Infinity Minerals Corp.

Condensed Interim Financial Report

For the three month period ended November 30, 2012

Expressed in Canadian Dollars - Unaudited

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Infinity Minerals Corp. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheets date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibilities for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) "Ron Shenton"

Ron Shenton

Chief Executive Officer

(signed) "Brian Roberts"

Brian Roberts

Chief Financial Officer

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended November 30, 2012 and November 30, 2011 have not been reviewed by the Company's auditors.

	November 30, 2012		August 31, 2012	
ASSETS				
Current assets				
Cash	$	18,597	$	22,642
Term deposit		475,005		523,537
HST recoverable		12,017		27,188
Total current assets		**505,619**		**573,367**
Non-current assets				
Equipment (Note 3)		1,660		1,809
Exploration and evaluation assets (Note 4)		209,979		183,694
Total non-current assets		**211,639**		**185,503**
TOTAL ASSETS	**$**	**717,258**	**$**	**758,870**
LIABILITIES				
Current liabilities				
Trade payables and other accrued liabilities	$	60,069	$	27,609
TOTAL LIABILIITES		**60,069**		**27,609**
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		1,005,704		1,005,704
Share-based payment reserve (Note 5)		183,400		140,263
Deficit		(531,915)		(414,706)
TOTAL SHAREHOLDERS' EQUITY		**657,189**		**731,261**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**717,258**	**$**	**758,870**

These financial statements were approved and authorized for issue by the Board of Directors on January xx, 2013.

On behalf of the Board of Directors:

"Ron Shenton" Director *"Brian Roberts"* Director

Infinity Minerals Corp.
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Expenses		
Consulting fees (Note 6)	$ 8,000	$ -
Depreciation	149	-
Legal and audit	19,571	15,039
Listing and filing fees	6,949	17,350
Management fees (Note 6)	20,000	15,000
Office and general	7,891	1,481
Stock based compensation	43,137	111,623
Transfer agent	1,810	1,410
Travel and entertainment	10,385	-
Loss before other items	117,892	161,903
Other items		
Interest expense	1,099	1,045
Interest income	(1,782)	(800)
Net oss and comprehensive loss for the period	**$ 117,209**	**$ 162,148**
Loss per share - basic and diluted	**$ (0.01)**	**$ (0.02)**
Weighted average number of shares outstanding	**13,515,700**	**9,515,700**

See accompanying notes to the financial statements

Infinity Minerals Corp.
Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars - Unaudited)

	Share capital				
	Number of shares	Amount	Share- based payment reserve	Deficit	Total
Balance at November 12, 2010	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Issue of incorporation share	1				
Return to treasury	(1)	-	-	-	-
Net loss for the period	-	-	-	(65,525)	(65,525)
Shares issued for cash – private placement	7,500,000	562,500	-	-	562,500
Shares issued for mineral property interests	2,015,700	20,157	-	-	20,157
Balance at August 31, 2011	**9,515,700**	**$ 582,657**	**$ -**	**$ (65,525)**	**$ 517,132**
Shares issued for cash – private placement	4,000,000	600,000	-	-	600,000
Share issue costs	-	(176,953)	-	-	(176,953)
Stock based compensation	-	-	140,263	-	140,263
Net loss for the year	-	-	-	(349,181)	(349,181)
Balance at August 31, 2012	**13,515,700**	**$ 1,005,704**	**$ 140,263**	**$ (414,706)**	**$ 731,261**
Shares issued for cash – private placement	-	-	-	-	-
Share issue costs	-	-	-	-	-
Stock based compensation	-	-	43,137	-	-
Net loss for the period	-	-	-	(117,209)	(74,072)
Balance at November 30, 2012	**13,515,700**	**$ 1,005,704**	**$ 183,400**	**$ (531,915)**	**$ 657,189**

See accompanying notes to the financial statements

Infinity Minerals Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Operating activities		
Comprehensive loss for the period	$ (117,209)	$ (162,148)
Deduct interest income relating to investing activities	(1,782)	(800)
Adjustments for non-cash items:		
Accrued interest	1,099	-
Depreciation	149	-
Stock based compensation	43,137	111,623
Changes in non-cash working capital items:		
Recoverable taxes	15,171	(1,225)
Amount receivable	-	(12,000)
Trade payables and accrued liabilities	31,361	23,367
Net cash flows used in operating activities	(28,074)	(41,183)
Investing activities		
Term deposit	48,532	(748)
Expenditures on deferred exploration costs	(26,285)	(500)
Interest income	1,782	800
Net cash flows used in investing activities	24,029	(448)
Financing activities		
Term deposit	-	-
Expenditures on deferred exploration costs	-	-
Interest income	-	-
Net cash flows used in financing activities	-	-
Net cash flows used in financing activities	-	-
(Decrease) increase in cash	(4,045)	(41,631)
Cash, beginning	22,642	66,674
Cash, ending	**$ 18,597**	**$ 25,043**

Supplemental disclosure with respect to cash flows

There were no significant non-cash investing and financing transactions for the three months ended November 30, 2012.

See accompanying notes to the financial statements

1. Nature and continuance of operations

Infinity Minerals Corp. (the "Company") was incorporated on November 12, 2010, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties.

On November 15, 2010, the Company signed a Mineral Property Purchase Agreement ("MMPA") to acquire a 100% interest in the Rainbow Claim Group comprising of 318 hectares located in the Greenwood Mining Division, Midway, British Columbia. The Company issued 2,015,700 common shares in exchange for mineral property interests of $20,157 to a director of the Company. These shares are subject to an escrow agreement.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses from inception of $531,915, but has raised $1,162,500. The Company needs to raise sufficient capital to fund exploration and evaluation costs, administration expenses and future acquisitions. The Company's ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As at November 30, 2012, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business plan, all of which may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on January 22, 2013 by the directors of the Company. The directors of the Company have the power to amend and reissue the financial statements.

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements do not include all of the information required for full annual financial statements.

Basis of preparation

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's August 31, 2012 annual audited financial statements. The financial statements of the Company have been prepared on an accrual basis and are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The impacts of such estimates are pervasive throughout the 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.

Areas requiring a significant degree of estimation and judgment relate to but are not limited to the recoverability of the carrying value of exploration and evaluation assets and the fair value measurements for financial instruments, the recognition and valuation of provisions for restoration and environmental liabilities, qualifying expenditures for refundable and non-refundable tax credits, timing of receipt of refundable tax credits, the recoverability and measurement of deferred tax assets and liabilities and the fair value estimation of share-based awards. Actual results may differ from those estimates and judgments.

Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits are recorded when there is reasonable certainty that they will be received and when there are no unfulfilled obligations remaining. Government tax credits are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Significant accounting policies and basis of preparation (cont'd)

Financial 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.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of the value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent that they reverse gains previously recognized in accumulated other comprehensive loss/income.

Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. As at November 30, 2012, the Company had no cash equivalents.

Short-term investments

Short-term investments consist of variable rate guaranteed investment certificates ("GICs") with original terms of one year or less but greater than three months. Short-term investments are designated as held-for-trading and are recorded at fair value.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Canadian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax is recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax is recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes (cont'd)

Deferred income tax (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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.

Net loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the year.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

At November 30, 2012, the Company had no restoration and environmental obligations.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Equipment is depreciated over its estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is recognized using the following rates and methods:

	Depreciation rate
Computer equipment	30% declining balance
Office equipment	20% declining balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based Payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purpose (direct employee) or provides services similar to those performed by a direct employee.

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date of the goods and services are received.

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions other than as consideration for exploration and evaluation assets are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of directors. Proceeds from unit placements are allocated between share and warrants using the residual method.

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.

2. Significant accounting policies and basis of preparation (cont'd)

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.

3. Equipment

		Computer equipment
Cost:		
At August 31, 2012	$	1,990
Additions		-
At November 30, 2012		1,990
Depreciation:		
At August 31, 2012		181
Charge for the year		149
At November 30, 2012		330
Net book value:		
At August 31, 2012		1,809
At November 30, 2012	**$**	**1,660**

4. Exploration and evaluation assets

On November 15, 2010, the Company signed a Mineral Property Purchase Agreement ("MMPA") to acquire a 100% interest in the Rainbow Claim Group comprising of 318 hectares located in the Greenwood Mining Division, Midway, British Columbia. The Company issued 2,015,700 common shares in exchange for mineral property interests of $20,157 to a director of the Company. These shares are subject to an escrow agreement.

4. **Exploration and evaluation assets** (cont'd)

The composition of accumulated acquisition and deferred exploration costs is:

	November 30, 2012	August 31, 2012
Acquisition costs:		
Balance, opening	**$ 20,157**	$ **20,157**
Additions	-	-
	$ 20,157	$ 20,157
Deferred exploration costs:		
Balance, opening	$ 163,537	$ 111,037
Assessment Filing Fees with BCMEM	-	500
Equipment rental	7,123	-
Geochemical analysis	-	26,000
Geological Field Work	5,386	26,000
Geological and GIS mapping services	13,776	-
Balance, ending	$ 189,822	$ 163,537
Exploration and evaluation assets, ending	**$ 209,979**	$ 183,694

5. **Share capital**

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At November 30, 2012 there were 13,515,700 issued and fully paid common shares (August 31, 2012 – 13,515,700).

Share issuances

There were no share issuances for the three months ending November 30, 2012.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended November 30, 2012 was based on the loss attributable to common shareholders of $117,209 and $162,148, respectively, and the weighted average number of common shares outstanding of 13,515,700 and 9,515,700, respectively.

Diluted loss per share did not include the effect of 1,190,000 stock options as the effect would be anti-dilutive.

Shares held in escrow

The escrow agreement provides share release equal to 10% upon completion of the IPO and listing on the TSX Venture Exchange, the remaining shares will be released in 6 equal tranches (15%) every six months. As of November 30, 2012, a total of 621,425 shares have now been released and a total of 1,864,275 shares remain in the escrow pool.

5. Share capital (cont'd)

Stock option plan and stock options

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 months 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.

The changes in options during the three month period ended November 30, 2012 were as follows:

	November 30, 2012			August 31, 2012		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	940,000	$	0.15	-	$	-
Options granted	250,000		0.20	940,000		0.15
Options outstanding, end of period	1,190,000	$	0.16	940,000	$	0.15
Options exercisable, end of period	1,190,000	$	0.16	940,000	$	0.15

Details of options outstanding as at November 30, 2012 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
$0.16	4.04 years	1,190,000
$0.16	4.04 years	1,190,000

The weighted average grant date fair value of options granted during the three month period ended November 30, 2012 was approximately $0.17. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	Three month period ended November 30, 2012
Expected life of options	5 years
Annualized volatility	131%
Risk-free interest rate	1.32%
Dividend rate	0%

5. Share capital (cont'd)

Share purchase warrants

The changes in share purchase warrants during the three month period ended November 30, 2012 were as follows:

	November 30, 2012			August 31, 2012		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Outstanding, beginning of period	2,400,000	$	0.19	-	$	-
Granted	-		-	2,400,000		0.19
Exercised	-		-	-		-
Outstanding, end of period	2,400,000	$	0.19	2,400,000	$	0.19

Details of share purchase warrants outstanding as at November 30, 2012 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
$0.19	1.36 years	2,400,000
$0.19	1.36 years	2,400,000

6. Related party transactions

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

Key management personnel compensation

		Three Months Ended November 30, 2012		Three Months Ended November 30, 2011
Consulting fees	$	3,000	$	-
Management fees		20,000		15,000
Stock based compensation		43,137		111,623
	$	66,137	$	126,623

7. Financial risk management

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

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.

7. Financial risk management (cont'd)

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:

	Within one year	Between one and five years	More than five years
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.

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 is not subject to any externally imposed capital requirements.

7. Financial risk management (cont'd)

Classification of financial instruments

The following is an analysis of the Company's financial assets and liabilities measured at fair value as at November 30, 2012:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 18,597	$ -	$ -
Term deposits	$ 475,005	$ -	$ -

	Level 1	Level 2	Level 3
Trade payables and accrued liabilities	$ 60,069	$ -	$ -

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

8. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's non-current assets are located in Canada.

9. Commitments

i) Flow-through

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.