

**BRIXTON METALS CORPORATION**

**Management Discussion and Analysis**

**For the Three and Nine Months Ended June 30, 2011**

**Containing information up to and including  
August 19, 2011**

## **Notice**

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Brixton Metal Corp's (the "Company" or "Corporation") financial statements. The information provided herein should be read in conjunction with the un-audited Financial Statements for the nine months ended June 30, 2011. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

The reader is encouraged to review Company statutory filings on [www.sedar.com](http://www.sedar.com) and to review general information.

All currency amounts are in Canadian dollars unless otherwise noted.

## **Description of Business**

The Company is an exploration stage company and engages principally in the exploration and development of mineral properties in Alaska and British Columbia. Brixton became a public entity through a transaction whereby Marksmen Capital Inc.(a capital pool company trading on the TSX-V) acquired all of the issued and outstanding common shares of Brixton in exchange for the issuance of 1.8 common shares of Marksmen for each common share of Brixton. This transaction was completed on December 7, 2010 and constituted a reverse takeover transaction pursuant to the terms of the TSX-Venture Exchange.

## **Caution Regarding Forward Looking Statements**

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and

similar expressions, or which by their nature refer to future events. These forward looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;
- the anticipated use of the proceeds from the financings;
- the potential to verify and potentially expand upon the historical resources;
- the potential for the expansion of the known mineralized zones;
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in mineral properties, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral

deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/options; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole.

These forward looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward looking

statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

### **Caution Regarding Adjacent or Similar Mineral Properties**

This MD&A contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises US investors that the mining guidelines of the US Securities and Exchange Commission (the "SEC") set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7") strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties, and any production therefore or economics with respect thereto, are not indicative of mineral deposits on the Company's properties or the potential production from, or cost or economics of, any future mining of any of the Company's mineral properties.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

### **Selected annual information**

	Year ended September 30, 2010	Year ended September 30, 2009
Gain (Loss )	\$(302,402)	Nil
Write-off of	186,135	Nil

***Brixton Metals Corp.***

***Management Discussion and Analysis***

***For the three and nine months ended June 30, 2011, and containing information up to August 19, 2011***

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mineral properties		
Loss per Share (Basic and Diluted)	\$0.08	\$0.00
Total Assets	605,325	Nil
Total Long-term Liabilities	Nil	Nil
Number of shares outstanding	7,245,989	2,560,000

**Highlights for the nine months ended June 30, 2011**

- On December 7, 2010 Brixton completed a qualifying transaction and became listed on the TSX Venture Exchange trading under the symbol BBB and is a reporting issuer in British Columbia, Alberta, and Ontario.
- On December 7, 2010 Brixton completed a private placement of a total of 2,743,000 units at a price of \$0.25 per unit. Each unit consisting of one common share and one warrant exercisable for a period of 24 months at \$0.40. Brixton also issued 1,387,000 flow-through units at \$0.30, each unit consisting of one flow-through share and one half warrant exercisable for a period of 24 months at \$0.40. Gross proceeds from this financing were \$1,101,850.
- On February 1, 2011 Brixton appointed Gary Thompson, P.Geo. to the role of President and CEO.
- On February 9, 2011, Brixton appointed Mr. Toby Hughes, P.Geo. to the role of VP of Exploration. Mr. Hughes brings 30 years of geological expertise to the projects.
- On March 31, 2011, Brixton completed a private placement of 4,000,000 flow through units at \$0.25 for gross proceeds of \$1,000,000. Each unit is comprised of one common share and one half purchase warrant, with one whole purchase warrant being exercisable into one common share of Brixton at \$0.40 for a period of 24 months.

- On April 14, 2011, Brixton completed a private placement of 1,465,000 units at \$0.20 per unit. Each unit consisted of one common share and one half purchase warrant. Each full warrant is exercisable into one common share at a price of \$0.30 for a period of 24 months.

### **Highlights subsequent to June 30, 2011 and up to August 19, 2011**

- On August 11, 2011, the Company completed a public offering of units and flow-through units. The company issued 10,869,999 units at a price of 15 cents per unit and 5,802,238 flow-through units at a price of 19 cents per flow through unit for gross proceeds of \$2,732,925.07. Each unit consists of one common share of the Company and one common share purchase warrant and each flow-through unit consists of one common share to be issued on a flow-through basis and one-half of one offered warrant also to be issued on a flow-through basis.
- On August 17, 2011, the Company entered into a 2<sup>nd</sup> amendment to its Cristo Option Agreement with Millrock Resources Inc., with respect to the Cristo claim group. The amendment allows for the annual work commitments to be extended by one year. The Company must keep all the Cristo claims in good standing by meeting the claim annual labour and rentals. In consideration for the extension Brixton must issue 500,000 common shares to Millrock by December 31, 2011. The balance of the cash and share payments from the original option agreement are to be paid per the original agreement.

### **Exploration Highlights**

- Brixton Metals Doubles Talisker Zone Strike and Drills 34.8 m of 1.33g/t AuEq and 3 m of 9.9 g/t AuEq on first three holes of 25 hole 2011 drill program on the Thorn Property in Northern BC.
- Brixton contracts Equity Exploration Consultants Ltd. to manage the exploration program and its Thorn Project and commences exploration consisting of drilling, geochemical surveys and geological mapping.
- Brixton has commenced exploration consisting of soil-rock geochemical surveys and geological mapping at St. Eugene within the Cristo claims and its 100% owned B-Block claims in Alaska.

## **Results of Operations**

For the nine months ended June 30, 2011 the Company had a net loss of \$801,369 or \$0.04 per share compared to a net loss of \$19,087 or \$0.00 per share for the same period in 2010. During the three months ended June 30, 2011, the Company incurred a loss of \$136,778 or \$0.01 per share compared to a net loss of \$1,463 or \$0.00 per share in the same period in 2010. The following discussion explains the variations in the key components of these numbers.

### **Three months ended June 30, 2011 compared with three months ended June 30, 2010**

During the three month period ended June 30, 2011, the Company incurred a loss of \$136,778 (2010 - \$1,463). Consulting and legal expenses of \$47,065 (2010 - \$(3,797)) reflects the associated ongoing legal costs of maintaining the corporate records and the cost of accounting and financial reporting. In prior year there is a credit balance due to timing of a reclass of legal fees to share issuance costs. Two investor relations consultants were also hired in 2011, contributing to \$32,516 in investor relations expense. Salaries and wages were \$49,335(2010 - \$Nil) resulting from the company setting up an office in Vancouver during the year whereas is prior year the were no employees.

In the three month period ended June 30, 2011, the Company incurred aggregate Stock Based Compensation (“SBC”) expense of \$76,634 while in the three month period ended June 30, 2010, the Company had SBC expense of \$Nil, due to no options being granted until the Company was listed on the exchange. Comparison of the loss over the three month periods being reviewed shows that operations had not fully commenced until listing on December 7, 2010.

### **Nine months ended June 30, 2011 compared with nine months ended June 30, 2010**

During the nine month period ended June 30, 2011, the Company incurred a loss of \$801,369 (2010 - \$19,087). Consulting and legal expenses of \$157,469 (2010 - \$3,576) reflects the increased cost of financial reporting and maintenance of the corporate records as a public entity. General exploration charges of \$151,820 (2010 - \$Nil) are the result of a write off of \$150,000 in expenses related to the Stawell property incurred subsequent to the decision to write off all costs associated with the property. The Company was bound by an agreement to make the \$150,000 payment in cash and shares in spite of having dropped the property. Two investor relations consultants were hired in 2010, contributing to \$122,385 in investor relations expense. Salaries and wages were \$116,034 (2010 - \$Nil) resulting from the company setting up an office in Vancouver and hiring employees to perform necessary functions.



**Brixton Metals Corp.**

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In the nine month period ended June 30, 2011, the Company incurred aggregate Stock Based Compensation (“SBC”) expense of \$187,793 while in the nine month period ended June 30, 2010, the Company had SBC expense of \$Nil as no options had been issued at that point in time. Comparison of the loss over the nine month periods being reviewed shows changes consistent with the growth of the Company.

**Summary of Quarterly Results**

	Quarter Ended June 30, 2011	Quarter Ended March 31, 2011	Quarter Ended December 31, 2010	Quarter Ended September 30, 2010	Quarter Ended June 30, 2010	Quarter Ended March 31, 2010	Quarter Ended December 31, 2009
(Loss )	\$(136,778)	\$(390,677)	\$(373,915)	\$(283,315)	\$(9,959)	\$(1,270)	\$(7,858)
Loss per Share (Basic and Diluted)	\$0.01	\$0.02	\$0.02	0.07	0.00	0.00	0.00
Total Assets	2,216,884	2,211,319	1,626,851	605,325	393,064	295,183	120,306
Total Long-term Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of shares outstanding	28,012,778	26,547,778	22,307,778	7,245,989	5,449,790	5,112,790	3,562,857
Cash Dividends Declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Mineral property costs**

	Quarter Ended June 30, 2011	Quarter Ended March 31, 2011	Quarter Ended December 31, 2010	Quarter Ended September 30, 2010	Quarter Ended June 30, 2010	Quarter Ended March 31, 2010	Quarter Ended December 31, 2009
Thorn - BC	\$258,251	\$37,393	\$62,023	\$111,506	\$37,108	\$Nil	\$Nil
Kahiltna - AK	79,284	65,592	303,919	163,989	Nil	Nil	Nil
Stawell - Australia	-	-	-	(136,100)	136,100	Nil	Nil
Total	337,535	102,985	365,942	139,395	173,208	Nil	Nil

The following analysis discusses the variations in the Company’s quarterly results but, as with most junior mineral exploration companies, the results of operations (including net losses) are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variations seen over the quarters is primarily a result of the level of success of the Company’s ongoing property evaluation program and the timing and results of the Company’s exploration activities on its then current properties. There are no general trends regarding the Company’s quarterly results, and the Company’s business of mineral exploration is currently seasonal, as it can work on its Alaskan properties on a summer/fall basis (funding permitting) and the Thorn property on a strict summer/fall basis. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options and these are the factors that account for material variations in the Company’s quarterly net losses, none of which are predictable. Of even greater importance for the seasonal variation for the quarters since inception is the fact

that the Company recently completed its Qualifying Transaction (as defined herein) and therefore operations did not exist on a material level until such time. The write-off of mineral properties can have a material effect on quarterly results as and when they occur, as it did in the quarter ended September 30, 2010 and June 30, 2011 with the property write-off in Australia. The other major factor which can cause a material variation in net loss on a quarterly basis is the grant of stock options due to the resulting stock-based compensation charges which can be significant when they arise. This impacted the quarter ended June 30, 2011 as options were issued throughout the period increasing the loss per share. General operating costs other than the specific items noted above tend to be quite similar from period to period.

### **Liquidity and Capital Resources**

To date the Corporation has financed its operations through the sale of its Common Shares. As at June 30, 2011 the company has \$1,092,069 in current assets and \$41,582 in current liabilities. Prepaid expenses increased by \$583,835 during the nine months ended June 30, 2011 over prior year due entirely to drilling deposits paid in advance to secure equipment and resources on the Thorn Property.

The Corporation has no source of revenue, income or cash flow. It is wholly dependent upon raising monies through the sale of its Common Shares to finance its business operations. Over the next 12 months the Corporation will need additional capital to maintain its property option agreement in good standing and cover general and administration costs.

The Corporation will require additional funds to support its working capital requirements or for other purposes and will seek to raise additional funds through public or private equity funding, bank debt financing or from other sources. There can be no assurances that this capital will be available in amounts or on terms acceptable to the Corporation, or at all.

### **Use of Proceeds**

#### ***Reconciliation of Use of Proceeds from a Private Placement in December 2010***

In December 2010, the Company raised \$1.1 million through the sale of securities of the Company. The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

<b>Intended Use of Proceeds</b>	<b>Actual Use of Proceeds</b>
To advance the Company's properties and for general and administrative purposes.	In early June 2011, the Company commenced its exploration program at the Thorn property. During the period ended June 30, 2011, all payments on the properties of the Company were kept up-to-date and approximately \$400,000 was spent on general and administrative costs over the last 6 months since the

	funds were raised.
<b>Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones</b>	No material variances are identifiable to the Company. Proceeds have been used as intended and to further exploration of the two flagship properties while meeting administrative requirements.

*Reconciliation of Use of Proceeds from a Private Placement in April 2011*

In March/April 2011, the Company raised net \$1.1 million through the sale of securities of the Company. The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

<b>Intended Use of Proceeds</b>	<b>Actual Use of Proceeds</b>
To advance the Company's properties and for general and administrative purposes.	In early June 2011, the Company commenced its exploration program at the Thorn property and on June 30 2011, the Company paid \$70,000 in connection with a payment due under the option agreement for the Kahilt property. The remaining funds have not yet been spent and will be used for further work on the Kahilt property and general operating costs.
<b>Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones</b>	No material variances are identifiable to the Company. Proceeds have been used as intended and to further exploration of the two flagship properties while meeting administrative requirements.

**Mineral Property Overview**

*Kahilt Property, Alaska*

Brixton-Millrock Option Agreement

On October 29, 2010 Brixton finalized an option agreement to earn a 100% interest with Millrock Resources for the acquisition of the Cristo Property. Brixton became the operator of the Cristo property January 1, 2011. Terms are as follows:

- Incurring cumulative US \$5,000,000 in exploration expenditures (on or before December 31, 2014)
- Cash payments totaling US \$330,000
- Issuance of 2.5 million Brixton shares

- Issuance of 2.4 million Brixton share purchase warrants (at \$1.00 strike-price a 4-year term)

The Cristo claim group are subject to a 2% net smelter royalty (NSR) on gold and a 1% NSR on all other metals production in favour of Altius Minerals Corp., and upon full exercise of the option, Brixton will grant a further royalty interest to Millrock comprising a 0.5% NSR on uranium and a NSR of 1.0% on gold and 0.5% on all other metals.

### **Kahilt Exploration**

Brixton has secured permits for exploration on the Cristo claims and has identified local airstrips and camp sites to conduct work from. On August 18, 2011 Brixton initiated its 2011 exploration program. The program consists of soil-rock geochemical surveys and geological mapping to further define drilling targets on the St. Eugene and B-Block areas.

### **Thorn Property, British Columbia**

In August 2010, Brixton commissioned an airborne geophysical survey, extending magnetic coverage over the Windy Table volcanic rocks to the northeast of the 2000 airborne survey and using VTEM (time - domain EM) to attempt to see through the Windy Table rocks to the high-sulphidation alteration zones in the underlying Thorn Stock. Total line-km were 448 kilometres of EM-magnetics which is included in the above geophysical totals. Brixton also commissioned Equity Exploration to write the NI-43-101 report on the Thorn property dated September 10, 2010 and can be found on Sedar and on Brixton's website.

### **Ownership**

Brixton has an option agreement with Kiska Metals Corp. for the Thorn property. Brixton may earn 51% interest in exchange for:

- cash payments of \$200,000
- 400,000 shares
- \$5M in exploration over 4 years

Kiska may elect to JV 49/51 Kiska/Brixton. If Kiska elects not to JV then Brixton may earn to 65% by spending \$10M in exploration. If Kiska elects not to JV 35/65 then Brixton may increase its ownership further via linear dilution. Brixton shall fund its earn in and is seeking partners to advance the project to feasibility. Underlying NSR range from 1.5% to 3.5% to various property vendors.

**Thorn Mineralization**

Exploration on the Thorn property is directed at two deposit types: (1) high-sulphidation Ag-Au-Cu vein mineralization; and (2) breccia-hosted Ag-Au-Zn mineralization. Both of these are related within a porphyry/high-sulphidation epithermal setting.

The main targets of interest on the Thorn property are the high-sulphidation vein system and unconformity type deposit centred around the Thorn Stock and the breccia-hosted mineralization within the Oban breccia pipe.

**Thorn Drilling**

On June 15, 2011 Brixton started its drill program at the Thorn project and on August 17, 2011 assays were announced for the first three holes of the nine holes (2481.7 metres) completed. The first three holes were drilled to test the Talisker corridor. Drill hole THN11-41 was collared as a 56 metre step-out on strike to the northeast from hole THN05-37. Drill hole THN11-41 intercepted 1.71 g/t gold, 37.7 g/t silver and 0.04 % copper over 10.15 metres from 72.93 metres. Drill hole THN11-42 was collared as a 200 metre step-out to the northeast from hole THN05-37. Drill Hole THN11-42 intercepted 1.72 g/t gold, 136.1 g/t silver, 2.84 % copper over 3.00 metres from 81.24 metres and also intercepted 0.63 g/t gold, 22.4 g/t silver, and 0.14 % copper over 34.82 metres from 117.82 metres. Drill hole THN11-43 was collared 30 metres to the southwest of TH05-36. Drill hole THN11-43 intersected 0.43 g/t gold, 18.3 g/t silver, and 0.55 % copper over 2.91 metres from 141.91 metres. To date, nine holes have been completed on the Thorn. Assay results from the remaining holes drilled to date are pending. Brixton is proposing to drill a total of 25 holes at Thorn this year. Remaining drilling will follow up results from the first phase of drilling and test other targets on the property.

**Talisker Zone Drilling Highlights 2011**

Hole ID	From m	To m	Interval m	AuEq g/t	Au g/t	Ag g/t	Cu %
<b>THN11-41</b>	72.93	83.08	10.15	<b>2.47</b>	1.71	37.7	0.04
including	77.07	81.02	3.95	<b>4.69</b>	3.49	62.0	0.04
including	79.98	81.02	1.04	<b>6.28</b>	5.91	15.4	0.04
<b>THN11-42</b>	81.24	88.39	7.15	<b>4.45</b>	0.89	60.5	1.22
including	81.24	84.24	3.00	<b>9.90</b>	1.72	136.1	2.84
<b>THN11-42</b>	117.82	152.64	34.82	<b>1.33</b>	0.63	22.4	0.14
including	135.96	138.64	2.68	<b>3.43</b>	1.93	42.5	0.36
including	151.64	152.64	1.00	<b>4.17</b>	2.93	31.2	0.33
<b>THN11-43</b>	141.91	144.82	2.91	<b>1.88</b>	0.43	18.3	0.55

Gold Equivalent (AuEq) numbers were calculated using a 200 week average for metal

prices which equal \$1088 per ounce of gold, \$19.62 per ounce of silver and \$3.20 per pound of copper.

$$\text{AuEq} = \text{Au g/t} + (\text{Cu}\% \times 70.55/34.58) + (\text{Ag g/t} \times 0.63/34.58)$$

### **Thorn Exploration 2011**

The Total drilling program at Thorn for 2011 is estimated to be 5500 to 6000 m of NQ core. It is estimated that approximately 3400 meters remain in the 2011 drilling budget. Geological mapping, prospecting and soil-rock sampling is on-going to further refine drill targets, identify new drill targets and follow-up on historical high grade rock and soil results.

### **Quality Assurance & Quality Control**

The Thorn Project is managed by Equity Exploration Consultants Ltd. Stewart Harris, P.Geo., is Equity's in-house QAQC expert who conducted a detailed QAQC analysis of the data release August 2011. Drill core samples were packed into rice sacks and sealed with uniquely-numbered straps to deter and identify evidence of tampering. Rice sacks were shipped via Small's Expediting to the ALS Laboratory Group (ALS) preparation lab in Whitehorse, YT which has been certified compliant with ISO9001:2008 requirements. There is no evidence of tampering with the samples between collection and the laboratory. All standards fell within control limits.

### **Qualified Person and QA/QC**

Toby Hughes, P.Geo., a "qualified person" under National Instrument 43-101 and the Company's President and CEO, is responsible for overall supervision of the Company's exploration programs. Mr. Thompson is responsible for designing and carrying out the Company's exploration programs and all aspects of the work, including the quality control/quality assurance program. Mr. Thompson is not independent of the Company by virtue being an officer and holding incentive stock options.

The Company has Quality Assurance/Quality Control (QA/QC) protocols in place for all drilling, rock, soil, and stream sediment sampling programs as part of all geochemical sampling, sample preparation, sample shipping and sample analysis and compilation procedures.

### **Significant Acquisitions and Significant Dispositions**

- During the year ended September 30, 2010 the Company wrote off its Australian Stawell property. Since then there have been no significant acquisitions or dispositions of mineral properties or other assets.

### **Risk Factors**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in Alaska and British Columbia. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

***Resource Exploration and Development is Generally a Speculative Business:*** Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. **There is no known resource, and there are no known reserves, on any of the Company's properties. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.** Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

***Fluctuation of Metal Prices:*** Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

***Recent market events and conditions:*** From 2007 into 2010, the U.S. credit markets have experienced serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage backed securities. These problems have led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions caused a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators have deteriorated, including declining consumer sentiment, increased unemployment and declining economic growth and uncertainty about corporate earnings.

While these conditions appear to have improved slightly in 2010-2011, unprecedented disruptions in the credit and financial markets have had a significant material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to it or at all.

***General economic conditions:*** The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global



equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of precious and base metal prices may impact the Company's potential future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors could have a material adverse effect on the Company's financial condition and results of operations.

***Share Price Volatility:*** During the past year, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.** Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

***Financing Risks:*** The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in

obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

***Insufficient Financial Resources:*** The Company does not presently have sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

***Dilution to the Company's existing shareholders:*** The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

***Increased costs:*** Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

***Mining Industry is Intensely Competitive:*** The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

***Permits and Licenses:*** The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

***Government Regulation:*** Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

***Environmental Restrictions:*** The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

***Foreign Countries and Political Risk:*** All of the mineral properties held by the Company are located in the US and Canada, where mineral exploration and mining activities may be affected in varying degrees by changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

***Dependence Upon Others and Key Personnel:*** The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its

mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

***Currency Fluctuations:*** The Company presently maintains its accounts in Canadian dollars. Due to the nature of its operations in foreign jurisdictions, the Company also maintains accounts in U.S. dollars. The Company's operations in the U.S. and its proposed exploration expenditures are denominated in U.S. dollars, making it subject to foreign currency fluctuations. Such fluctuations are out of its control and may materially adversely affect the Company's financial position and results.

***Surface Rights and Access:*** Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to any of its properties.

***Title Matters:*** Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

***Acquisition of Mineral Concessions under Agreements:*** The agreements pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to make all payments and complete all expenditure obligations under its all of its various property acquisition agreements over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

***Exploration and Mining Risks:*** Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

***Regulatory Requirements:*** The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, 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, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

***Limited Experience with Development-Stage Mining Operations:*** The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

***Uncertainty of Resource Estimates/Reserves:*** Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for gold, silver, copper, iron or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results

of operations or financial condition. **The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth.**

***No Assurance of Profitability:*** The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

***Uninsured or Uninsurable Risks:*** Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

***Enforcement of Civil Liabilities:*** As some of the assets of the Company and its subsidiaries are located in the United States, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company and its subsidiaries.

***The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in the Company's common shares that are U.S. taxpayers:*** Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company expects it will in the current year be, a "passive foreign investment

company” under Section 1297(a) of the U.S. Internal Revenue Code (a “PFIC”). If the Company is or becomes a PFIC, generally any gain recognized on the sale of the Company’s common shares and any “excess distributions” (as specifically defined) paid on such common shares must be ratably allocated to each day in a U.S. taxpayer’s holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer’s holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a “qualified electing fund” (a “QEF”) election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer’s pro rata share of the Company’s “net capital gain” and “ordinary earnings” (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a “mark-to-market election” if the Company is a PFIC and the Company’s common shares are “marketable stock” (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer’s adjusted tax basis in the common shares.

Due to the extreme complexity of the PFIC rules and the potentially materially adverse consequence to a shareholder that is a U.S. taxpayer of the Company being a PFIC, it is critical that each shareholder that is a U.S. taxpayer consult with that shareholder’s U.S. tax adviser before undertaking any transactions in the Company’s common shares.

### **Off-Balance Sheet Arrangements**

The Corporation does not have any off-balance sheet arrangements.

### **Proposed Transactions**

There are no proposed transactions as at June 30, 2011.

### **Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning the Company’s general and administrative expenses and resource property costs is provided in the Company’s Statement of Operations and



Deficit and Schedule of Resource Property Expenditures contained in its consolidated financial statements for the nine months ended June 30, 2011 that is available on the Company's website at [www.brixtonmetals.com](http://www.brixtonmetals.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

### **Disclosure of Outstanding Share Data**

Brixton's authorized capital is unlimited common shares without par value and unlimited preferred shares without par value. As at August 19, 2011, the following common shares outstanding:

	<b># of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Issued and Outstanding Common Shares	44,685,015		
Employee Stock Options	1,350,000	\$0.25	December 9, 2015
	50,000	0.14	August 6, 2013
	100,000	0.25	January 24, 2021
	200,000	0.31	February 9, 2016
	200,000	0.25	May 10, 2016
	200,000	0.60	May 10, 2016
Warrants	3,625,460	0.40	December 7, 2012
	288,000	0.25	March 31, 2013
	2,144,000	0.40	March 31, 2013
	117,200	0.20	April 14, 2013
	732,500	0.30	April 14, 2013
	13,771,118	0.25	August 11, 2013
	1,086,999	0.15	August 11, 2013
580,223	0.19	August 11, 2013	
Fully Diluted at August 19, 2011	69,130,515		

### **Transactions with Related Parties**

The Company has entered into certain transactions with related parties during the nine month period ended June 30, 2011 and to the date of this MD&A. All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

A description of these related party transactions is as follows:

<b>Name</b>	<b>Relationship</b>	<b>Purpose of transaction</b>	<b>Amount*</b>
Gary Thompson	President, CEO & director of the Company	Consulting fee (1)	\$ 20,000

**Brixton Metals Corp.**

**Management Discussion and Analysis**

*For the three and nine months ended June 30, 2011, and containing information up to August 19, 2011*

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Mac Bell	Former President, CEO (January 2011)	Consulting fees	\$ 35,026
Cale Moodie	CFO & director of the Company	Consulting fees (2)	\$ 42,000
Toby Hughes	VP, Exploration of the Company	Consulting fees (3)	\$ 39,750

\* Does not include stock based compensation.

1. The Company paid consulting fees to Gary Thompson prior to his becoming an employee of the Company.
2. The Company paid consulting fees to Cale Moodie of \$18,000 and consulting fees to Spartan Pacific Financial Ltd. of \$24,000, a company owned by Mr. Moodie for financial reporting and advisory services.
3. The Company paid consulting fees to Antideluvial Consulting, a company owned by Mr. Hughes for geological consulting services.

**Contractual Obligations**

The Corporation presently has no contractual obligations other than an Escrow Agreement and payments to keep properties in good standing as outlined in the financial statement note 5.

**Financial Instruments and Risk Management**

**Financial Instruments**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of receivables and accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these instruments. Cash has been valued based on level one of the fair value hierarchy.

**Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. Receivables include amounts due from government agencies in the amount of \$73,877.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when they come due. As of June 30, 2011, the Company had cash of \$429,052 to settle current liabilities of \$41,582. All of the Company's financial liabilities are subject to normal trade terms.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

d) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of June 30, 2011, the Company has \$nil in investment-grade demand deposits.

e) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in United States Dollars. The foreign currency risk is not significant as at June 30, 2011.

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Recent Accounting Pronouncements**

*Business combinations; consolidated financial statements; and non-controlling interests*

The CICA issued three new accounting standards in January 2009: Section 1582 – Business combinations; Section 1601 – Consolidated financial statements; and

Section 1602 – Non-controlling interests. These standards will be effective for fiscal years beginning after January 1, 2011 (the Company’s 2012 fiscal year). Early adoption of these standards is permitted. The Company is in the process of evaluating the potential effects of the requirements of these new standards.

Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination and essentially provides the Canadian equivalent of International Financial Reporting Standards IFRS 3 – Business Combinations.

Sections 1601 and 1602 together replace Section 1600 – Consolidated financial statements. Section 1601 establishes the standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary within consolidated financial statements subsequent to a business combination and is substantially equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 – Consolidated and separate financial statements.

### **International Financial Reporting Standards (IFRS)**

In February 2008, the Canadian Accounting Standards Board (“AcSB”) confirmed that GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim financial statements for the three months ended December 31, 2011, which must include restated interim results for the prior period ended December 31, 2010, prepared on the same basis.

Accounting Policies - A review of the IFRS conversion process has been performed which highlighted key differences between current Canadian GAAP and IFRS. A further detailed review will be conducted in the first quarter of fiscal 2011 to conclude its actions and to assist in the conversion process and the preparation of IFRS compliant financial statements. The following is a list of IFRS standards that may have a potential impact on the financial statements on the Company and are considered most relevant to the Company’s conversion process:

1. First Time Adoption (IFRS 1) – first-time adoption provides guidance to entities adopting IFRS for the first time. The key principle of IFRS 1 is full retrospective application of all IFRS’ in force at the balance sheet date in an entity’s first IFRS financial statements. However, there are a number of exemptions that reduce the burden of retrospective application that will have to be reviewed by the Company.
2. Exploration for and Evaluation of Mineral Resources (IFRS6, IAS 16 & IAS38) – IFRS allows the costs of exploration for and evaluation (E&E) of mineral resources to either be expensed as incurred or capitalised, in accordance with the entity’s selected accounting policy. At the moment, the Company capitalises its

- exploration expenses, unless the Company has not obtained the legal rights of the property or has previously written off the property. IFRS request that the E&E cost be classified as either tangible or intangible assets, a segregation not being done under current Canadian GAAP.
3. Impairment of Assets (IAS 36, IFRIC 10) – Both IFRS and Canadian GAAP requires an impairment test when there is an indicator of impairment, except under IFRS, the Company must assess if there is an indicator each reporting date. Unlike IFRS, the estimates of future cash flows used in assessing whether an impairment loss exists are not discounted under Canadian GAAP. This might trigger more impairment testing under IFRS. Unlike IFRS, Canadian GAAP always recognises impairment losses in the statement of earnings because the revaluation of long lived assets is not permitted.
  4. Share-based Compensation (IFRS 2) – share-based compensation is expected to impact the Company's financial statements as the stock options generally vest over time. For stock options that vest over time, the Company recognises stock-based compensation using the Black-Scholes valuation model and employing the graded vesting method. The Company will commence using this valuation methodology in the first quarter of 2011 FY.
  5. Information Systems – The accounting processes of the Company are fairly basic given it is in the exploration stage and no major challenges are expected at this point to operate the accounting system under IFRS.

Conclusion – based on the Company's review and management's assessment of IFRS, the Company does not anticipate the conversion to IFRS will have a significant impact on the Company's reported amounts and/or its business; however, the financial statement disclosures will be substantially expanded. The Company also expects to meet all its reporting deadlines in its conversion to IFRS and will report any difficulties in meeting these deadlines.

### **Disclosure of Management Compensation**

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the nine months ended June 30, 2011, the Company did not enter into any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries.
2. During the nine months ended June 30, 2011, directors and officers of the Company were paid (or accrued) the following amounts, directly or indirectly, for

**Brixton Metals Corp.**

**Management Discussion and Analysis**

*For the three and nine months ended June 30, 2011, and containing information up to August 19, 2011*

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their services as directors and officers or in any other capacity by the Company and its subsidiaries:

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Amount Paid/Accrued</b>
Gary Thompson	President, CEO & director of the Company	Consulting fee (a)	\$ 20,000
Mac Bell	Former President, CEO (January 2011)	Consulting fees	\$ 35,026
Cale Moodie	CFO & director of the Company	Consulting fees (b)	\$ 42,000
Toby Hughes	VP, Exploration of the Company	Consulting fees (c)	\$ 39,750

- a. The Company paid consulting fees to Gary Thompson prior to his becoming an employee of the Company.
  - b. The Company paid consulting fees to Cale Moodie of \$18,000 and consulting fees to Spartan Pacific Financial Ltd. of \$24,000, a company owned by Mr. Moodie for financial reporting and advisory services.
  - c. The Company paid consulting fees to Antideluvial Consulting, a company owned by Mr. Hughes for geological consulting services.
3. During the nine months ended June 30, 2011, the Company did not enter into any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

**HEAD OFFICE**

Brixton Metals Corp.  
1411 - 409 Granville St.  
Vancouver, BC V6C 1T2  
Canada

**OFFICERS & DIRECTORS**

Gary Thompson  
*President & CEO and Director*

Cale Moodie  
*Chief Financial Officer and Director*

Toby Hughes  
*VP Exploration*

George Salamis  
*Director*

Glen Kayll  
*Director*

**LISTINGS**

TSX Venture Exchange: **BBB**

**CAPITALIZATION**

(as at August 19, 2011)

Shares Authorized: Unlimited

Shares Issued: 44,685,015

**REGISTRAR & TRUST AGENT**

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200 University Avenue, Suite 400  
Toronto, Ontario, Canada

**AUDITOR**

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Vancouver BC  
V7Y 1K3

**LEGAL COUNSEL**

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