

BRIXTON METALS CORPORATION

Management Discussion and Analysis

For the Three Months Ended December 31, 2011

**Containing information up to and including
February 27, 2012**

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 condensed consolidated unaudited Financial Statements for the three months ended December 31, 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 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 British Columbia, Canada. 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;

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- 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;

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- 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 exploration and evaluation assets.

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 and readers are urged to review these materials, including the technical reports filed with respect to the Company's exploration and evaluation assets.

Selected annual information

	Year ended September 30, 2011	Year ended September 30, 2010	Year ended September 30, 2009
Loss for year	\$(5,364,677)	\$(568,495)	Nil
Write-off of mineral properties	Nil	186,135	Nil
Loss per Share (Basic and Diluted)	\$0.22	\$0.12	\$0.00
Total Assets	2,102,485	339,232	Nil
Total Long-term Liabilities	Nil	Nil	Nil
Number of shares outstanding	44,685,015	7,245,989	2,560,000

Highlights for the period ended December 31, 2011 and up to February 27, 2012

- On January 5, 2011 the Company announced that it would allow its option to acquire a 100-percent interest in its Kahilt property, or Cristo claims in Alaska to lapse. All acquisition costs related to this property have been written off subsequent to year-end.

Exploration Highlights

- The top intercept from the 2011 program was hole THN11-60 which intersected 95.08m of 1.71 g/t Au, 628 g/t Ag, 0.12% Cu, 3.31% Pb and 2.39% Zn from 6.00 m down hole. This included 9.25 m of 3.04 g/t Au, 2,984 g/t Ag, 0.53% Cu, 11.65% Pb and 3.42% Zn from 55.40m down hole. The entire 237 m length of the hole was mineralized. The lower segment of THN11-60 intersected 141.92 m of 53 g/t Ag, 0.16 g/t Au, 0.20% Pb and 0.47% Zn from 101.08 m down hole.
- THN11-57 intersected 103.91m of 0.26 g/t Au, 66.8 g/t Ag and 0.22% Pb and 0.63% Zn or 107 g/t AgEq from 73.39m down hole. In addition, the hole intersected 37.72m of 2.08 g/t Au, 60.8 g/t Ag, 0.46% Cu, 0.25% Pb and 0.55% Zn or 252 g/t AgEq from 186.48m down hole. This 37.72m intercept included 7.80m of 6.13 g/t Au, 197.0 g/t Ag, 1.38% Cu, 0.49% Pb and 0.38% Zn or 717 g/t AgEq from 208.20m down hole.

Brixton Metals Corporation**Management Discussion and Analysis***For the three months ended December 31, 2011 and 2010, and containing information up to February 27, 2012***Results of Operations**

For the three months ended December 31, 2011 the Company had a net loss of \$1,464,798 or \$0.03 per share compared to a net loss of \$2,589,119 or \$0.24 per share for the three months ended December 31, 2010. The following discussion explains the variations in the key components of these numbers. For details on the results of work on, and other activities in connection with, the Company's exploration and evaluation assets during the current period, see "Exploration Highlights".

Three months ended December 31, 2011 compared with three months ended December 31, 2010

During the three month period ended December 31, 2011, the Company incurred a loss of \$1,464,798 (2010 - \$2,589,119).

- Geological exploration costs were \$922,911 in the three months ended December 31, 2011 compared to \$215,067 in the comparative period. This was due to the first large drill program taking place in 2011 and those costs related to exploration continued into October/November 2011. In the prior year there was substantially less work performed.
- Share-based payments increased \$38,526 to \$80,987 compared to \$42,461 in the prior period due more stock options vesting this period compared with the prior period.
- Salaries and employee benefits increased from nil in 2010 to \$59,287 for December 31, 2011 due to the fact that there were no employees in the prior year.
- Listing fee on amalgamation was nil for December 31, 2011 and \$2,182,844 in December 31, 2010. This fee relates entirely to the amalgamation of Marksmen Capital and Brixton Metals.
- There was \$340,286 in acquisition costs related to the dropped Alaska property that were written off in the three months ended December 31, 2011. In the prior year three months ended there were no write-offs.

Summary of Quarterly Results

	Quarter Ended December 31, 2011	Quarter Ended September 30, 2011*	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*
Loss for period	\$1,464,798	\$254,118	\$148,691	\$402,590	\$2,589,119	\$283,315	\$9,959	\$1,270
Loss per Share (Basic and Diluted)	\$0.03	\$0.01	\$0.01	\$0.01	\$0.24	0.07	0.00	0.00
Total Assets	4,396,673	2,102,485	2,216,884	2,211,319	1,295,691	605,325	393,064	295,183
Total Long-term Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of shares outstanding	44,785,015	44,685,015	28,012,778	26,547,778	22,307,778	7,245,989	5,449,790	5,112,790
Cash Dividends Declared	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Information is presented in accordance with Canadian GAAP and was not required to be restated to IFRS for the current period.

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Mineral property costs

The table below sets out the quarterly resource property costs, both acquisition and exploration, incurred for the past eight quarters (does not include general exploration costs):

	Quarter Ended December 31, 2011	Quarter Ended September 30, 2011	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
Thorn - BC	\$965,345	\$1,615,579	\$258,251	\$37,393	\$62,023	\$111,506	\$37,108	\$Nil
Kahiltna - AK	450	287,434	79,284	65,592	303,919	163,989	Nil	Nil
Stawell - Australia	-	-	-	-	-	(136,100)	136,100	Nil
Total	965,795	1,903,013	337,535	102,985	365,942	139,395	173,208	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 additional significance are the exploration and evaluation assets 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 are primarily a result of the level of activity 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 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 exploration and evaluation assets can have a material effect on quarterly results as and when they occur, as it did in the quarter ended December 31, 2011 with the write-off of Alaskan assets. 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. There were no options issued during the quarter ended December 31, 2011 however there were options which continued to vest. 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 Company has financed its operations through the sale of its common shares. As at December 31, 2011 the company has \$783,653 in current assets and \$362,514 in current liabilities. Prepaid expenses decreased by \$668,816 during the period ended December 31, 2011 over the prior year due entirely to the expensing the drilling deposits paid in advance to secure equipment and resources on the Thorn Property. The receivable balance is composed of HST receivable from the Government of Canada.

The Company 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 Company will need additional capital to maintain its property option agreement in good standing and cover general and administration costs.

The Company 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 Company, 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.

Intended Use of Proceeds	Actual Use of Proceeds
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 September 30, 2011, all payments on the properties of the Company were kept up-to-date and approximately \$735k was spent on general and administrative costs over the last year.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	No material variances have been identified. 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.

Intended Use of Proceeds	Actual Use of Proceeds
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 \$1M have been spent on further work on the Kahilt property, Thorn exploration and general operating costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	No material variances have been identified. Proceeds have been used as intended and to further exploration of the two flagship properties while meeting administrative requirements.

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Reconciliation of Use of Proceeds from a Private Placement in August 2011

In August 2011, the Company raised \$2.7 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.

Intended Use of Proceeds	Actual Use of Proceeds
To advance the Company's properties and for general and administrative purposes.	As at December 31, 2011 the Company had spent \$2.8M on its Thorn property and dropped its Alaskan property. The bulk of the funds raised were used for drilling on the Thorn property with some additional amounts reserved for G&A.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	The Company exceeded budget on its anticipated drill program at the Thorn property by \$300k, using some of the funds G&A to fund this overshoot was deemed acceptable by the Company. Sufficient funds remain in G&A to take the Company through another 12 months of operating costs.

Mineral Property Overview

Thorn Property, British Columbia

In August 2010, Brixton commissioned an airborne geophysical survey using VTEM (time - domain EM). Total line-km were 448 kilometres of EM-magnetics. The 2011 diamond drill program on the Thorn property consisted of 21 drill holes for a total of 5682.37m of core. This drilling was directed primarily at high-sulphidation vein targets and secondarily at the Oban Breccia. In 2011, a total of 104 rock samples, 159 soil samples, and 2 silt samples were collected from the Thorn Property. Nineteen rock samples returned values with greater than 0.3 g/t Au, with the highest grading 20.90 g/t Au and 1100 g/t Ag. Mapping and rock sampling were conducted in various locations within the Thorn Stock, illuminating the structural setting of the veins and leading to development of multiple 2012 drill targets.

The assessment report prepared by Equity Exploration Consultants Ltd. was filed with the British Columbia Ministry of Energy, Mines and Petroleum Resources for the 2011 Geological, Geochemical and Drilling program on the Thorn property.

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

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Kiska may elect to joint venture the property at 49/51 split, Kiska/Brixton. If Kiska elects not to JV then Brixton may earn 65% by spending an additional \$10 million in exploration. If Kiska elects not to JV 35/65 then Brixton may increase its ownership further via linear dilution. Underlying NSR ranges from 1.5% to 3.5% to various property vendors.

Thorn Mineralization

Exploration on the Thorn property is directed at several deposit types: (1) high grade epithermal high-intermediate sulphidation Ag-Au-Cu veins; (2) high grade breccia-hosted Ag-Au-Zn-Pb-Cu mineralization; (3) porphyry to intrusive hosted mineralization (4) strata-form to replacement (unconformity hosted) Ag-Au-Cu. All types are related to Cretaceous aged porphyry intrusive complex.

Thorn Drilling Highlights 2011

- Oban Breccia Zone Hole THN11-60 intersected 95.08m of 1.71 g/t Au, 628 g/t Ag, 0.12% Cu, 3.31% Pb and 2.39% Zn from 6.00 m down hole, including 9.25 m of 3.04 g/t Au, 2,984 g/t Ag, 0.53% Cu, 11.65% Pb and 3.42% Zn from 55.40 m down hole
- Oban Breccia Zone hole THN11-57 intersected 37.72m of 2.08 g/t Au, 60.8 g/t Ag, 0.46% Cu, 0.25% Pb and 0.55% Zn including 7.80m 6.13 g/t Au, 197.0 g/t Ag, 1.38% Cu, 0.49% Pb and 0.38% Zn.

The significance of hole 60 is that within the Oban Breccia zone is a new area of high grade polymetallic (silver rich) mineralization which was encountered near surface. The Zone remains open to the east and at depth.

- Talisker Zone down-dip hole THN11-51 intersected 49.78 m of 1.41 g/t Au, 19.0 g/t Ag & 0.25% Cu including 12.99 m of 5.11 g/t AuEq 3.21 g/t Au, 38.6 g/t Ag & 0.60% Cu.

The Talisker zone was extended to over 500 m along strike and to about 100m in vertical depth at hole 51.

- THN11-56 intersected 19.78m of 1.02 g/t Au, 35.5 g/t Ag, and 0.30% Cu from 82.30m down hole including 0.90 m of 12.35 g/t Au, 138.0 g/t Ag and 0.49% Cu from 93.59m down hole.

The mineralization in hole 56 starting at 82.30m is hosted at the unconformity contact indicating that this geological feature is an important gold and silver target due to its lateral extent potential.

In February 2012 Brixton engaged SJ Geophysics Ltd to conduct a review of all previous geophysical surveys at Thorn and propose a geophysical program for 2012 to infill data gaps and generate 3d inversion models.

Kahilt Property, Alaska

During the three months ended December 31, 2011 the Company has terminated all options and licenses associated with the Alaskan properties. All costs associated with these properties have been written off.

Quality Assurance & Quality Control

The Thorn Project was managed by Equity Exploration Consultants Ltd. Stewart Harris, P.Geol. is Equity's in-house QAQC expert who conducted a detailed QAQC analysis of the 2011 analytical results. 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

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requirements. All standards fell within control limits and blank samples fell within acceptable detection limits.

Qualified Person and QA/QC

Toby Hughes, P.Geo., a “qualified person” under National Instrument 43-101 is responsible for overall supervision of the Company’s exploration programs. Mr. Hughes 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. Hughes is not independent of the Company by virtue being an officer and holding incentive stock options.

Significant Acquisitions and Significant Dispositions

During the period ended December 31, 2011 all costs relating to the Alaskan property were written off.

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.

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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

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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.

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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.

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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

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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.**

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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

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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 December 31, 2011 and to the date of this MDA.

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 year ended December 31, 2011 that is available on the Company's website at www.brixtonmetals.com or on its SEDAR Page Site accessed through 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 February 27, 2012, the following common shares are outstanding:

	# of Shares	Exercise Price	Expiry Date
Issued and Outstanding Common Shares	45,586,015		
Employee Stock Options	50,000	\$0.14	August 6, 2013
	1,050,000	0.25	December 9, 2015
	100,000	0.25	January 24, 2021
	200,000	0.31	February 9, 2016
	1,375,000	0.11	September 6, 2021
	600,000	0.165	January 24, 2014
	70,000	0.165	January 24, 2022
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
	310,599	0.15	August 11, 2013
580,223	0.19	August 11, 2013	
Fully Diluted at February 27, 2012	70,600,115		

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Transactions with Related Parties

The Company has entered into certain transactions with related parties during the three months ended December 31, 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:

Name	Relationship	Purpose of transaction	Amount*
Cale Moodie	CFO & director of the Company	Consulting fees (1)	\$ 18,000
Toby Hughes	VP, Exploration of the Company	Consulting fees (2)	\$ 6,500

* Does not include stock based compensation.

1. The Company paid consulting fees to Spartan Pacific Financial Ltd. of \$18,000, a company owned by Mr. Moodie for financial reporting and advisory services.
2. 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, property lease for office space and payments to keep properties in good standing as outlined in the financial statement note 5.

Accounting Policies and Estimates

Transition to and Initial Adoption of International Financial Reporting Standards (“IFRS”)

The condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), and IFRS 1, First-Time Adoption of IFRS (“IFRS 1”). The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these condensed financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending September 30, 2012.

Previously, the Company prepared its interim and annual financial statements in accordance with Canadian generally accepted accounting principles (GAAP). The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. Historical results and balances have been restated under IFRS.

Impact of IFRS on Our Organization

The conversion to IFRS impacts the way the Company presents its financial results. The Company has fully prepared and trained its employees and directors to ensure an appropriate understanding of IFRS during the transition process. The impact of the conversion to IFRS on the Company’s accounting systems has been minimal as the Company is still in the exploration phase. The Company has assessed the impacts of adopting IFRS on our contractual arrangements, and has not identified any material compliance issues. The Company has considered the impacts that the transition will have on our internal planning process and compensation arrangements and has not identified any significant impacts.

First Time Adoption of IFRS

IFRS 1 generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle. The Company has elected to apply the following optional exemptions and mandatory exceptions:

IFRS optional exemptions

Business combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. Therefore, the Company will apply IFRS 3 to business combinations that occurred on or after October 1, 2010. An adjustment was required related to the merger of Brixton Metals Corp with Marksmen Capital on December 7, 2010. See note 18 to the financial statements.

IFRS mandatory exceptions

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to Statement of Financial Position on the transition date (October 1, 2010):

Estimates

Hindsight is not used to create or revise estimates. In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under the previous GAAP applied, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of October 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in note 18 of the condensed consolidated interim financial statements and also discussed below:

(a) Share-based payments

Under Canadian GAAP, the Company measured share-based payments related to share options at the fair value of the options granted using the Black-Scholes option pricing formula and recognized this expense over the vesting period of the options. For the purpose of accounting for share-based payment transactions, an individual was classified as an employee when the individual consistently represented to be an employee under law. The fair values of the options granted to employees are measured on the date of grant. The fair value of options granted to contractors and consultants are measured on the date the services are completed. Forfeitures are recognized as they occur. IFRS 2, Share-based Payments, similar to Canadian GAAP, requires the Company to measure share-based payments related to share options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, for options granted to non-employees, IFRS requires that share-based payments be measured at the fair value of the services received unless the fair value cannot be reliably measured. For the purpose of accounting for share-based payment transactions an individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. This definition of an employee is broader than that previously applied by the

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Company and resulted in certain contractors and consultants being classified as employees under IFRS.

(b) Exploration and evaluation costs

Under Canadian GAAP, the Company capitalized all acquisition and exploration expenditures on an individual property basis until such time as an economic ore body is defined or the prospect is determined by management to be impaired or abandoned. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances were treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in income. General exploration expenses, which do not relate to specific exploration and evaluation assets, were expensed as incurred. Under IFRS 6, Exploration for and Evaluation of Mineral Resources, the Company has elected to change its accounting policy for the treatment of exploration and evaluation expenditures to a policy of expensing all exploration expenditures as incurred. Costs incurred on properties prior to the legal right to explore being acquired are also expensed. Costs to acquire mineral properties are capitalized.

(c) Reconciliation to previously reported financial statements:

A reconciliation of the above noted changes is included in the Statements of Financial Position and Statements of Comprehensive Loss for the dates noted below.

- Reconciliation of Assets, Liabilities and Equity – October 1, 2010, December 31, 2010, and September 30, 2011.
- Reconciliation of Comprehensive Loss – from incorporation on September 28, 2009 to September 30, 2010, December 31, 2010 and September 30, 2011.

(d) Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP; however there is no equivalent IFRS guidance. Therefore under IFRS, the premium paid for flow-through shares in excess of the market value of common shares with no flow-through feature is credited to a deferred liability account. As eligible expenditures are incurred, the deferred gain is amortized into earnings for the period. Under Canadian GAAP, the full proceeds received from issuance of the flow-through shares was recorded to share capital.

As a result, during the year ended September 30, 2011, the Company reversed the \$104,725 income tax recovery recorded as a result of flow-through shares in the Statement of Comprehensive Loss and reversed the offsetting \$104,725 direct charge to share capital in the Statement of Shareholders' Equity.

(e) Amalgamation with Marksmen Capital Inc. on December 7, 2010:

On Amalgamation, Public Marksmen Capital Inc. ("Marksmen") issued shares to private Brixton Metals Corp. ("Brixton") shareholders on a 1.8-to-1 basis in accordance with the terms of the amalgamation agreement. Brixton shareholders received 13,642,778 common shares in exchange for all the issued and outstanding common shares of Marksmen.

Under Canadian GAAP, the substance of the Transaction was a capital transaction and accounted for as a reverse takeover, which does not constitute a business combination in accordance with EIC-10 *Reverse Takeover Accounting* of the CICA Handbook. Accordingly, Private Brixton, the Accounting Acquirer, acquired the net liabilities of the legal parent, Marksmen.

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As a result of the amalgamation, private Brixton is considered to have acquired the assets and liabilities of Marksmen. The fair value of the net assets and liabilities of Marksmen are as follows:

Cash	\$18,901
Prepaid	268
Accounts payable and accrued liabilities	(742)
<hr/>	
Net assets acquired	\$18,427

Under Canadian GAAP, the net assets were charged to the current assets and liabilities of Brixton. Marksmen's retained earnings, share capital and contributed surplus were eliminated upon consolidation. All the transaction costs in relation to the amalgamation were charged to the income statement.

IFRS requires the Company to fair value the equity instruments given up in the amalgamation in order to value the unidentified assets received as part of the amalgamation. The fair value of the equity instrument given represents the value of the unidentifiable asset, namely, the listing fee. The listing fee does not meet the definition of an asset under IFRS therefore the cost is expensed at the date of the amalgamation.

The Company's private placement financing at \$0.25 per unit was concurrent to the amalgamation. Therefore, the Black Scholes model was used to value the warrant component with the residual value attributed to the common share component fair value.

The fair value of the warrants was determined using the Black Scholes model based on the following parameters:

Risk-free interest rate	1.97
Expected volatility	92%
Expected life of options	2 years
Expected dividend yield	Nil
Fair value per warrant	\$0.09

The unit price of \$0.25, less the value attributed to the warrant per the Black Scholes model, \$0.09, leaves \$0.16 attributable to the common share component. The 13,642,778 shares given to Marksmen have been valued at \$0.16 per share for a total estimated fair value of \$2,182,844. This value plus the net assets assumed of \$18,427 total \$2,201,271, \$2,182,844 is recorded as a listing fee expense on amalgamation with the net assets at December 7, 2010, the transaction date.

New Standards Not Yet Adopted

Standards and interpretations issued but not yet effective applicable to the Company:

- IFRS 7, Financial Instruments: Disclosures
- Amendments to IAS 12, Income Taxes
- IFRS on consolidation (still in draft form)
- IFRS 9, Financial Instruments
- Amendments to IAS 1, Presentation of Financial Statements

The Company is evaluating the impact that these standards will have on the financial statements.

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 three months ended December 31, 2011, the Company entered into an arrangement made directly independent directors of the Company, whereby the directors are paid/accrue \$1,000 per month for their services as directors.
2. During the three months ended December 31, 2011, directors and officers of the Company were paid (or accrued) the following amounts, directly or indirectly, for their services as directors and officers or in any other capacity by the Company and its subsidiaries:

Name of Director/Officer	Position	Category	Amount Paid/Accrued
Gary Thompson	Director, President & CEO	Salary	\$33,000
Cale J. Moodie	Director, CFO	Consulting Fees ⁽²⁾	\$12,680
Toby Hughes	Vice-President, Exploration	Consulting Fees ⁽³⁾	\$32,632
Glen Kayll	Director	Director fees	\$3,000
George Salamis	Director	Director fees	\$3,000

1. Amounts paid to Spartan Pacific Financial Ltd., a company controlled by Mr. Moodie, for accounting related services.
2. Consulting fees for services were paid to Antidiluvial Consulting, a company controlled by Mr. Hughes, for geological services..

Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity and/or debt financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its exploration and evaluation assets.

Financial Instruments and Risk Management

IFRS 7, Financial Instruments: Disclosures (“IFRS 7”) establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's cash and investments are classified as Level 1 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. The Company's receivables consist primarily of amounts due from a government agency and cash is held with significant financial institutions.

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 December 31, 2011, the Company had cash of \$386,699 to settle current liabilities of \$362,514. 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.

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 Company's exposure to foreign currency is detailed in note 16 of the condensed consolidated interim financial statements.

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

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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.

Approval

The Board of Directors of Brixton has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional information relating to Brixton is on SEDAR at www.sedar.com.

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Chief Financial Officer and Director

Toby Hughes P.Geol. P.Geol.
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George Salamis
Director

Glen Kayll CA, MBA
Director

LISTINGS

TSX Venture Exchange: **BBB**

CAPITALIZATION

(as at January 26, 2012)

Shares Authorized: Unlimited

Shares Issued: 45,586,015

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