

INDEFINITELY CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For Nine Months ended October 31, 2011

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed financial statements for Indefinitely Capital Corp. have been prepared by management in accordance with International Accounting Standard 34 – Interim Financial Reporting. These financial statements, which are the responsibility of management are unaudited and have not been reviewed by the Company’s auditors. The Company’s Audit Committee and Board of Directors has reviewed and approved these interim financial statements.

The Company’s independent auditor has not performed a review of these interim condensed financial statements in accordance with the disclosure requirements of National Instrument 51-102 released by the Canadian Securities Administrators.

INDEFINITELY CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)
AS AT:

<u>ASSETS</u>	<u>October 31, 2011</u>	<u>January 31, 2011</u>	<u>February 1, 2010</u>
Current			
Cash and cash equivalents	\$ 105,883	\$ 181,081	\$ 61,398
HST/GST recoverable	4,873	298	1,947
Prepaid expenses and deposits	318	-	1,462
	<u>\$ 111,074</u>	<u>\$ 181,379</u>	<u>\$ 64,807</u>
Deferred acquisition costs - Note 4	<u>\$ 54,598</u>	<u>\$ -</u>	<u>\$ -</u>
	<u><u>\$ 165,672</u></u>	<u><u>\$ 181,379</u></u>	<u><u>\$ 64,807</u></u>
 <u>LIABILITIES</u>			
Current			
Accounts payable and accrued liabilities	<u>\$ 23,699</u>	<u>\$ 10,881</u>	<u>\$ 28,900</u>
 <u>SHAREHOLDERS' EQUITY</u>			
Share capital (Note 5)	206,752	206,752	100,000
Deferred financing costs	-	-	(43,978)
Contributed surplus	40,821	40,821	-
Deficit	(105,600)	(77,075)	(20,115)
	<u>141,973</u>	<u>170,498</u>	<u>35,907</u>
	<u><u>\$ 165,672</u></u>	<u><u>\$ 181,379</u></u>	<u><u>\$ 64,807</u></u>

APPROVED BY THE DIRECTORS:

"Negar Adam" Director
Negar Adam

"Graeme Sewell" Director
Graeme Sewell

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

INDEFINITELY CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)
For the three and nine months ended October 31, 2011 and 2010

	Three months ended		Nine months ended	
	<u>31-Oct-11</u>	<u>31-Oct-10</u>	<u>31-Oct-11</u>	<u>31-Oct-10</u>
Expenses				
Bank charges and interest	\$ 42	\$ 30	\$ 122	\$ 232
Office and miscellaneous	344	-	370	922
Professional fees	8,742	901	17,933	6,693
Stock-based compensation	-	-	-	30,229
Transfer agent and filing fees	2,549	932	12,386	6,375
	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the period before other items	(11,677)	(1,863)	(30,811)	(44,451)
Other income (expenses):				
Interest income	323	-	2,286	2
	<hr/>	<hr/>	<hr/>	<hr/>
Net loss and comprehensive loss for the period	<u>\$ (11,354)</u>	<u>\$ (1,863)</u>	<u>\$ (28,525)</u>	<u>\$ (44,449)</u>
Basic and diluted loss per share	<u>\$ (0.006)</u>	<u>\$ (0.001)</u>	<u>\$ (0.014)</u>	<u>\$ (0.033)</u>
Basic and diluted weighted average number of shares outstanding	<hr/> <u>2,000,000</u>	<hr/> <u>2,000,000</u>	<hr/> <u>2,000,000</u>	<hr/> <u>1,352,941</u>

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

INDEFINITELY CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)
For the nine months ended October 31, 2011 and 2010

	Nine months ended	
	31-Oct-11	31-Oct-10
Operating Activities		
Net loss and comprehensive loss for the period	\$ (28,525)	\$ (44,449)
Adjustments for non-cash items:		
Stock-based compensation	-	30,229
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	12,818	(28,495)
HST/GST recoverable	(4,575)	1,241
Prepaid expenses and deposits	(318)	1,462
	<u>(20,600)</u>	<u>(40,012)</u>
Investing Activity		
Deferred acquisition costs	(54,598)	-
	<u>(54,598)</u>	<u>-</u>
Financing Activities		
Proceeds from issuance of share capital	-	200,000
Share issue costs	-	(38,678)
	<u>-</u>	<u>161,322</u>
Cash provided by financing activities	<u>-</u>	<u>161,322</u>
Increase (Decrease) in cash and cash equivalents during the period	(75,198)	121,310
Cash and cash equivalents, beginning of the period	181,081	61,398
Cash and cash equivalents, end of the period	<u>\$ 105,883</u>	<u>\$ 182,708</u>
Cash and cash equivalents represented by:		
Cash	1,496	2,708
Term deposit	104,387	180,000
	<u>\$ 105,883</u>	<u>\$ 182,708</u>

There were no significant non-cash financing or investing activities during the nine months ended October 31, 2011.

During the nine months ended October 31, 2010, there was a significant non-cash transaction in the transfer of \$43,978 in deferred financing costs to share issue costs.

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

INDEFINITELY CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)
For the nine months ended October 31, 2011 and 2010

	Share Capital		Deferred financing costs	Contributed surplus	Deficit	Total Equity
	No. of Shares	Amount				
Balance, February 1, 2010	2,000,000	\$ 100,000	\$ (43,978)	\$ -	\$ (20,115)	\$ 35,907
Private placement	2,000,000	200,000	-	-	-	200,000
Share issue costs		(82,656)	43,978	-	-	(38,678)
Brokers warrants issued		(10,592)	-	10,592	-	-
Stock-based compensation		-	-	30,229	-	30,229
Loss for the period		-	-	-	(44,449)	(44,449)
Balance, October 31, 2010	4,000,000	\$ 206,752	\$ -	\$ 40,821	\$ (64,564)	\$ 183,009
Balance, February 1, 2011	4,000,000	\$ 206,752	\$ -	\$ 40,821	\$ (77,075)	\$ 170,498
Loss for the period	-	-	-	-	(28,525)	(28,525)
Balance, October 31, 2011	4,000,000	\$ 206,752	\$ -	40,821	(105,600)	141,973

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia, Canada on September 23, 2009. The Company is classified as a Capital Pool Company (“CPC”), as defined by Policy 2.4 (the “CPC Policy”) on the TSX Venture Exchange (the “Exchange”). The Company’s principal business activity is to identify and evaluate business opportunities with the objective of completing a Qualifying Transaction under the Exchange rules. Under these rules, a Qualifying Transaction must be entered into within 24 months of listing on the Exchange.

The Company’s head office is located at 1470 – 701 West Georgia Street, Vancouver, BC, V7Y 1C6, and its registered and records office is located at 800-885 West Georgia Street, Vancouver, BC, V6C 3H1.

The Company’s shares commenced trading on the TSX Venture Exchange on April 30, 2010.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements of the Company for the year ended January 31, 2012 will be prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles (“pre-changeover Canadian GAAP”). These condensed interim financial statements for the nine months ended October 31, 2011 have been prepared in accordance with IAS34 Interim Financial Reporting, and as they are part of the Company’s first IFRS annual reporting period, IFRS 1 First-time Adoption of International Reporting Standards has been applied.

As these condensed interim financial statements are among the Company’s first financial statements prepared using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in the Company’s most recent annual financial statements prepared in accordance with pre-changeover Canadian GAAP have been included in these financial statements for the comparative annual period. However, these condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements should be read in conjunction with the Company’s 2011 annual financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company provided in Note 9.

The condensed interim financial statements were authorized for issue by the Board of Directors on December 23, 2011.

2. BASIS OF PREPARATION (continued)

b) Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting. These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of these condensed interim financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

c) Going Concern of Operations

The condensed interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in, or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern, and meet its corporate objectives, the Company will be required to complete its qualifying transaction as outlined under the policies of the Exchange and will require additional financing through debt or equity issuances, or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year-ending January 31, 2012 and have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS balance sheet at February 1, 2010 for the purpose of the transition to IFRS, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing such financial assets in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss or income.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss or income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired, as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing such financial liabilities in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Other financial liabilities: This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables is classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(b) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(c) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options granted to directors, officers and employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value of options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values, if the fair value of goods or services cannot be measured. Consideration paid for the common shares on the exercise of stock options is credited to share capital.

(e) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(f) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(g) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions for legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Significant accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the condensed interim statement of financial position;
- the inputs used in accounting for share purchase option expense in the condensed interim statement of comprehensive loss;

(i) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretation Committee that were mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendment to IFRS 1 which replaces references to a fixed date of “January 1, 2004” with the “date of transition to IFRS”. This eliminates the need for the Company to restate de-recognition transactions that occurred before the date of transition to IFRS. The amendment is effective for year-ends beginning on or after July 1, 2011; however, the Company has early adopted the amendment. The impact of the amendment and early adoption is that the Company only applies IAS 39 de-recognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company’s future results and financial position:

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, Amendments and Interpretations Not Yet Effective (continued)

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortization costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The standard is effective for annual periods beginning on or after January 1, 2013.

- IAS 12: Deferred Tax: Recovery of Underlying Assets

IAS 12 was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012.

4. DEFERRED ACQUISITION COSTS

On October 11, 2011, the Company entered into an option agreement (the "Agreement") with Eastland Management Ltd. (the "Optionor") and R. Timothy Henneberry (the "Trustee"). Under the terms of the Agreement, the Optionor and the Trustee have agreed to grant an option (the "Option") to the Company to acquire 100% interest in and to twelve mineral claims comprising an epithermal precious metal project known as the Otter Property (the "Property") located in the Similkameen Mining Division in the Princeton Area of British Columbia. In order to exercise the Option and keep it in good standing, the Company will be required to make total cash payments of \$40,000, issue a total of 800,000 common shares of the Company and incur exploration expenditures of \$2,000,000 as follows:

- i) paying the Optionor \$25,000 upon execution of the Agreement (paid);
- ii) paying the Optionor \$15,000 and issuing to the Optionor 200,000 common shares on the date (the "**Closing Date**") of the closing of the transaction (the "**Closing**");
- iii) issuing to the Optionor 200,000 common shares and incurring \$200,000 of exploration expenditures on the Property on or before the first anniversary of the Closing Date;
- iv) issuing to the Optionor 200,000 common shares and incurring \$300,000 of exploration expenditures on the Property on or before the second anniversary of the Closing Date;

4. DEFERRED ACQUISITION COSTS (continued)

- v) issuing to the Optionor 200,000 common shares and incurring \$500,000 of exploration expenditures on the Property on or before the third anniversary of the Closing Date; and
- vi) incurring \$1,000,000 of exploration expenditures on the Property on or before the fourth anniversary of the Closing Date.

The common shares issuable to the Optionor under the Agreement will be deemed to be issued at a price equal to \$0.08 per share, being the closing Discounted Market Price of the common shares on the TSX Venture Exchange on October 11, 2011.

Upon satisfaction of the payments, share issuances and work commitments above, the Option will be deemed to be exercised and a 100% undivided interest in the Property will be transferred to the Company, free and clear of all encumbrances, subject to a 2% net smelter return royalty (the “NSR”) in favour of the Optionor with respect to production of all precious metals from the Property. The NSR will be payable following commencement of commercial production on the Property. The Company may buy-back 1% of the NSR in consideration for payment of \$1,000,000 to the Optionor.

Financing

In conjunction with the Transaction, the Company intends to complete a non-brokered private placement (the “Offering”) of up to 4,000,000 units (the “Units”) at a price of \$0.10 per Unit for gross proceeds of up to \$400,000. Each Unit will be comprised of one common share (each, a “Share”) and one common share purchase warrant (each, a “Warrant”), with each Warrant being exercisable into one common share of the Company at a price of \$0.10 per share for a period of five years after the closing of the Offering. The Company intends to use the proceeds of the Offering to fund the acquisition of the Property and to meet its obligations under the Agreement. The Company may pay finder’s fees in connection with the Offering up to the maximum fees allowable in accordance with the policies of the TSX Venture Exchange.

Finder’s Fee

In connection with its Qualifying Transaction, the Company has agreed to pay a finder’s fee to Ethos Consulting Ltd. in accordance with the policies of the TSX Venture Exchange. The finder’s fee will be paid by the cash payment of \$6,000.

Conditions of Closing

The completion of the Qualifying Transaction is subject to a number of conditions, including TSX Venture Exchange approval, obtaining all necessary third party consents, the representations and warranties of the Optionor and Trustee in the Agreement being

4. DEFERRED ACQUISITION COSTS (continued)

Conditions of Closing (continued)

true at Closing, and the completion of the Offering.

As at October 31, 2011, the Company has incurred deferred acquisition costs of \$54,598 (2010: \$Nil) in connection with the proposed acquisition.

	<u>2011</u>	<u>2010</u>
Technical report	\$ 1,000	\$ -
Filing fees	2,500	-
Legal costs	26,098	-
Advance on mineral property costs	<u>25,000</u>	<u>-</u>
Deferred acquisition costs	<u>\$ 54,598</u>	<u>\$ -</u>

5. SHARE CAPITAL

Authorized:

Unlimited common shares, without par value

Escrow Shares

2,000,000 common shares issued at inception are held in escrow and are to be released on a staged basis, with 10% to be released on the issuance of a Final Exchange Bulletin (the Exchange's acceptance of the Qualifying Transaction) and 15% to be released every six months thereafter for a period of thirty-six months.

As all of these shares are considered contingently issuable until the Company completes the Qualifying Transactions, they are not considered to be outstanding shares for the purposes of loss per share calculations. Consequently, only the 2,000,000 common shares issued for the IPO were included in the calculation of weighted average number of shares outstanding for the three and nine months ended October 31, 2011.

Initial Public Offering

During the year ended January 31, 2011, the Company closed its initial public offering (the "Offering") of 2,000,000 shares at \$0.10 per share for gross proceeds of \$200,000. In connection with the Offering, the Company paid the agent a cash commission of 10% of the gross proceeds and granted the agent 200,000 non-transferable broker warrants at an exercise price of \$0.10 per share until April 30, 2012. The Company also paid the

5. SHARE CAPITAL (continued)

Initial Public Offering (continued)

agent a corporate finance fee of \$10,000 and the agent's expenses and legal fees of \$10,920. The broker warrants were valued at \$10,592.

Share purchase warrants

The following is a summary of changes in share purchase warrants from February 1, 2010 to October 31, 2011:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 1, 2010	-	-
Granted	200,000	\$0.10
Balance, January 31, 2011 and October 31, 2011	200,000	\$0.10
Number of warrants exercisable, October 31, 2011	200,000	\$0.10

As of October 31, 2011, the Company had 200,000 non-transferable broker share purchase warrants outstanding and exercisable. Each warrant entitles the holder to purchase one common share as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry date</u>
200,000	\$0.10	April 30, 2012

Stock Options

The Company may grant incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"). The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years. If the optionee ceases to be qualified to receive options from the Company, those options expire as specified by the Board at the time of granting the option. All options vest when granted unless otherwise specified by the Board of Directors. Any shares issued upon exercise of the options prior to the Company entering into a Qualifying Transaction will be subject to escrow restrictions.

INDEFINITELY CAPITAL CORP.
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 For the nine month period ended October 31, 2011
 (Expressed in Canadian Dollars)
 (Unaudited, Prepared by Management) – Page 11

5. SHARE CAPITAL (continued)

Stock Options (continued)

The following is a summary of changes in share purchase options from February 1, 2010 to October 31, 2011:

	Number of Options	Weighted Average Exercise Price
Balance, February 1, 2010	-	-
Granted	400,000	\$0.10
Balance, January 31, 2011 and October 31, 2011	<u>400,000</u>	<u>\$0.10</u>
Number of options exercisable, October 31, 2011	400,000	\$0.10

As of October 31, 2011, 400,000 options were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry date</u>
<u>400,000</u>	<u>\$0.10</u>	<u>April 30, 2015</u>

The fair value of the warrants and options issued in the nine months ended October 31, 2010, were estimated at \$0.05 and \$0.08 respectively at the grant date using the Black-Scholes option pricing model with the following assumptions:

October 31, 2010

Expected dividend yield	0%
Expected volatility	100%
Risk-free interest rate	1.90 - 2.99%
Expected term in years	2 - 5 years

6. FINANCIAL INSTRUMENTS AND RISK

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

6. FINANCIAL INSTRUMENT AND RISK (continued)

Fair value (continued)

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at October 31, 2011, the Company’s financial instruments are comprised of cash, receivables, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

October 31, 2011				
Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 105,883	-	-	\$ 105,883

Risk Management

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

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is limited to the carrying amount on the statement of financial position and arises from the Company’s cash, and receivables.

The Company’s cash is held through a Canadian chartered bank, which are high-credit quality financial institutions. The Company’s receivables consist primarily of harmonized sales tax rebates due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2011, the Company had a cash balance of \$105,883 to settle current liabilities of \$23,699.

6. FINANCIAL INSTRUMENTS AND RISK (continued)

Risk Management (continued)

Market risk

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

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. Accordingly there is minimal interest rate risk.

(b) Foreign currency rate risk

The Company does not have assets or liabilities in foreign currency and therefore is not exposed to foreign currency risk.

7. CAPITAL MANAGEMENT

The Company's working capital as at October 31, 2011 was \$87,375 (January 31, 2011 - \$170,498; February 1, 2010 - \$35,907). The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

8. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

	Nine months ended October 31,	
	<u>2011</u>	<u>2010</u>
Share-based payments *	\$ -	\$ 30,229

*Share-based payments are the fair value of options granted to key management personnel as at the grant date.

Related party balances

At October 31, 2011, accounts payable and accrued liabilities include \$284 (January 31, 2011: \$122, February 1, 2010: \$393) for professional fees payable to a public company with directors in common with the Company.

8. RELATED PARTY TRANSACTIONS (continued)

In addition the Company has conducted transactions in the normal course of operations with a company with directors in common. During the nine months ended, October 31, 2011 the Company incurred professional fees of \$7,505 (2010: \$3,576) to a public company with directors in common with the Company.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. FIRST TIME ADOPTION OF IFRS

The Company's financial statements for the year-ending January 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was February 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be January 31, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with prechangeover Canadian GAAP.

In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

OPTIONAL EXEMPTIONS

The IFRS1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provision of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS. The Company did not have any unvested outstanding equity instruments as of the Transition Date.

MANDATORY EXCEPTIONS

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those

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estimates were in error. As a result the Company has not used hindsight to revise estimates.

9. FIRST TIME ADOPTION OF IFRS (Continued)

As part of the Company's transition to IFRS, the Corporation is required to restate comparative information that was previously reported under pre-changeover Canadian GAAP in accordance with IFRS. In addition, the Company is required to reconcile its certain balances reported under pre-changeover Canadian GAAP to those reported under IFRS. The specific reconciliations required are:

i) Shareholders' equity as at:

- February 1, 2010;
- October 31, 2010; and
- January 31, 2011

ii) Comprehensive loss or income for:

- the nine months ended October 31, 2010;
- the year ended January 31, 2011

IFRS reconciliation to pre-changeover Canadian GAAP:

Total equity reconciliation	January 31, 2011	October 31, 2010	February 1, 2010
Total equity per pre-changeover			
Canadian GAAP	\$ 170,498	\$ 183,009	\$ 35,907
Total equity per IFRS	\$ 170,498	\$ 183,009	\$ 35,907

Total comprehensive loss or income reconciliation	Year ended January 31, 2011	Nine months ended October 31, 2010
Comprehensive loss or income per pre-changeover Canadian GAAP	\$ 56,960	\$ 44,449
Comprehensive loss or income per IFRS	\$ 56,960	\$ 44,449

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Management has determined that the adoption of IFRS has not resulted in any adjustments to these balances as reported previously under pre-changeover Canadian GAAP. There are no significant differences between IFRS and pre-changeover Canadian

9. FIRST TIME ADOPTION OF IFRS (Continued)

GAAP in connection with the Company's statements of cash flows for the period ended October 31, 2010 or the year ended January 31, 2011.