

INFINITY MINERALS CORP
MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Fiscal Year and Three Month Periods Ended August 31, 2012

1.1 DATE

This management discussion and analysis ("MD&A"), prepared as of October 23, 2012, reviews and summarizes the activities of Infinity Minerals Corp. ("Infinity" or the "Company") and compares the financial results for the period ended August 31, 2012, with those of the comparable quarter and fiscal year periods ended August 31, 2011. This information should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2012 and related notes attached thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and also on the Company's website at www.infinitymineralscorp.com.

Forward Looking Statements

This MD&A may contain "forward looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Infinity's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward- looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties identified elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

1.2 OVERALL PERFORMANCE

Description of Business

Infinity Minerals Corp. is a British Columbia company whose principal business activities are the exploration and development of mineral properties. The Company was incorporated on November 12, 2010. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares trade on the TSX Venture Exchange under the symbol "IFN." The Company's tradable warrants trade under the symbol "IFN.WT."

Since incorporation the Company has undertaken certain steps to develop its business, including, among other things, recruiting directors and officers with the skills required to operate a public mining exploration company, entering into a Mineral Property Purchase Agreement to acquire a qualified property for shares, raising sufficient capital to commence initial exploration on the Rainbow Property, engaging Carl A. Von Einsiedel, P.Geo., to prepare an NI 43-101 Technical Report and engaging a TSX - Venture agent to assist in making an application for listing on the TSX Venture Exchange and completing the Offering.

In December, 2010, the Company raised \$187,500 by the issuance of 2,500,000 common flow-through shares at a price of \$0.075 per flow-through share and in February, 2011 raised a further \$375,000 by the issuance of 5,000,000 common non-flow-through shares at a price of \$0.075 per share

On April 11, 2012 the Company completed its initial public offering of 4,000,000 units at a price of \$0.15 per unit for total gross proceeds of \$600,000 and net cash proceeds of \$540,000. Each unit was comprised of one common share and one half of one tradable common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at \$0.20 until April 11, 2013 or exercisable at \$0.30 until April 11, 2014.

On April 12, 2012 the Company filed a Form 51-102F3 Material Change Report advising that the TSX Venture Exchange had approved the Company's common shares and tradable warrants to trade on the Venture Exchange under the symbols IFN and IFN.WT respectively commencing April 16, 2012.

Proceeds from the IPO offering will be used primarily to execute the phase one exploration program on the Company's 100-per-cent-owned Rainbow property, located four kilometers northwest of the community of Midway in south central BC, Canada. Proceeds will also be used for general and administrative expenses and for general working capital purposes.

PI Financial Corp. acted as the agent to the Company for the offering. The agent received a cash commission equal to 10% of the gross proceeds raised in the offering. In addition, the agent received an option to purchase 400,000 common shares exercisable at a price of \$0.15, until April 11, 2014.

In April 2012, the Company engaged its contract geologist, Carl A. Von Einsiedel, P.Geo., to undertake an initial work program on the phase one exploration program. As at August 31, 2012, a total of \$52,000 has been expended on geochemical analysis and geological field work and further field work, estimated at \$26,000, is planned for November 2012. Thereafter, Mr. Von Einsiedel will submit his interim report on the property for consideration by the Company's directors and management.

Mineral Property – Rainbow Claim Group

Infinity Minerals Corp. holds a 100% interest in two contiguous mineral tenures comprising 317.64 hectares located approximately four kilometers northwest of the community of Midway in south central British Columbia. The Company entered into a Mineral Purchase Agreement with Ron Shenton, Chief Executive Officer, President and Director of the Company to acquire all of his rights, titles and interests

in and to the Rainbow Property. This agreement reimburses Mr. Shenton's out of pocket staking costs of \$20,157 by issuing of 2,015,700 shares of the Company at a deemed price of \$0.01 per share.

The claims are accessible by existing forest service roads and cover two known gold - silver occurrences identified in the BC Ministry of Mines (BCMÉM) Minfile database as the MIDWAY MINE (Minfile No. 082M-194) and the PICTURE ROCK QUARRY (Minfile No.082M-194). Both of the known occurrences are located in the central part of the property. Exploration work has been carried out intermittently in the project area since the 1960's and both of the prospects have undergone intermittent exploration by various mining companies since the early 1980's. The property is considered an intermediate stage exploration prospect.

Access to the property is by Provincial Highway 3, approximately 4 kilometers northwest of the village of Midway in south central British Columbia. From Midway the property can be accessed by a forest service road on the west side of the Village that extends to the eastern boundary of the claims. The approximate centre of the property is at UTM 5433450N and 367760E.

In general, infrastructure in the vicinity of the subject property is considered excellent. There are existing roads that can be used to access the known areas of mineralization and the proposed exploration areas. There are numerous small streams within the claim area that would easily provide sufficient water for exploration purposes. Trained exploration personnel are available in several local nearby communities.

The present Rainbow Property covers the Midway Mine prospect and the Picture Rock Quarry prospect, potential extensions of these zones to the south and an overburden covered area to the east of the Picture Rock Quarry. During January and February of 2011 Infinity Minerals Corp. compiled all available technical data from the Minnova and Battle Mountain exploration programs, located and sampled several known mineralized zones within and adjacent to the Rainbow Property to confirm historic results and completed a detailed soil geochemical survey in the area south of the Midway Mine Prospect. The objectives of this program were to verify the results reported by Minnova and Battle Mountain and to delineate potential extensions of the mineralization identified at the Midway Mine prospect. The compilation work that was carried out involved geo-referencing the historic technical drawings from Minnova and Battle Mountain, digitizing the UTM locations of the reported soil and rock sample sites and entering the historic assay data into a GIS database.

Based on the potential for discovery of an epithermal type deposit similar to the historic Republic Mine in Northern Washington State, Minnova had optioned the Rainbow property in 1989 and completed geochemical surveys and sampling over the Midway Mine area. This work identified a large, northeast trending, multi-element (Au, Ag, Pb, Zn, As) soil anomaly (approximately 300 meters x 100 meters in size) located to the east of the Midway Mine prospect. Trench sampling at the Midway Mine returned values of 2.8 g/t gold and 218 g/t silver over a 4.5 meter interval. In 1990 Minnova completed seven drill holes in the area of the Midway Mine and identified several low grade but significant intercepts. DDH 90-01 intersected 23 meters of altered felsic intrusive rock mineralized with pyrite that returned a 10.5 interval averaging 0.326 g/t gold and 52.7 g/t silver. DDH-90-04 also intersected the altered intrusive rocks and returned a 12.5 meter interval that averaged 0.242 g/t gold and 17.0 g/t silver. Minnova

recommended additional drill testing but allowed the option to lapse in the early 1990's due to poor market conditions.

As a component of the 2011 work program, a total of 1,825 historic soil sample sites and data from 640 new soil samples were incorporated into the database for the Rainbow Property. The total cost of the 2011 exploration program was \$111,037.

Exploration work completed by Infinity Minerals Corp. in 2011 confirmed the anomalous gold values reported from mineralization at the Midway Mine area and the Picture Rock Quarry, extended the geochemical anomaly associated with the Midway Mine Prospect and confirmed that significant skarn type copper-gold mineralization is present adjacent to the Rainbow Property. In the Company's 43-101 compliant technical report dated September 15, 2011 (filed on SEDAR) it is recommended that Infinity complete a staged exploration program designed to evaluate potential extensions of known mineralization and assess the potential for additional mineralized zones in the eastern part of the Property. Initial field work will consist of detailed geochemical surveys designed to further evaluate existing mineralized zones and to assess the exploration potential of the eastern parts of the Property.

The Rainbow Property is in the exploration stage. The Company intends to expend existing working capital and a portion of the net proceeds raised from the IPO to carry out the planned next stage exploration program on the Rainbow Property designed to further evaluate gold, copper and silver mineralization identified on the property. The Company will continue to assess other mineral properties and will seek to acquire interests in additional properties if the Company determines such properties have sufficient geologic or economic merit and if the Company has adequate financial resources to complete such acquisitions.

On April 26, 2012, the Company announced that it has commenced Stage 1 of the 2012 exploration program on the Rainbow Project. This initial work will be carried out in three tranches, each budgeted at \$26,000 plus HST. Initial field work consisted of detailed geochemical surveys designed to further evaluate existing mineralized zones and to assess the exploration potential of the eastern parts of the Property. Field crews collected 710 samples during late April and May and samples were submitted to ALS Chemex in British Columbia for assay and analysis. The initial tranches have been fully completed, invoiced in May, 2012 and paid in June 2012.

Our contracted geologist is now reviewing the data and will make another site visit to verify the extent of any significant anomalies identified by the initial 2012 survey. Based upon this review and site visit, the geologist will then send us his complete report on findings of this initial work program.

As a mineral exploration company, the Company does not have any revenue generating operations. The Company relies on cash resources from its initial financings to fund exploration and operating activities.

1.3 SELECTED ANNUAL INFORMATION

<u>For the Year ended</u>	<u>August 31, 2012</u>	<u>August 31, 2011</u>
Total Revenues	\$nil	\$nil
Income or loss before discontinued operations and extraordinary items	<349,181>	<65,525>
Net Loss in total	<349,181>	<65,525>
--Basic and diluted loss per share	<0.03>	<0.01>
Total Assets	758,870	533,874
Total Long term Financial Liabilities	0	0
Cash Dividends Declared	0	0

Notes:

1. The Company was incorporated in November 2010 and therefore has only one audited period completed and that covers only a period of nine months and part of a tenth.
2. The Company is an exploration company, and unless otherwise noted, the loss for the year represents the general and administrative expenses, which include the estimated fair value of the stock options granted by the Company.

1.4 DISCUSSION OF OPERATIONS

The following discussion and analysis of the operating results and financial condition of the Company should be read in conjunction with the audited financial statements and related notes thereto for the financial year from September 1, 2011 to August 31, 2012 .Note that the Company was incorporated on November 12, 2010 and, as such, there are no year-end financial statements prior to November 12, 2010 for comparative purposes.

Financial Information for the Fiscal year Period Ended August 31, 2012

During the twelve month period ended August 31, 2012, the Stage 1 exploration program commenced in April 2012. This involved geological field work and collection of samples forwarded to ALC Chemex for assay and laboratory analysis. Total expenditures on deferred exploration costs during the twelve month period was \$52,500. This compared to expenditures of \$111,037 during the year ended August 31, 2011.

The Company incurred a number of expenditures during the period that were not capitalized to mineral properties, notably \$95,000 for management fees as compared to \$25,000 in the comparable 2011 period;

\$73,130 for professional legal and audit fees as compared to \$39,158 in the comparable 2011 period; \$32,021 for listing and filing fees as compared to nil in 2011; and \$25,278 in office and general expenses as compared to \$1,326 in the comparable 2011 period. In addition, \$111,623 in stock based compensation expense was incurred representing the fair value of stock options granted during the year ended August 31, 2012 as well as \$11,933 spent on transfer agent costs. During the 2011 comparable period, there were no expenses in either of these last two items. As a result of these general and administrative expenses, the Company incurred a net loss from operations of \$349,181 for the period, after consideration of \$4,801 in interest income earned on term deposits and \$4,997 in accrued interest expense. On April 11, 2012 the Company completed its initial public offering of 4,000,000 units at a price of \$0.15 per unit for total gross proceeds of \$600,000 and net proceeds of \$540,000.

1.5 SUMMARY OF QUARTERLY RESULTS

This financial data has been prepared in accordance with International Financial Reporting Standards and all figures are stated in Canadian dollars.

Financial results:	August 31,	May 31,	February 29,	November 30,
Quarter	2012	2012	2012	2011
	4th	3rd	2nd	1st
	(3 months)	(3 months)	(3 months)	(3 months)
Net loss for the period	(63,273)	(71,112)	(52,648)	(349,181)
Basic/Diluted loss per share	0.01	0.01	0.01	0.05

Balance sheet data:

Cash	546,179	619,614	301,049	327,131
Total assets	758,870	803,959	471,490	506,716
Shareholders' Equity	731,261	794,197	413,959	466,607

Financial results:	August 31,	May 31,	February 28,
Quarter	2011	2011	2011
	4th	3rd	2nd
	(3 months)	(3 months)	(3 months)
Net loss for the period	(22,822)	(35,699)	(65,525)
Basic/Diluted loss per share	0.00	0.01	0.01

Balance sheet data:

Cash	368,014	368,014	361,522
Total assets	533,874	533,874	591,658
Shareholders' Equity	517,132	517,132	575,653

The Company has been and is still in the stages of exploring and developing its Rainbow Group property. To date, the Company has not earned any revenues from this project.

1.6 LIQUIDITY

The Company's main source of cash during the year was the closing of the Company's IPO in April 2012. From incorporation to November 30, 2011, the Company raised gross proceeds of \$562,500 in exchange for common shares.

On April 11, 2012 the Company completed its initial public offering of 4,000,000 units at a price of \$0.15 per unit for total gross proceeds of \$600,000 and net proceeds of \$540,000. Each unit was comprised of one common share and one half of one tradable common share purchase warrant. Each whole warrant is exercisable into one additional common share of the Company exercisable at \$0.20 until April 11, 2013 or exercisable at \$0.30 until April 11, 2014.

As at August 31, 2012, as a result of its financing and operating activities, the Company had a positive working capital position of \$545,758 and had current assets of \$573,367 of which \$546,179 was in cash and term deposits. In addition, current liabilities totaling \$27,609 were comprised of unpaid legal fees and accrued liabilities. During the period of inception through to August 31, 2012, the Company spent \$183,694 on deferred exploration costs.

During the year ended August 31, 2012, the Company's cash decreased by \$44,032 principally from a combination of the operating loss of \$349,181, stock based compensation expense of \$111,623, an increase of term deposit by \$219,160, \$479,187 in net proceeds from the IPO, and exploration costs of \$52,500. During the comparable period in 2011 the Company increased cash by \$66,674 principally from an operating loss of \$65,525, increase of term deposits of \$301,340, \$111,037 in deferred exploration costs, and net private placement proceeds of \$562,500.

1.7 CAPITAL RESOURCES

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the identification, acquisition, exploration and development of mineral property interests. Capital is comprised of the Company's shareholders' equity. As at August 31, 2012, the Company's shareholders' equity was \$731,261 (August 31, 2011: \$517,132). The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, except for guarantees.

1.9 TRANSACTIONS BETWEEN RELATED PARTIES

The Company incurred the following transactions with directors, officers and companies that are controlled by directors of the Company.

	Fiscal year Ended August 31, 2012	Fiscal Year Ended August 31, 2011
Management fees	\$ 95,000	\$ 25,000
Stock based compensation	111,623	-
	\$ 206,623	\$ 25,000

1.10 FOURTH QUARTER

The Company commenced its Stage 1 exploration program in April 2012 subsequent to completion of the IPO, also in April, 2012.. The initial Stage is budgeted at \$78,000 with the total cost to complete the 2012 program estimated at \$220,000. A total of \$26,000 was spent during this quarter for geological field work. The anticipated completion date for the entire 2012 program is early November, 2012.

During the quarter, the Stage 1 exploration program that was commenced in April continued with a second tranche of \$26,000. This involved submission of a field sample collection of samples to ALC Chemex for assay and laboratory analysis. The Company incurred a number of expenditures during the quarter that were not capitalized to mineral properties, notably \$30,000 for management fees as compared to \$5,000 in the 2011 comparable quarter; \$21,809 for professional legal and audit fees as compared to \$17,750 in the 2011 comparable quarter; \$nil for listing and filing fees in the 2012 quarter as compared to \$nil in the comparable 2011 quarter, \$11,507 in general and administrative costs as compared to \$ nil in the 2011 comparable quarter and an amount of \$835 was spent on transfer agent costs as compared to \$nil in 2011. As a result of these non-capitalized expenditures, the Company incurred a net loss from operations of \$63,273 for the period, after consideration of \$1,970 in interest income earned on term deposits and \$1,097 in accrued interest expense. In the quarter ended August 31, 2011, the Company incurred a net loss of \$22,822 with \$1,340 in interest income and \$1,381 in accrued interest expenses. On April 11, 2012 the Company completed its initial public offering of 4,000,000 units at a price of \$0.15 per unit for total gross proceeds of \$600,000 and net proceeds of \$540,000.

Given the various operating, financing and investing activities undertaken by the Company during the period, the amount of working capital on hand as at August 31, 2012 was \$545,758.

Accounting policy is to record the Company's mineral properties at cost. Exploration and development expenditures are deferred by adding expenditures to the asset cost account until the properties are brought into production at which time they will be amortized on a unit of production basis. In the event that the

properties are sold or abandoned, or deferred costs are considered not likely recoverable and impairment is assessed, deferred costs will be written off.

The Company has no source of revenue other than minimal amounts of interest earned on term deposits. It is likely the Company will operate at a loss unless and until it is able to put a mineral property into production. The Company will require additional financing in order to fund planned exploration expenditures and cover its general and administrative costs. The Company's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available on acceptable terms, the Company may not be able to operate its business at its maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

1.11 PROPOSED TRANSACTIONS

Nil

1.12 CRITICAL ACCOUNTING ESTIMATES

As at August 31, 2012, the Company's financial statements reflect an asset "Exploration and Evaluation Assets" with a balance of \$183,694. The recoverability of this amount is dependent upon the discovery of economically recoverable reserves, and the ability to attain future profitable production from those reserves, or from their successful disposition. The Company has not determined if its properties contain ore reserves that are economically recoverable and that determination awaits completion of ongoing exploration work to be performed during 2012 and thereafter.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Recent Pronouncements Affecting Changes in Accounting Policies

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011

New standard IFRS 9 “Financial Instruments”

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. This new standard is effective for annual periods beginning on or after January 1, 2013.

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Risk Assessment

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with a major bank in Canada. As all of the Company's cash and cash equivalents are held by one bank in Canada, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company is not exposed to credit risk on recoverable taxes, as these are due from the Government of Canada.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and banking facilities.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at August 31, 2012:

	Within one year	Between one and five years	More than five years
Trade payables and accrued liabilities	\$ 27,609	\$ -	\$ -
	\$ 27,609	\$ -	\$ -

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The

objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency exchange rate risk and commodity price risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Commodity price risk is the risk that market values and future incomes will fluctuate because of changes in commodity prices. The Company does not have any direct exposure to foreign currency exchange rate risk or commodity price risk. The Company had no forward exchange rate contracts or commodity price contracts in place as at August 31, 2012.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at August 31, 2012, the Company did not have any significant interest rate risk. The Company had no interest rate swap or financial contracts in place as at August 31, 2012.

Metal Prices

The principal activity of the Company is the exploration of mineral properties. The feasible development of such properties is highly dependent upon metal prices. A sustained and substantial decline in commodity prices could result in the write-down, termination of exploration and development work or loss of the Company's interests in identified resource properties. Although such prices cannot be forecast with certainty, the Company carefully monitors factors that could affect commodity prices in order to assess the feasibility of its resource properties.

Metal prices are affected by numerous factors beyond the Company's control, including the relative exchange rate between the US and Canadian currencies, global and regional demand for various metals, and political and economic conditions. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities. With the exception of gold and copper, prices of most metals are currently low. There is a risk that the Company's mineral discoveries will not be economically recoverable.

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, the Company's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These include metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and equipment such as drilling rigs to conduct exploration.

1.15 OTHER

Capital Management

The Company defines capital that it manages as shareholders' equity that is expected to be realized in cash. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors.

The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance mineral property interests.

The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources.

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditures and the scope of operations during periods of commodity pricing decline and economic downturn.

There were no changes in the Company's approach to capital management during the period from June 1, 2012 to August 31, 2012.

The Company has a 10% rolling stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. During the twelve month period ended August 31, 2012, the Company granted 940,000 stock options with a fair value of \$111,623. The Company's stock option plan provides for immediate vesting or vesting at the discretion of the Board at the time of the option grant. Stock options granted to investor relations' consultants vest over a twelve month period, with one quarter of such options vesting in each three month period.

Commitments

Flow-through shares

Share capital includes flow-through shares which is a unique Canadian tax incentive pursuant to certain provisions of the Canadian Income Tax Act. Proceeds from the issuance of flow-through shares are used to fund qualified Canadian exploration and evaluation projects and the related income tax deductions are renounced to the subscribers of the flow-through shares. The premium paid for flow-through shares in excess of the market value of the shares without flow-through features, at the time of issue, is credited to other liabilities and recognized in income at the time qualifying expenditures are incurred. The Company recognizes a deferred tax liability with a corresponding charge in the statement of operations and comprehensive loss to income when the qualifying exploration and evaluation expenditures are renounced.

In December 2010, the Company received cash proceeds of \$187,500 in exchange for 2,500,000 flow-through common shares. The Company is committed to expending these funds on qualifying exploration in accordance with the provisions of the Canadian Income Tax Act. As at August 31, 2012, the Company has a remaining obligation to spend approximately \$26,000 by December 31, 2012 in connection with tax benefits renounced.

Disclosure Controls and Procedures

Management has assessed the effectiveness of the Company's disclosure controls and procedures used for the financial statements and MD&A as at August 31, 2012. Although certain weaknesses such as lack of segregation of duties are inherent with small office operations, management has implemented certain controls such as frequent reviews and regular preparations of reconciliations of transactions to ensure absence of material irregularities. Management has concluded that the disclosure controls are effective in ensuring that all material information required to be filed has been made known to them in a timely manner. The required information was effectively recorded, processed, summarized and reported within the time period necessary to prepare the interim filings. The disclosure controls and procedures are designed to ensure effective information required to be disclosed pursuant to applicable securities laws is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Other MD&A Requirements

Summary of outstanding share data as of October 23, 2012:

		Price
Issued shares	13,515,700	
Options	940,000	\$0.15
Warrants	2,000,000	\$0.20 until April 11, 2013, or \$0.30 until April 11, 2014
	400,000	\$0.15 until April 11, 2014
Fully Diluted	16,855,700	

As of August 31, 2012, the Company had:

- a) 13,515,700 common shares outstanding;

- b) 2,000,000 tradable common share purchase warrants exercisable into one common share at \$0.20 until April 11, 2013 or exercisable at \$0.30 until April 11, 2014
- c) 400,000 tradable common share purchase warrants exercisable into one common share at \$0.15 until April 11, 2014
- d) 940,000 stock options outstanding with an exercise price of \$0.15 per share and expiring on September 15, 2016.
- e) As at August 31, 2012, a total of 2,237,130 shares remain in an escrow pool and are scheduled for release in 6 equal tranches every six months from April 11, 2012.

Additional information on the Company is available on SEDAR at www.sedar.com and on the Company's website at www.infinitymineralscorp.com.

Subsequent Events

nil

To the shareholders of INFINITY MINERALS CORP.

MANAGEMENT COMMENTS

The audited financial statements of Infinity Minerals Corp. for the period ended August 31, 2012 and all information contained in this financial report have been approved by the Company's Board of Directors.

The Company complies with its TSX Venture Exchange listing agreement. The Company maintains rigorous systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets are correctly accounted for and protected.

Vancouver, BC October 23, 2012

/s/ Ron Shenton
Ron Shenton,
President