

**INFINITY MINERALS CORP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For The Three Month Period Ended November 30, 2012

## **1.1 DATE**

This management discussion and analysis (“MD&A”), prepared as of January 22, 2013, reviews and summarizes the activities of Infinity Minerals Corp. (“Infinity” or the “Company”) and compares the financial results for the period ended November 30, 2012 with those of the comparable quarter period ended November 30, 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](http://www.sedar.com) and also on the Company’s website at [www.infinitymineralscorp.com](http://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 16, 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 November 30, 2012, a total of \$78,285 has been expended and further field work is not planned for 2012. Mr. Von Einsiedel is in the process of preparing and submitting 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 costs expended in 2012 to date are \$78,285.

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 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.

On April 26, 2012, the Company announced that it had commenced Stage 1 of the 2012 exploration program on the Rainbow Project. This initial work was 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 two tranches have been fully completed, invoiced in May, 2012 and paid in June 2012, and the third tranche was completed and invoiced as at November 30, 2012.

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.

Our contracted geologist is now reviewing the data and, based upon this review, 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**

For the Year ended

August 31, 2012

August 31, 2011

Total Revenues	\$nil	\$nil
Income or loss before discontinued operations and extraordinary items	<336,181>	<65,525>
Net Loss in total	<336,181>	<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 for the Company's three month quarterly period ended November 30, 2012 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 Three Month Period Ended November 30, 2012

The Company commenced its Stage 1 exploration program in April 2012 subsequent to completion of the IPO, also in April, 2012. This initial Stage was budgeted at \$78,000 with the total cost to complete the full next stage program estimated at \$220,000. A total of \$26,285 was spent during this last quarter for geological field work, which completed the \$78,000 budgeted program.

The Company incurred a number of expenditures during the quarter that were not capitalized to mineral properties, notably \$20,000 for management fees as compared to \$15,000 in the 2011 comparable quarter; \$19,571 for professional legal and audit fees as compared to \$15,039 in the 2011 comparable quarter; \$8,000 for consulting fees as compared to \$nil in the 2011 comparable quarter; \$6,949 for listing and filing fees in the 2012 quarter as compared to \$17,350 in the comparable 2011 quarter, \$7,891 in

general and administrative costs as compared to \$1,481 in the 2011 comparable quarter and an amount of \$1,810 was spent on transfer agent costs as compared to \$1,410 in 2011. In addition, travel and entertainment expenses during the quarter amounted to \$10,385 as compared to \$nil in the 2011 comparable quarter. The 2011 period included \$111,623 in stock based compensation compared to \$43,137 in the 2012 comparable quarter. As a result of these non-capitalized expenditures, the Company incurred a net loss from operations of \$117,209 for the period, after consideration of \$1,782 in interest income earned on term deposits and \$1,099 in accrued interest expense. In the quarter ended November 30, 2011, the Company incurred a net loss of \$162,148 with \$800 in interest income and \$1,045 in accrued interest expenses.

Given the various operating, financing and investing activities undertaken by the Company during the period, the amount of working capital on hand as at November 30, 2012 was \$445,550.

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.

Effective November 19, 2012 the Company announced that a new director had been added to the Board of Directors. Earl Lewis has, for over 30 years, successfully built and grown profitable companies, with particular emphasis in the oil and gas services industry.

He has held various senior management and director positions, including being the founder, director and chief executive officer of Wellco Energy Services. After his tenure at Wellco, Mr. Lewis co-founded and was a director and chairman of Builders Energy Services Trust. After an initial public offering and a series of private company acquisitions, Builders eventually became Essential Energy Services with a current market capitalization exceeding \$300-million. Based in Calgary, Alta., Mr. Lewis has a Bachelor of Math degree from the University of Waterloo and is a chartered accountant.

## **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.

	<b>November 30,</b>	<b>August 31,</b>	<b>May 31,</b>	<b>February 29,</b>
<b>Financial results:</b>	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2012</b>

<b>Quarter</b>	<b>1st (3 months)</b>	<b>4th (3 months)</b>	<b>3rd (3 months)</b>	<b>2nd (3 months)</b>
Net loss for the period	(117,209)	(63,273)	(71,112)	(52,648)
Basic/Diluted loss per share	0.01	0.01	0.01	0.01

**Balance sheet data:**

Cash	493,602	546,179	619,614	301,049
Total assets	717,258	758,870	803,959	471,490
Shareholders' Equity	657,189	731,261	794,197	413,959

<b>Financial results:</b>	<b>November 30, 2011</b>	<b>August 31, 2011</b>	<b>May 31, 2011</b>	<b>February 29 2011</b>
<b>Quarter</b>	<b>1st (3 months)</b>	<b>4th (3 months)</b>	<b>3rd (3 months)</b>	<b>2nd (3 months)</b>
Net loss for the period	(349,181)	(22,822)	(35,699)	(65,525)
Basic/Diluted loss per share	0.05	0.00	0.00	0.01

**Balance sheet data:**

Cash	327,131	368,014	340,684	361,522
Total assets	506,716	533,874	554,442	591,658
Shareholders' Equity	466,607	517,132	539,954	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**

During the quarter, the Company raised no additional cash assets.

As at November 30, 2012, as a result of its financing and operating activities, the Company had a positive working capital position of \$445,550 and had current assets of \$505,619 of which \$493,602 was in cash and term deposits. In addition, there were trade payables and accrued liabilities totaling \$60,069 which comprised \$16,145 in unpaid legal fees, \$29,115 in unpaid exploration costs, \$5,000 in unpaid consulting services costs and a number of smaller accrued liabilities. During the quarterly period through to November 30, 2012, the Company spent \$26,285 on deferred exploration costs.

During the quarter ended November 30, 2012, the Company's cash decreased by \$4,045 principally from a combination of the operating loss of \$117,209, an increase of term deposit by \$48,532, and exploration costs of \$26,285, non-cash stock based compensation of \$43,137, a decrease of recoverable taxes of \$15,171 and an increase in trade payables and accrued liabilities of \$31,361. During the comparable period in 2011 the Company decreased cash by \$41,631 principally from an operating loss of \$162,148, non-cash stock based compensation of \$111,623, an increase of \$12,000 in account receivable, and an increase in accounts payable and accrued liabilities of \$23,367.

## 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 November 30, 2012, the Company's shareholders' equity was \$657,189 (August 31, 2012: \$731,261). 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.

	<b>Three Months Ended November 30, 2012</b>	<b>Three Months Ended November 30, 2011</b>
Consulting fees	\$ 3,000	\$ 0
Management fees	20,000	15,000
Stock based compensation	43,137	111,623
	<b>\$66,137</b>	<b>\$126,623</b>

## 1.10 FOURTH QUARTER

N/A

## 1.11 PROPOSED TRANSACTIONS

Nil



## **1.12 CRITICAL ACCOUNTING ESTIMATES**

As at November 30, 2012, the Company's financial statements reflect an asset "Exploration and Evaluation Assets" with a balance of \$209,979. 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 and receipt of a formal report from our contracted geologist- such report is expected to be received during second quarter 2013.

## **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.

#### **IFRS 11 – "Joint Arrangements"**

IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31: Interests in Joint Ventures and SIC 13: Jointly Controlled Entities - Non- Monetary Contributions by Venturers. This new standard is effective January 1, 2013 with earlier application permitted.

#### **IFRS 12 – "Disclosure of Interests in Other Entities"**

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. This new standard is effective January 1, 2013 with earlier application permitted.

#### **IAS 12 – "Income Taxes"**

IAS 12 addresses the recovery of underlying assets. This amendment is effective January 1, 2012 with earlier application permitted.

#### **IAS 27 – “Separate Financial Statements”**

IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 27 requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9. This new standard is effective January 1, 2013 with earlier application permitted.

#### **IAS 28 – “Investments in Associates and Joint Ventures”**

IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This amendment is effective January 1, 2013 with earlier application permitted.

### **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 financial assets and other 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 less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counter party will default. 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 using the effective interest rate 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 operations and comprehensive loss. 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 (loss), 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 derecognized 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 an 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 November 30, 2012:

	<b>Within one year</b>	<b>Between one and five years</b>	<b>More than five years</b>
Trade payables and accrued liabilities	\$ 60,069	\$ -	\$ -
	\$ 60,069	\$ -	\$ -

### **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 November 30, 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 November 30, 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 November 30, 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 September 1, 2012 to November 30, 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 three month period ended November 30, 2012, the Company granted 250,000 stock options with a fair value of \$43,137. 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. The portion of the proceeds received but not yet expensed at the end of the Company's reporting period is disclosed separately in a note as flow-through share commitments.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures with a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada Flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

In December 2010, the Company received cash proceeds of \$187,500 for the issue of 2,500,000 flow-through common shares. The Company is committed to expending these funds on qualifying exploration expenditures by December 16, 2012 in accordance with the provisions of the Canadian Income Tax Act. As at November 30, 2012, the Company has met this commitment and renounced all of these expenditures to investors as tax benefits.

### **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 November 30, 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 January 22, 2013:

		Price

Issued shares	13,515,700	
Options	1,190,000	\$0.16
Warrants*	2,000,000  400,000	\$0.20 until April 11, 2013, or \$0.30 until April 11, 2014  \$0.15 until April 11, 2014
Fully Diluted	17,105,700	

As of November 30, 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) 1,190,000 stock options outstanding with an average exercise price of \$0.16 per share and expiring on November 19, 2017.
- e) As at November 30, 2012, a total of 1,864,275 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](http://www.sedar.com) and on the Company's website at [www:infinitymineralscorp.com](http://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 November 30, 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      January 22, 2013

/s/ Ron Shenton  
Ron Shenton,  
President