Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

BRIXTON METALS CORPORATION

(An Exploration Stage Company)

Nine months ended June 30, 2022 and 2021

Unaudited – prepared by management

BRIXTON METALS CORPORATION
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – expressed in Canadian dollars)

		June 30, 2022		September 30, 2021
Assets				
Current assets:				
Cash	$	8,914,330	$	2,314,564
Receivables (Note 5)		1,271,814		1,178,057
Prepaid expenses (Note 6)		286,290		41,395
		10,472,434		**3,534,016**
Restricted cash (Note 7)		651,300		572,859
Equipment (Note 8)		435,524		414,518
Exploration and evaluation assets (Note 9)		7,707,823		8,282,356
Total Assets	$	**19,267,081**	$	**12,803,749**
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	1,434,877	$	296,792
Due to related parties (Note 10)		16,013		202,039
Lease liabilities (Note 11)		38,483		45,273
Rental deposit (Note 9(c))		-		50,000
Flow-through share premium liability (Note 12(b))		1,356,343		402,931
		2,845,716		**997,035**
Lease liabilities - non-current (Note 11)		103,098		-
Reclamation obligation (Note 9)		176,075		176,075
Total Liabilities		**3,124,889**		**1,173,110**
Shareholders' equity:				
Share capital (Note 12(b))		64,241,841		54,547,497
Reserves (Note 12(d))		10,436,555		9,270,900
Deficit		(58,536,204)		(52,187,758)
		16,142,192		**11,630,639**
Total Liabilities and Shareholders' Equity	$	**19,267,081**	$	**12,803,749**

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

“Cale Moodie” Director

“Gary Thompson” Director

BRIXTON METALS CORPORATION

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – expressed in Canadian dollars)

	Three months ended		Nine months ended	
	June 30, 2022	**June 30, 2021**	**June 30, 2022**	**June 30, 2021**
Expenses:				
Amortization (Note 8)	$ 39,589	$ 22,513	$ 118,033	$ 68,290
Conference and exhibition	25,869	3,473	51,902	29,122
Directors' fees (Note 10)	15,750	16,000	47,250	45,000
Exploration and evaluation expenditures (Note 9)	3,259,493	2,580,192	4,178,252	5,618,485
Insurance	10,475	7,103	38,408	21,309
Interest and bank charges	1,413	1,095	4,394	3,882
Investor relations	72,666	80,063	276,807	277,565
Listing and filing fees	29,123	16,533	71,450	70,200
Management fees (Note 10)	171,046	108,400	525,478	268,016
Office and sundry	(7,704)	72,227	117,724	155,845
Professional services (Note 10)	254,076	73,317	472,358	182,634
Rent	8,639	5,887	26,608	23,548
Salaries and employee benefits (Note 10)	120,342	103,021	335,124	275,463
Share-based payments (Note 10, 12(d))	453,315	-	453,315	909,707
Travel and meals	55,141	1,234	67,927	3,393
	(4,509,233)	**(3,091,058)**	**(6,785,030)**	**(7,952,459)**
Interest income	301	4,412	1,235	26,911
Lease accretion (Note 11)	(1,418)	(1,496)	(2,971)	(5,282)
Reduction of flow-through premium liability (Note 12(b))	355,453	538,453	438,320	1,013,766
	354,336	**541,369**	**436,584**	**1,035,395**
Loss and comprehensive loss for the period	**$ (4,154,897)**	**$ (2,549,689)**	**$ (6,348,446)**	**$ (6,917,064)**
Loss per share - basic and diluted	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.04)
Weighted average number of shares outstanding	257,776,673	197,811,224	242,124,682	193,504,208

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BRIXTON METALS CORPORATION
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – expressed in Canadian dollars, except share amounts)

	Number of shares		Share capital		Share-based payments reserve		Deficit		Total equity
September 30, 2020	171,754,847	$	47,893,291	$	8,336,289	$	(42,768,551)	**$**	**13,461,029**
Common shares issued for mineral properties	1,200,000		420,000		-		-		**420,000**
Common shares issued for cash	8,510,638		2,000,000		-		-		**2,000,000**
Flow through shares issued for cash	13,792,002		4,965,121		-		-		**4,965,121**
Flow through premium liability	-		(1,110,360)		-		-		**(1,110,360)**
Share-based payments	-		-		909,707		-		**909,707**
Stock options exercised	140,000		37,818		(16,818)		-		**21,000**
Warrants exercised	2,413,737		642,393		(29,716)		-		**612,677**
Share issuance costs	-		(300,766)		71,438		-		**(229,328)**
Loss for the period	-		-		-		(6,917,064)		**(6,917,064)**
June 30, 2021	**197,811,224**		**54,547,497**		**9,270,900**		**(49,685,615)**		**14,132,782**
Loss for the period	-		-		-		(2,502,143)		**(2,502,143)**
September 30, 2021	**197,811,224**		**54,547,497**		**9,270,900**		**(52,187,758)**		**11,630,639**
Common shares issued for cash	15,132,110		2,723,780		-		-		**2,723,780**
Flow through shares issued for cash	33,741,000		6,748,200		-		-		**6,748,200**
Charity flow through shares issued for cash	11,029,414		2,702,206		-		-		**2,702,206**
Flow through premium liability	-		(1,391,732)		-		-		**(1,391,732)**
Residual value of warrants issued	-		(599,025)		599,025		-		**-**
Share-based payments	-		-		453,315		-		**453,315**
Stock options exercised	5,000		1,462		(712)		-		**750**
Warrants exercised	57,925		14,981		(6,292)		-		**8,689**
Share issuance costs	-		(505,528)		120,319		-		**(385,209)**
Loss for the period	-		-		-		(6,348,446)		**(6,348,446)**
June 30, 2022	**257,776,673**	**$**	**64,241,841**	**$**	**10,436,555**	**$**	**(58,536,204)**	**$**	**16,142,192**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BRIXTON METALS CORPORATION
(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – expressed in Canadian dollars)

	Nine months ended	
	June 30, 2022	June 30, 2021
Cash flows used in operating activities:		
Loss for the period	$ (6,348,446)	$ (6,917,064)
Items not affecting cash:		
Amortization	118,033	68,290
Recognition of flow-through premium liability	(438,320)	(1,013,766)
Lease accretion	2,971	5,282
Share-based payments	453,315	909,707
Changes in non-cash working capital:		
Receivables	(93,757)	107,587
Prepaid expenses	(244,895)	124,644
Accounts payable and accrued liabilities	1,138,085	73,531
Due to related parties	(186,026)	(144,785)
Rental deposit	(50,000)	-
	(5,649,040)	(6,786,574)
Cash flows used in investing activities:		
Mineral property acquisition costs	(88,155)	(1,341,747)
Disposition of exploration and evaluation assets	27,000	-
Purchase of equipment	(7,247)	-
Option payments received	635,688	635,000
Reclamation bonds posted as restricted cash	(78,441)	(50,700)
	488,845	(757,447)
Cash flows from financing activities:		
Shares issued for cash	12,174,186	6,965,121
Stock options exercised	750	21,000
Warrants exercised	8,689	612,677
Payments towards lease liabilities	(38,455)	(37,031)
Share issuance costs	(385,209)	(229,328)
	11,759,961	7,332,439
Change in cash	6,599,766	(211,582)
Cash, beginning of the period	2,314,564	5,233,148
Cash, end of the period	$ 8,914,330	$ 5,021,566
Supplemental non-cash financing information:		
Shares issued for mineral properties	$ -	$ 420,000
Right-of-use asset recognized on lease extension	$ 131,792	$ -
Finders warrants issued	$ 120,319	$ 71,438
Flow-through premium liability on issuance of flow-through shares	$ 1,391,732	$ 1,110,360
Amounts transferred to share capital on exercise of options	$ 712	$ 16,818
Amounts transferred to share capital on exercise of warrants	$ 6,292	$ 29,716
Residual value of warrants issued	$ 599,025	$ -

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature of operations and going concern:

Brixton Metals Corporation ("Brixton" or the "Company") was incorporated under the Business Corporations Act of British Columbia on September 28, 2009. The Company is an exploration stage company and engages principally in the acquisition, exploration, and evaluation of mineral properties. The Company's head office address is Suite 551 – 409 Granville Street, Vancouver, BC, V6C 1T2, Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") and trades under the symbol BBB.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors and/or achieve operating profitability and generate positive cash flows. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and evaluation activities.

During the nine months ended June 30, 2022, the Company completed additional financings and estimates it has sufficient funds to operate for the ensuing 12 months.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. In addition, on February 24, 2022, Russia invaded the country of Ukraine. This has created additional supply chain issues, market instability and volatility, and increased inflation. The Company cannot predict the duration or magnitude of the adverse results of this conflict and its effects on the Company's business or ability to raise funds.

These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies:

(a) Statement of compliance:

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2021.

Unless otherwise stated, amounts are expressed in Canadian dollars.

These condensed consolidated interim financial statements were authorized for issuance by the Board on August 29, 2022.

(b) Basis of consolidation:

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary Brixton USA Corporation ("Brixton USA"). The financial statements of Brixton USA are included in the condensed consolidated interim financial statements from the date on which control was transferred to the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions have been eliminated on consolidation.

(c) Critical accounting judgments and estimates:

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of exploration and evaluation assets; provision for environmental rehabilitation; inputs used in the valuation of share-based payments and accrual of refundable tax credits.

2. Significant accounting policies (continued):

(c) Critical accounting judgments and estimates (continued):

Estimates (continued)

Share-based payments:

The Company uses the fair value-based method of accounting for stock options granted to employees and others as well as agent options or finders' warrants issued on common share issuances. Under this method, the fair value of the stock options at the date of the grant, as determined using the Black-Scholes option pricing model, is recognized to expense over the vesting period. The fair value of agent options at the date of issuance, as determined using the Black-Scholes model, is recognized as share issuance costs, with the offsetting credit to share-based payments reserve. If the stock options or agent options are exercised, the proceeds are credited to share capital and the fair value of the options or agent options exercised is reclassified from share-based payments reserve to share capital.

Exploration and evaluation assets:

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained, or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the higher of value in use and fair value less costs to sell.

Environmental rehabilitation obligation:

The Company recognizes statutory, contractual, or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Accrual of refundable mining tax credits

The provincial government of BC provides for a refundable tax on net qualified mining exploration expenditures incurred in BC. The credit is calculated as 20% of qualified mining exploration expenses. Management has estimated and accrued the likely refundable amount arising from expenditures incurred.

2. Significant accounting policies (continued):

(c) Critical accounting judgments and estimates (continued):

Judgments

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

Lease term of contracts with renewal options:

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew, including the consideration of all relevant factors that create an economic incentive to exercise the renewal option.

Going concern:

Significant judgments are made in the Company's assessment of its ability to continue as a going concern as described in Note 1.

3. Accounting standards issued for adoption in future periods:

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the audited consolidated financial statements for the year ended September 30, 2021.

4. Capital management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management strategy on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term demand guaranteed deposits, all held with major financial institutions.

(Unaudited – expressed in Canadian dollars)

5. Receivables:

	June 30, 2022	September 30, 2021
Amounts due from Government of Canada pursuant to GST input tax credits	$ 183,489	$ 120,307
Amounts due from Government of BC pursuant BC Mining Exploration tax credit	1,057,238	1,057,238
Other	31,087	512
Total	$ 1,271,814	$ 1,178,057

6. Prepaid expenses:

	June 30, 2022	September 30, 2021
Prepaid insurance	$ 3,492	$ -
Prepaid consultants	137,617	-
Prepaid expenses	124,846	33,739
Prepaid expenses and advances to related parties (Note 10)	12,679	-
Deposits	7,656	7,656
Total	$ 286,290	$ 41,395

7. Restricted cash:

At June 30, 2022, the Company had a total of $651,300 (September 30, 2021 - $572,859) in bonds, comprising $386,751 (September 30, 2021 - $386,751) held with the Government of British Columbia for potential reclamation costs on its Thorn and Yellowjacket (Atlin) projects in British Columbia and $264,549 (September 30, 2021 - $186,108) held with the State of Montana for potential reclamation costs on its Hog Heaven project in Montana, USA (Note 9). These bonds are refundable at such time the Company completes the required exploration activities and receives approval from the regulating authorities.

(Unaudited – expressed in Canadian dollars)

8. Equipment:

	Building	Computer equipment	Vehicles	Right-of-Use Asset	Total
Cost					
Balance, September 30, 2020	$ 198,315	$ 28,869	$ 57,675	$ 125,441	$ 410,300
Additions	295,632	-	-	-	295,632
Disposals	-	-	-	-	-
Balance, September 30, 2021	$ 493,947	$ 28,869	$ 57,675	$ 125,441	$ 705,932
Additions	-	7,247	-	131,792	139,039
Disposals	-	-	-	-	-
Balance, June 30, 2022	$ 493,947	$ 36,116	$ 57,675	$ 257,233	$ 844,971
Accumulated Amortization					
Balance, September 30, 2020	$ 59,495	$ 21,579	$ 44,043	$ 43,632	$ 168,749
Amortization expense	73,510	1,435	4,088	43,632	122,665
Balance, September 30, 2021	$ 133,005	$ 23,014	$ 48,131	$ 87,264	$ 291,414
Amortization expense	81,212	1,950	2,147	32,724	118,033
Balance, June 30, 2022	$ 214,217	$ 24,964	$ 50,278	$ 119,988	$ 409,447
Net Book Value					
Balance, September 30, 2021	$ 360,942	$ 5,855	$ 9,544	$ 38,177	$ 414,518
Balance, June 30, 2022	$ 279,730	$ 11,152	$ 7,397	$ 137,245	$ 435,524

9. Exploration and evaluation assets:

Balance consists of:

	June 30, 2022	September 30, 2021
Thorn, BC, Canada	$ 4,801,056	$ 4,720,308
Langis, Ontario, Canada	485,219	480,958
Atlin, BC, Canada	1,223,853	1,248,853
Hog Heaven, Montana, USA	1,197,695	1,832,237
Total	$ 7,707,823	$ 8,282,356

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge title to the assets is in good standing.

9. Exploration and evaluation assets (continued):

(a) Thorn, BC, Canada:

During fiscal 2013, the Company completed the acquisition of a 100% interest in the Thorn mineral property, located in the Sutlahine River area in northwestern British Columbia. The property is subject to underlying net smelter returns royalties ("NSR") ranging from nil to 3.5% with certain NSR buy-down rights. In addition, the Company is to issue 250,000 shares or make a one-time cash payment of $1,000,000 upon commercial production.

During fiscal 2020, the Company acquired certain additional claims as part of the project.

IMGM Project

On February 15, 2022, the Company entered into a purchase agreement to acquire a 100% interest in the IMGM Project for consideration of $70,000 (paid). The IMGM Project is subject to a 1.5% NSR, of which the Company may purchase 1% for $1,000,000.

During the period ended June 30, 2022, the Company also paid $5,000 to acquire additional claims located within the claim block of the IMGM Project.

Trapper Project

During fiscal 2020, the Company acquired a 100% interest in the Trapper Project and terminated NSR's and other economic interests held by third parties by paying $65,000 and issuing 113,924 common shares at a value of $42,152.

Metla Project

On August 24, 2020, the Company entered into a purchase agreement to acquire a 100% interest in the Metla mineral claim group for consideration of 1,200,000 common Brixton shares (issued during the year ended September 30, 2021 with a fair value of $420,000) and $42,000 in cash (paid). The Metla claims will be subject to a 1% NSR.

Taku River Tlingit First Nations Agreement

During fiscal 2013, the Company entered into an exploration agreement with the Taku River Tlingit First Nation ("TRTFN") under which TRTFN will consent to exploration activities and support the development of the Thorn project. In exchange, the Company shall pay an annual community contribution fee of 1.25% based on the Company's annual exploration budget and provide opportunities for local employment, training and contracting related to the project.

Reclamation Obligation

As at June 30, 2022, the Company has recognized a reclamation obligation of $29,000 (September 30, 2021 - $29,000). The undiscounted amount of estimated cash flows was estimated at $52,000. The liability was estimated using an expected life of 25 years and a net risk-free discount rate of 1.98%.

9. Exploration and evaluation assets (continued):

(b) Langis, Ontario, Canada:

During fiscal 2016, the Company acquired a 100% interest in the Langis silver mine located in the Cobalt silver mining camp of Northeastern Ontario The property is subject to underlying NSR ranging from nil to 2% with certain NSR buy-down rights.

During fiscal 2016 and 2017, the Company acquired additional mineral rights related to the Langis property and the Hudson Bay silver mine in the Cobalt silver mining camp of Ontario.

Timiskaming First Nations Agreement

During fiscal 2016, the Company entered into an exploration agreement with Timiskaming First Nation (“TFN”), under which TFN will consent to exploration activities and support the development of the Company’s Langis project and other cobalt lands. In exchange, the Company shall pay an annual community contribution of 1.25% based on the Company's annual exploration budget and providing opportunities for local employment, training and contracting related to the project.

Reclamation Obligation

As at June 30, 2022, the Company has recognized a reclamation obligation of $30,007 (September 30, 2021 - $30,007). The undiscounted amount of estimated cash flows was estimated at $56,000. The liability was estimated using an expected life of 26 years and a net risk-free discount rate of 1.98%.

(c) Atlin, BC, Canada:

During fiscal 2017, the Company completed the acquisition of a 100% interest in the Eagle property located in Atlin, British Columbia. The property is subject to a 2% NSR, of which the Company may purchase 1% for $500,000.

During fiscal 2018, the Company acquired a 100% interest in certain mineral claims including the McKee, Otter, Yellowjacket and Spruce group of properties located in the Atlin mining district in British Columbia. The properties are subject to an NSR ranging from 1% to 1.5% with certain NSR buy-down rights.

During fiscal 2021, the Company sold a 100% interest in certain non-core mineral claims for consideration of $60,000 (received).

During fiscal 2021, the Company entered into an agreement to rent out the Atlin camp location to a third party. The Company recognized $24,383 in rental income and received a deposit of $50,000, which was returned during the nine months ended June 30, 2022.

The Company has also paid a total of $172,051 for bonds held with the Government of British Columbia in connection with potential reclamation costs on the Yellowjacket property, which have been recorded as restricted cash at September 30, 2021 and June 30, 2022 (Note 7).

9. Exploration and evaluation assets (continued):

(c) Atlin, BC, Canada (continued):

Pacific Bay – Earn-in Agreement

On May 6, 2022, the Company entered into a definitive agreement with Pacific Bay Minerals Ltd. (“Pacific Bay”) for Pacific Bay acquire a 100% interest in the Atlin project. Under the terms of the agreement, Pacific Bay may acquire a 51% interest in the Atlin project for consideration of $1,725,000 in cash, the issuance of 5,000,000 Pacific Bay common shares, and incurring $3,500,000 in exploration expenditures on or before the fourth anniversary of the closing of the agreement. A further 49% interest may be acquired for consideration of $1,500,000 in cash, the issuance of 5,000,000 Pacific Bay common shares, and incurring $3,500,000 in exploration expenditures on or before the seventh anniversary of the closing of the agreement. The Company received $25,000 on signing of the agreement during the period ended June 30, 2022.

If Pacific Bay exercises the 51% earn-in and elects to not exercise the additional 49% earn-in, Pacific Bay and the Company will enter into a joint venture, whereby the interest in the property will revert to 49% in favour of Pacific Bay and 51% in favour of the Company, with each party then participating in programs and budgets according to their pro rata interests. If Pacific Bay completes the option and acquires 100% of the property, the Company will retain a 2% NSR, with 1% of the NSR purchasable at any time by Pacific Bay for $2,500,000.

Reclamation Obligation

As at June 30, 2022, the Company has recognized a reclamation obligation of $80,983 (September 30, 2021 - $80,983). The undiscounted amount of estimated cash flows was estimated at $89,553. The liability was estimated using an expected life of 7 years and a net risk-free rate of 1.98%.

(d) Hog Heaven, Montana, USA:

During fiscal 2017, the Company acquired a 100% interest in the Hog Heaven project in Montana, USA. The property is subject to a 3.0% NSR. During the year ended September 30, 2021, the Company paid $1,321,420 (US$1,000,000) to acquire 1.5% of the 3.0% NSR.

As at June 30, 2022, the Company has recognized a reclamation obligation of $36,085 (September 30, 2021 - $36,085). The undiscounted amount of estimated cash flows was estimated at $67,000. The liability was estimated using an expected life of 26 years and a net risk-free discount rate of 1.98%.

The Company has paid $264,549 for bonds held with the State of Montana in connection with potential reclamation costs on the Hog Heaven property, which have been recorded as restricted cash at September 30, 2021 and June 30, 2022 (Note 7).

9. Exploration and evaluation assets (continued):

(d) Hog Heaven, Montana, USA (continued):

Earn-in Agreement

During fiscal 2021, the Company entered into a definitive earn-in agreement (the "Earn-in Agreement") with IE Montana Holdings Ltd. ("IEM").

IEM has the right to earn a 51% interest in the Hog Heaven Project by making a total of US$4,500,000 in cash payments and incurring US$15,000,000 in exploration expenditures. Further, IEM may earn an additional 24% interest (for a total of a 75% interest) in the Hog Heaven Project by incurring an additional US$25,000,000 in exploration expenditures, as follows:

- Stage 1 Cash Payments: US$500,000 (received $635,000 during the year ended September 30, 2021) by IEM on signing a definitive earn-in agreement, US$500,000 due in each of the following four years (received $635,688 during the nine months ended June 30, 2022), and US$1,000,000 due in each of the fifth and six years (for a total of US$4,500,000 in cash payments).

- Stage 1 Earn-In: IEM shall fund aggregate expenditures of US$15,000,000 ("Stage 1 Earn-In Expenditures") to earn a 51% interest in Brixton USA Corporation (the "Joint Venture Company"), with no less than US$3,000,000 of the Stage 1 Earn-In Expenditures being incurred by the second anniversary date of the Earn-in Agreement.

- Stage 2 Earn-In: IEM has the right to increase its interest in the Joint Venture Company to 75% by funding an additional US$25,000,000 in expenditures ("Stage 2 Earn-In Expenditures"), by incurring minimum expenditures of US$10,000,000 by the ninth anniversary date and incurring an additional US$15,000,000 in expenditures before the eleventh anniversary date;

IEM shall control and direct all exploration, development and other related activities during the earn-in periods at the Hog Heaven Project.

From the date the Stage 2 Earn-In is complete until the date that the Joint Venture Company makes a decision to commence the development and construction of an operating mine at the Hog Heaven Project, each of Brixton and IEM shall fund the activities and operations of the Joint Venture Company pro rata as to their percentage interest in the Joint Venture Company, except that, if requested by Brixton, IEM shall fund Brixton's pro rata portion of the costs of the activities and operations of the Joint Venture Company but Brixton's pro rata portion of the costs shall accrue in a notional account with interest calculated at the annual rate equal to the US Federal Reserve Secured Overnight Financing Rate + 7% ("Brixton Deferred and Accrued Costs").

(Unaudited – expressed in Canadian dollars)

9. Exploration and evaluation assets (continued):

(d) Hog Heaven, Montana, USA (continued):

Earn-in Agreement (continued)

At the date a construction decision is made, the Brixton Deferred and Accrued Costs shall become due and payable to IEM, and shall be paid within 12 months of the date a construction decision is made, failing which Brixton shall be subject to dilution pursuant to a standard dilution calculation. If a party's interest in the Joint Venture Company is diluted below 10% percent, then the shares of the Joint Venture Company held by such party shall be cancelled and its shareholding interest converted into a 2.0% NSR.

IEM is not obligated to make or fund any expenditures under the Earn-in Agreement and may cease making payments at any time. If IEM completes the Stage 1 Earn-In but elects not to proceed with the Stage 2 Earn-In, IEM will transfer to the Company a 2% interest in the Joint Venture Company, such that the interests are 49% IEM and 51% Brixton, and the Company shall retain a right of first offer to purchase all of IEM's interest.

(e) Expenditures:

	Thorn Property BC, Canada	Langis Property ON, Canada	Atlin Property BC, Canada	Hog Heaven Property Montana, USA	Total
Nine months ended June 30, 2022					
Analysis	$ 222,593	$ 1,208	$ 4,467	$ 3,645	$ **231,913**
Camp and general	474,756	29,726	86,041	33	**590,556**
Community relations	84,805	26,127	-	-	**110,932**
Drilling	535,007	-	-	-	**535,007**
Field supplies and rentals	695,885	8,572	30	-	**704,487**
Field transportation	935,059	29,806	-	96	**964,961**
Geological consulting	654,972	22,395	7,848	-	**685,215**
Geophysics and metallurgy	20,000	297,938	-	-	**317,938**
Maps, orthos, and reports	121,196	-	-	-	**121,196**
Permitting	944	-	900	202	**2,046**
Recoveries	-	-	-	(85,999)	**(85,999)**
Total for the period	**$ 3,745,217**	**$ 415,772**	**$ 99,286**	**$ (82,023)**	**$ 4,178,252**
Nine months ended June 30, 2021					
Analysis	$ 197,421	$ 343,038	$ 3,650	$ 7,091	$ **551,200**
Camp and general	386,815	203,589	62,020	45,126	**697,550**
Community relations	76,522	32,434	-	-	**108,956**
Drilling	326,454	1,275,952	-	-	**1,602,406**
Field supplies and rentals	640,205	49,938	22,006	-	**712,149**
Field transportation	711,660	9,678	19,541	-	**740,879**
Finders fees	-	-	-	50,000	**50,000**
Geological consulting	793,054	165,557	27,396	15,647	**1,001,654**
Geophysics and metallurgy	142,421	-	7,350	(8,454)	**141,317**
Maps, orthos, and reports	21	-	-	-	**21**
Permitting	9,865	-	2,488	-	**12,353**
Total for the period	**$ 3,284,438**	**$ 2,080,186**	**$ 144,451**	**$ 109,410**	**$ 5,618,485**

(Unaudited – expressed in Canadian dollars)

10. Related party transactions:

During the nine months ended June 30, 2022, the Company paid or accrued the following amounts to key management personnel or companies controlled by them:

		June 30, 2022		June 30, 2021
Management fees, salaries and professional services	$	303,975	$	299,119
Director fees		47,250		44,750
Share-based payments		212,921		519,833
Total	$	564,146	$	863,702

Key management is defined as directors and officers of the Company. Management fees include $108,675 (2021 - $106,903) paid or accrued to a company controlled by Director and Officer, and $195,300 (2021 - $192,216) paid to another company controlled by a Director and Officer. Director fees include payments to three independent directors.

As at June 30, 2022, the Company owed $16,013 (September 30, 2021 - $202,039) to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments. During the nine months ended June 30, 2022, a spouse of a director received $69,760 (2021 - $71,215) for administrative services (included in salaries and employee benefits) and $17,453 (2021 - $51,983) for share-based compensation. Amounts prepaid to directors and officers are disclosed in Note 6.

11. Lease liabilities:

The Company entered into an office lease agreement during 2017 that was extended to August 14, 2022, for total undiscounted payments from the date of adoption of $142,033. Using an annual discount rate of 10%, the Company initially recognized additions to lease liabilities and right-of-use assets of $125,441. During the period ended June 30, 2022, the Company entered into a further extension to August 14, 2025, for total additional undiscounted payments of $151,920. Using an annual discount rate of 10%, the Company recognized additional increases to lease liabilities and right-of-use assets of $131,792.

The following is a reconciliation of the changes in the lease liabilities:

		June 30, 2022		September 30, 2021
Opening balance	$	45,273	$	88,462
Additions		131,792		-
Lease accretion		2,971		6,501
Payments		(38,455)		(49,690)
Lease liabilities		141,581		45,273
Lease liabilities, current portion		(38,483)		(45,273)
Lease liabilities, long-term portion	$	103,098	$	-

12. Share capital:

(a) Authorized share capital:

Unlimited common shares without par value.

(b) Issued and outstanding common shares:

(*i*) Share issuances:

2022 Private placements

On December 8, 2021, the Company closed the first tranche of a non-brokered private placement of units and flow-through units of the Company for gross proceeds of $6,789,100, by issuing:

- 12,005,000 units at a price of $0.18 per unit, each unit comprising one common share and one common share purchase warrant, entitling the holder to acquire one additional common share at a price of $0.26 for a period of 36 months from the date of closing; and
- 23,591,000 flow-through units at a price of $0.20 per flow-through unit, each flow-through unit comprising one flow-through common share and one-half of a common share purchase warrant, entitling the holder to acquire one additional common share at a price of $0.26 for until December 8, 2023. The Company recognized a flow-through premium liability of $471,820, of which $352,243 was recognized as a recovery on flow-through premium liability during the nine months ended June 30, 2022. As at June 30, 2022, the Company's remaining required flow-through expenditures from this issuance on its properties are $1,195,770.

In connection with the first tranche, the Company paid finders' fees of $99,252 and issued an aggregate of 503,460 finder's warrants, valued at $39,737. Each finder's warrant is exercisable for one common share of the Company at an exercise price of $0.18 until December 8, 2023.

On December 16, 2021, the Company closed the second and final tranche of a non-brokered private placement of units, flow-through units, and charity flow-through units of the Company for gross proceeds of $5,295,086, by issuing:

- 3,127,110 units at a price of $0.18 per unit, each unit comprising one common share and one common share purchase warrant, entitling the holder to acquire one additional common share at a price of $0.26 until December 16, 2025;
- 10,150,000 flow-through units at a price of $0.20 per flow-through unit, each flow-through unit comprising one flow-through common share and one-half of a common share purchase warrant, entitling the holder to acquire one additional common share at a price of $0.26 until December 16, 2024; and
- 11,029,414 charity flow-through units at a price of $0.245 per flow-through unit, each flow-through unit comprising one flow-through common share and one common share purchase warrant, entitling the holder to acquire one additional common share at a price of $0.26 until December 16, 2025.

12. Share capital (continued):

(b) Issued and outstanding common shares (continued):

(*i*) Share issuances (continued):

2022 Private placements (continued)

The Company recognized a flow-through premium liability on the 10,150,000 flow-through units of $203,000, of which $nil was recognized as a recovery on flow-through premium liability during the nine months ended June 30, 2022. As at June 30, 2022, the Company's remaining required flow-through expenditures from this issuance on its properties are $2,030,000.

The Company recognized a flow-through premium liability on the 11,029,414 charity flow-through units of $716,912, of which $nil was recognized as a recovery on flow-through premium liability during the nine months ended June 30, 2022. As at June 30, 2022, the Company's remaining required flow-through expenditures from this issuance on its properties from this issuance are $2,702,206.

In connection with the second tranche, the Company paid finders' fees of $46,632 and issued an aggregate of 1,022,237 finder's warrants, valued at $80,582. Each finder's warrant is exercisable for one common share of the Company at an exercise price of $0.18 until December 16, 2024.

The Company valued the warrants included as part of the units issued at $599,025 based on the residual value method.

2021 Private placements

On November 3, 2020, the Company closed a private placement by issuing 8,510,638 common share units at a price of $0.235 for gross proceeds of $2,000,000. Each unit was comprised of one common share of the Company and one common share purchase warrant entitling the holder thereof to acquire one common share of the Company at a price of $0.35 until November 3, 2023.

On November 19, 2020, the Company closed a non-brokered private placement of flow-through common shares for gross proceeds of $4,461,121, by issuing 12,392,002 flow-through shares at a price of $0.36 each. In connection with the offering, the Company paid finders' fees of $137,421 and issued an aggregate of 381,724 finder's warrants valued at $59,657. Each finder's warrant is exercisable for one common share of the Company at an exercise price of $0.36 until November 18, 2022. In addition to finders' fees, the Company incurred additional closing costs of $11,499 in connection with the offering.

The Company recognized a flow-through premium liability of $991,360, of which the $698,232 and $86,077 were recognized as recoveries on flow-through premium liability during the year ended September 30, 2021, and the nine months ended June 30, 2022, respectively.

As at June 30, 2022, the Company's remaining required flow-through expenditures from this issuance on its properties are $931,729.

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(b) Issued and outstanding common shares (continued):

(i) Share issuances (continued):

2021 Private placements (continued)

On December 18, 2020, the Company closed a non-brokered private placement of flow-through common shares for gross proceeds of $504,000, by issuing 1,400,000 flow-through shares at a price of $0.36 each. In connection with the offering, the Company paid finders' fees of $30,240 and issued an aggregate of 84,000 finder's warrants valued at $11,792. Each finder's warrant is exercisable for one common share of the Company at an exercise price of $0.36 until December 18, 2022. In addition to finders' fees, the Company incurred additional closing costs of $50,168 in connection with the offering.

The Company recognized a flow-through premium liability of $119,000, of which $9,197 and $nil were recognized as recoveries on flow-through premium liability during the year ended September 30, 2021 and nine months ended June 30, 2022, respectively. As at June 30, 2022, the Company's remaining required flow-through expenditures on its properties are $465,048.

(c) Warrants:

As at June 30, 2022, the following warrants were outstanding:

Expiry date		Weighted average exercise price	Number of warrants		Weighted average remaining contractual life in years
9-Aug-22	$	0.25	1,919,462	*	0.11
12-Aug-23	$	0.35	12,689,000		1.12
12-Aug-22	$	0.25	770,364	*	0.12
3-Nov-23	$	0.35	8,510,638		1.35
19-Nov-22	$	0.36	381,724		0.39
18-Dec-22	$	0.36	84,000		0.47
7-Dec-24	$	0.26	12,005,000		2.44
7-Dec-23	$	0.26	11,795,500		1.44
7-Dec-23	$	0.18	503,460		1.44
15-Dec-24	$	0.26	3,127,110		2.46
15-Dec-23	$	0.26	5,075,000		1.46
15-Dec-24	$	0.26	11,029,414		2.46
15-Dec-23	$	0.18	1,022,237		1.46
	$	0.29	68,912,909		1.70

* These warrants expired unexercised subsequent to June 30, 2022.

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(c) Warrants (continued):

	Number of warrants		Weighted average exercise price
Balance, September 30, 2020	41,014,556	$	0.30
Granted	8,976,362		0.35
Exercised	(2,413,737)		0.25
Expired	(22,733,449)		0.28
Balance, September 30, 2021	24,843,732	$	0.34
Granted	44,557,721		0.26
Exercised	(57,925)		0.15
Expired	(430,619)		0.24
Balance, June 30, 2022	68,912,909	$	0.29

The fair values of the finders' warrants are estimated using the Black-Scholes option pricing model. The weighted average fair value per finders' warrant granted during the nine months ended June 30, 2022, was $0.08 (2021 - $0.15). The weighted average assumptions used in the calculation of fair value are as follows:

	June 30, 2022	June 30, 2021
Risk-free interest rate	1.01%	0.26%
Expected volatility	89.6%	111.88%
Expected life of options	2.00 years	2.00 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

(d) Share-based payments:

The Board of Directors of the Company has approved a stock plan (the "Plan"), whereby the number of shares issuable under the Plan is limited to 10% of the issued and outstanding shares of the Company. The exercise price of each option shall not be less than the discounted market price of the Company's shares as calculated on the date of grant. An option's maximum term is ten years and shall vest as determined by the Board of Directors. Options granted to investor relations consultants shall vest in stages over 12 months with no more than one-quarter of options vesting in any three-month period.

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(d) Share-based payments (continued):

The following tables reflect the continuity of stock options for the nine months ended June 30, 2022 and year ended September 30, 2021:

Number outstanding Sept 30, 2021	Granted	Exercised	Cancelled	Number outstanding June 30, 2022	Weighted average exercise price per share	Expiry date	Weighted average remaining contractual life in years
35,000	-	-	-	35,000	$ 0.14	April 7, 2025	2.77
1,950,000	-	-	-	1,950,000	$ 0.70	September 12, 2026	4.21
975,000	-	-	-	975,000	$ 0.50	April 3, 2027	4.76
125,000	-	-	-	125,000	$ 0.50	June 21, 2027	4.98
1,575,000	-	-	15,000	1,560,000	$ 0.30	January 8, 2028	5.53
100,000	-	-	-	100,000	$ 0.21	August 1, 2028	6.09
1,564,000	-	5,000	60,000	1,499,000	$ 0.15	December 17, 2028	6.47
3,500,000	-	-	200,000	3,300,000	$ 0.30	August 27, 2029	7.16
2,250,000	-	-	150,000	2,100,000	$ 0.17	May 5, 2030	7.85
3,400,000	-	-	350,000	3,050,000	$ 0.23	February 3, 2031	8.60
-	3,800,000	-	-	3,800,000	$ 0.16	May 24, 2032	9.91
15,474,000	3,800,000	5,000	775,000	18,494,000	$ 0.29		7.38
			(Exercisable)	17,794,000	$ 0.29		

Number outstanding Sept 30, 2020	Granted	Exercised	Cancelled	Number outstanding Sept 30, 2021	Weighted average exercise price per share	Expiry date	Weighted average remaining contractual life in years
35,000	-		-	35,000	$ 0.14	April 7, 2025	3.52
2,500,000	-		550,000	1,950,000	$ 0.70	September 12, 2026	4.95
1,175,000	-		200,000	975,000	$ 0.50	April 3, 2027	5.51
175,000	-		50,000	125,000	$ 0.50	June 21, 2027	5.73
1,875,000	-		300,000	1,575,000	$ 0.30	January 8, 2028	6.28
100,000	-		-	100,000	$ 0.21	August 1, 2028	6.84
1,704,000	-	140,000	-	1,564,000	$ 0.15	December 17, 2028	7.22
3,900,000	-		400,000	3,500,000	$ 0.30	August 27, 2029	7.91
2,250,000	-	-		2,250,000	$ 0.17	May 5, 2030	8.60
-	3,500,000	-	100,000	3,400,000	$ 0.26	February 3, 2031	9.35
13,714,000	3,500,000	140,000	1,600,000	15,474,000	$ 0.32		7.53
			(Exercisable)	15,474,000	$ 0.32		

During the period ended June 30, 2022, the Company granted 3,800,000 (2021 – 3,500,000) stock options with a fair value of $530,558 (2021 - $909,707) or $0.14 (2021 - $0.26) per option. The fair values of stock options granted used to calculated compensation expense for both employees and non-employees is estimated using the Black-Scholes option pricing model. The weighted average assumptions used in the calculation of fair value are as follows:

	June 30, 2022	June 30, 2021
Risk-free interest rate	2.80%	0.94%
Expected volatility	78.77%	145.02%
Expected life of options	10 years	10 years
Expected dividend yield	Nil	Nil

(Unaudited – expressed in Canadian dollars)

12. Share capital (continued):

(e) Shares reserved for issuance (fully diluted):

	Number of shares
Issued and outstanding at June 30, 2022	257,776,673
Reserved for warrants (Note 12(c))	68,912,909
Reserved for options (Note 12(d))	18,494,000
Shares reserved for issuance (fully diluted) at June 30, 2022	345,183,582

13. Segmented information:

As at June 30, 2022 the Company currently operates in one segment being the acquisition and exploration and evaluation of resource assets located in British Columbia and Ontario, Canada, and Montana, USA, as described in Note 9.

14. Financial instruments and risk management:

Financial instruments

The Company's cash and restricted cash is classified at amortized cost. The carrying values of receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to their short terms to maturity.

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 of amounts due from a Canadian government agency, and cash and restricted cash are held with a large and stable Canadian chartered bank. Management believes that credit risk related to these amounts is nominal.

(b) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities as they fall due. As of June 30, 2022, the Company had cash of $8,914,330 to settle current liabilities of $2,845,716. The Company has sufficient cash to settle current liabilities.

(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.

14. Financial instruments and risk management (continued):

Financial risk factors (continued)

(c) Market risk (continued):

(*i*) Interest rate risk:

The Company has cash balances and no interest-bearing debt. The Company's current policy is to keep larger cash balances invested in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company is nominally exposed to interest rate risk.

(*ii*) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at June 30, 2022, the Company had approximately US$1,010,000 in net monetary assets denominated in US dollars. The Company has determined that a 10% increase or decrease in the US dollar against the Canadian dollar on these instruments, as at June 30, 2022, would result in approximately $130,200 change to comprehensive loss for the period.

(*iii*) 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.

15. Subsequent event:

Subsequent to June 30, 2022, the Company received $100,000 and 1,000,000 common shares of Pacific Bay pursuant to the Earn-in Agreement on the Atlin property (Note 9(c)).