138.96	3.14	0.67
Processing	234.47	5.29	1.12
G&A and Site Services	44.29	1.00	0.21
Camp & Equipment Leasing	32.94	0.74	0.16
Total LOM Operating Cost	450.67	10.17	2.16

Note: Total may not add due to rounding.

Figure 3. Operating cost summary

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Financial Analysis

The project has been evaluated using a constant copper market price of US\$4.00/lb. The base case pre-tax cash flow highlights a net present value ("NPV") at a 7% discount rate of \$111.8 million, an internal rate of return ("IRR") of 26.3% and a 3.8 year payback period. On an after tax basis, the project an NPV of \$61.6 million with an IRR of 18.1% with a payback period of 5.3 years. At a copper price of US\$4.50/lb, the Project post-tax NPV increases to \$103.3 million after tax with an IRR of 24.8% and the payback period is shortened to four years.

Description	Unit	Base Case	Upper Case	Lower Case
Metal Price	US\$/lb	4.00	4.50	3.50
Undiscounted Cash Flow	Million \$	146.6	212.3	81.0
NPV (at 7%)	Million \$	61.5	103.3	19.8
IRR	%	18.1	24.8	10.8
Payback Period	years	5.3	4.0	8.1

Figure 4. Sensitivity analysis of post-tax economics based on various long-term copper prices

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Qualified Persons and Data Verification

Scientific and technical information in this news release has been reviewed and approved by independent 'Qualified Persons' ("**QPs**") as defined under NI 43-101, including:

Hassan Ghaffari, P. Eng. M.A. Sc
Herbert E. Welhener, SME-RM, MMSA
Maureen Marks, P. Eng.
Jiahui Huang, P. Eng., PhD

The QPs responsible for the preparation of the PEA have verified the data disclosed in this news release. The technical report in respect of the PEA, when filed under the Company's profile on SEDAR+, will contain more detailed information concerning individual responsibilities, associated quality assurance and quality control, and other data verification matters, and the key assumptions, parameters and methods used by the Company.

Barksdale Resources Corp., a 2023 OTCQX BEST 50 Company, is a base metal exploration company headquartered in Vancouver, B.C., that is focused on the acquisition, exploration and advancement of highly prospective base metal projects in North America. Barksdale is currently advancing the Sunnyside copper-zinc-lead-silver and San Antonio copper projects, both of which are in the Patagonia mining district of southern Arizona, as well as the San Javier copper-gold project in central Sonora, Mexico.

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This news release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. Any statement that involves discussion with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always using phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to: (i) the results of the PEA; (ii) the economic potential and merits of the San Javier project; (iii) the estimated amount and grade of Mineral Resources at the San Javier project; (iv) the PEA representing a viable development option for the San Javier project; (v) estimates of capital and operating costs; (viii) the estimated amount of future production from the San Javier project (ix) life of mine estimates and economic returns from the San Javier project; (xi) project enhancement opportunities; and (xii) timing of filing a technical report for the PEA on SEDAR+.

These forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business. The assumptions underlying the forward-looking statements are based on information currently available to Barksdale. Although the forward-looking statements contained in this news release are based upon what management of Barksdale believes, or believed at the time, to be reasonable assumptions, Barksdale cannot assure its shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Forward-looking information also involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others: risks related to interpretation of metallurgical characteristics of the mineralization, changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, uninsured risks, regulatory changes, delays or inability to receive required approvals, taxes, mining title, the speculative nature of the Company's business; the Company's formative stage of development; the Company's financial position; possible variations in mineralization, grade or recovery rates; actual results of current exploration activities; fluctuations in general macroeconomic conditions; fluctuations in securities markets; fluctuations in spot and forward prices of copper and other commodities; fluctuations in currency markets (such as the Canadian dollar to United States dollar exchange rate); change in national and local government, legislation, taxation, controls, regulations and political or economic developments; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, unusual or unexpected geological formations); the presence of laws and regulations that may impose restrictions on mining; employee relations; relationships with and claims by local communities; the speculative nature of mineral exploration and development (including the risks of obtaining necessary licenses, permits and approvals from government authorities); and title to properties.

Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

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