



INFINICO METALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Infinico Metals Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity’s auditor.

INFINICO METALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)
As at,

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	\$ 434,442	\$ 1,767,882
Taxes receivable	29,118	29,753
Prepaid expenses	<u>14,333</u>	<u>46,492</u>
	477,893	1,844,127
Exploration and evaluation assets, net of recoveries (Note 3)	<u>288,194</u>	<u>342,947</u>
	\$ 766,087	\$ 2,187,074
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 98,079	\$ 103,055
Flow-through liability (Note 8)	<u>64,215</u>	<u>508,766</u>
	<u>162,294</u>	<u>611,821</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	11,665,998	11,135,849
Contributed surplus (Note 7)	2,000,375	1,913,664
Accumulated deficit	<u>(13,062,580)</u>	<u>(11,474,260)</u>
	<u>603,793</u>	<u>1,575,253</u>
	\$ 766,087	\$ 2,187,074

Nature of Business and Going Concern (Note 1)

Approved on behalf of the Board on November 27, 2024

Perry Ing Director Tom Panoulis Director

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

INFINICO METALS CORP.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian dollars)

	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Expenses				
Exploration and evaluation costs, net of recoveries (Note 3 and 6)	\$ 573,095	\$ 136,411	\$ 1,288,036	\$ 304,901
Consulting (Note 6)	24,000	16,058	283,275	72,058
Professional fees (Note 6)	53,652	29,176	217,031	128,424
Project investigation	-	32,864	-	36,451
Depreciation (Note 4)	-	-	-	40,775
Investor relations	20,000	30,000	80,000	90,000
Office and general	18,618	15,351	66,841	28,610
Transfer agent and filing fees	5,914	7,696	26,783	31,111
Marketing and shareholder communication	688	2,443	3,739	16,724
Travel	10,024	-	77,907	-
Finance expense (Note 5)	-	-	-	632
	(705,991)	(269,999)	(2,043,612)	(749,686)
Other items				
Loss on foreign exchange	(687)	-	(5,241)	-
Loss on disposal of assets (Note 4)	-	-	-	(144,234)
Loss on termination of lease (Note 4)	-	-	-	(20,754)
Loss on mineral property write-off (Note 3)	-	-	(155,000)	-
Recovery of flow-through premium (Note 8)	270,528	-	615,533	-
Loss and comprehensive loss for the period	\$ (436,150)	\$ (269,999)	\$ (1,588,320)	(914,674)
Weighted average number of shares outstanding	65,538,337	39,129,688	60,622,003	38,612,518
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)

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

INFINICO METALS CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

	Share Capital		Contributed Surplus	Deficit	Total
	Number	Amount			
Balance, December 31, 2022	38,350,155	\$ 9,841,796	\$ 1,522,118	\$ (9,628,400)	\$ 1,735,514
Shares issued for property acquisition	3,125,000	225,000	-	-	225,000
Loss for the period	-	-	-	(914,674)	(914,674)
Balance, September 30, 2023	41,475,155	10,066,796	1,522,118	(10,543,074)	1,045,840
Shares issued for property acquisition	-	-	-	-	-
Private placement	7,999,999	560,000	40,000	-	600,000
Flow-through shares issued	8,275,864	1,158,621	41,379	-	1,200,000
Flow-through premium	-	(579,310)	-	-	(579,310)
Finders' warrants issued	-	(6,748)	6,748	-	-
Share issuance costs	-	(63,510)	-	-	(63,510)
Share-based payments	-	-	303,419	-	303,419
Loss for the period	-	-	-	(931,186)	(931,186)
Balance, December 31, 2023	57,751,018	11,135,849	1,913,664	(11,474,260)	1,575,253
Private placement	4,000,000	260,000	40,000	-	300,000
Flow-through shares issued	3,772,222	416,178	37,722	-	453,900
Flow-through premium	-	(170,983)	-	-	(170,983)
Finders' warrants issued	-	(8,989)	8,989	-	-
Shares issued for property acquisition	2,500,000	75,000	-	-	75,000
Share issuance costs	-	(41,057)	-	-	(41,057)
Loss for the period	-	-	-	(1,588,320)	(1,588,320)
Balance, September 30, 2024	68,023,240	\$ 11,665,998	\$ 2,000,375	\$ (13,062,580)	\$ 603,793

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

INFINICO METALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended September 30,
(Unaudited - Expressed in Canadian dollars)

	2024	2023
Cash Flows from Operating Activities		
Net loss for the period	\$ (1,588,320)	\$ (914,674)
Items not involving cash:		
Depreciation	-	40,775
Recovery of flow-through premium	(615,534)	-
Finance expense	-	632
Write-off of mineral property assets	155,000	-
Loss on disposal of assets	-	144,234
Loss on termination of lease	-	20,754
Changes in non-cash working capital items:		
Taxes receivable	635	85,367
Government Deposits	-	57,302
Prepaid expenses	32,159	8,216
Accounts payable and accrued liabilities	(4,976)	7,919
Net cash used in operating activities	<u>(2,021,036)</u>	<u>(549,475)</u>
Cash Flow from Investing Activities		
Acquisition of exploration and evaluation assets	(25,247)	(100,000)
Disposal of equipment	-	24,200
Net cash used in investing activities	(25,247)	(75,800)
Cash Flows from Financing Activities		
Proceeds from issuance of common shares	300,000	-
Proceeds from issuance of flow through shares	453,900	-
Share issuance costs	(41,057)	-
Lease and termination payments	-	(28,663)
Net cash provided by (used in) financing activities	<u>712,843</u>	<u>(28,663)</u>
Decrease in cash during the period	(1,333,440)	(653,938)
Cash, beginning of period	<u>1,767,882</u>	<u>1,079,181</u>
Cash, end of period	<u>\$ 434,442</u>	<u>\$ 425,243</u>
Non-monetary transactions		
Derecognition of ROU asset on lease termination	\$ -	\$ 26,284
Recognition of flow-through premium liability	170,983	-
Recognition of residual value of warrants	77,722	-
Fair value of warrants issued as finders' fees	8,989	-
Shares issued for acquisition of exploration and evaluation assets	75,000	225,000
Cash paid for interest and taxes	-	-

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

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

1. NATURE OF BUSINESS AND GOING CONCERN**Nature of Business**

Infinico Metals Corp. (the “Company” or “Infinico”) was incorporated in the Province of Ontario on February 27, 2018, and continued to the Province of British Columbia under the Business Corporations Act (British Columbia) in May 2021. On August 23, 2023, the Company changed its name to from Burin Gold Corp. to Infinico Metals Corp. The Company carries on business in one segment, being the identification, acquisition, and exploration of properties for mining of precious and base metals in Canada. The Company’s principal assets are mineral licenses located in Province of Québec. The Company’s registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, BC, V7Y 1K8. The Company’s head office is located at 1507-1030 West Georgia St., Vancouver BC, V6E 2Y3.

On November 22, 2021, the Company completed its Initial Public Offering (“Offering”), and its common shares commenced trading on the TSX Venture Exchange (“TSXV”) on November 24, 2021. The common shares of the Company trade under the symbol “INFM”.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

Going Concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of the Company’s ability to dispose of its interests on an advantageous basis, and the Company’s ability to obtain financing arrangements. While the Company has been successful in obtaining its required funding in the past, there is no assurance that this financing will be extended or that any additional future financing will be available. The Company does not currently have the financial resources to sustain operations in the long term and an inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern. If for any reason the Company is unable to continue as a going concern, then this could have an impact on the Company’s ability to realize assets at their recognized values and to extinguish liabilities in the normal course of business at the amounts stated in the financial statements.

2. BASIS OF PRESENTATION**Statement of Compliance**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). Certain information, in particular the accompanying notes, normally included in the audited annual financial statements prepared in accordance with IFRS Accounting Standards has been omitted or condensed.

Accordingly, these unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended December 31, 2023

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

2. BASIS OF PRESENTATION (continued)**Basis of Measurement**

The financial statements are presented in Canadian dollars unless otherwise indicated and have been prepared on a historical cost basis except for certain financial instruments, which are carried at fair value.

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Deferred income tax

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based compensation

The Company measures the cost of share-based compensations by reference to the fair value of the equity instruments granted. Estimating fair value for share-based compensations requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

The most significant judgments relate to the exploration and evaluation assets of the Company and impairment of exploration and evaluation assets, which are discussed below:

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

2. BASIS OF PRESENTATION (continued)**Critical Accounting Estimates and Judgments (continued)***Impairment of exploration and evaluation assets*

Assets including exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. Determining the recoverable amount of exploration and evaluation assets requires management to make assumptions about future events and circumstances and cash flows.

3. EXPLORATION AND EVALUATION ASSETS**The Nicobi Project**

On September 26, 2023, the Company entered into an agreement (the "Broadback Agreement") with Ressources Broadback Inc. ("Broadback") and an agreement (the "Gadoury Agreement") with Julie Gadoury ("Gadoury") (together the "Nicobi Agreements") whereas Infinico has the option to acquire a 100% interest in the Nicobi Project comprised of 107 claims located 75 km east of Lebel-sur-Quévillon, Québec and 75 km southeast of Infinico's Dalhousie Project.

The Broadback Agreement

The Company can earn a 100% interest in certain mineral claims on the property by making payments, issuing shares and incurring exploration expenditures as follows:

	Cash Payment	Shares	Minimum Exploration Expenditures
September 26, 2023 (<i>issued</i>) ¹	\$ -	1,500,000	\$ -
September 26, 2024 (<i>issued</i>) ²	-	1,500,000	-
September 26, 2025	-	1,000,000	-
September 26, 2026	500,000	1,000,000	4,000,000
	<u>\$ 500,000</u>	<u>5,000,000</u>	<u>\$ 4,000,000</u>

^[1] On September 26, 2023, the Company issued 1,500,000 common shares with a fair value of \$120,000.

^[2] On September 25, 2024, the Company issued 1,500,000 common shares with a fair value of \$45,000.

Broadback retains a 2% NSR royalty, on all its claims under the Broadback Agreement, on all payable metals. The Company has the right to reduce the NSR royalty from 2% to 1% at any time prior to commencement of commercial production by paying \$1,000,000 to Broadback.

The Gadoury Agreement

The Company can earn a 100% interest in certain mineral claims on the property by making payments and issuing common shares as follows:

	Cash Payment	Dollar Value of Shares Issued ¹	Dollar Value of Shares Owed per Agreement ¹
September 26, 2023 (<i>issued</i>) ²	\$ 25,000	\$ 50,000	\$ 50,000
September 26, 2024 (<i>paid and issued</i>) ³	25,000	30,000	50,000
September 26, 2025	50,000	-	50,000
September 26, 2026	100,000	-	100,000
	<u>\$ 175,000</u>	<u>\$ 80,000</u>	<u>\$ 250,000</u>

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

3. EXPLORATION AND EVALUATION ASSETS (continued)**The Nicobi Project (continued)**

^[1] The number of common shares issued will be determined at price per common share equal to the greater of:

- (a) the volume weighted average of the common shares on the TSXV for ten days prior to the date of issuance during on which the TSXV is open;
- (b) \$0.05 per common share, for a maximum of 5,000,000 common shares.

^[2] On September 26, 2023, the Company issued 625,000 common shares with a fair value of \$50,000.

^[3] On September 25, 2024, the Company issued 1,000,000 common shares with a fair value of \$30,000.

Gadoury retains a 2% NSR royalty, on all its claims under the Gadoury Agreement, on all payable metals. The Company has the right to reduce the NSR royalty from 2% to 1% at any time prior to commencement of commercial production by paying \$500,000 to Gadoury.

During the nine-month period ended September 30, 2024, the Company paid \$247 in staking costs.

The Dalhousie Project

On July 31, 2023, the Company entered into an agreement (the “Dalhousie Agreement”) with Globex Mining Enterprises Inc. (“Globex”) to acquire a 100% interest in the Dalhousie Project, comprised of 31 claims located 53 km to the east of Matagami and 4 km South of Ramsay Bay at Lac au Goeland, Québec.

The Company paid \$100,000 and issued 1,000,000 common shares with a fair value of \$55,000. During the period ended September 30, 2024, the Company provided notice of termination of the Dalhousie Agreement to Globex and consequently, wrote-off all capitalized acquisition of \$155,000.

The Hickey's Pond - Paradise Gold Project

The Hickey’s Pond – Paradise Gold Project (the “Hickey’s Pond Project” or “HPPP”) comprised of several staked, optioned, and purchased mineral licenses located in south-eastern Newfoundland on the Burin Peninsula. During the year ended December 31, 2023, the Company abandoned the Hickey’s Pond project and consequently, wrote-off all capitalized costs of \$343,729 at December 31, 2023 associated with HPPP.

As at September 30, 2024 the carrying amount of exploration and evaluation assets is \$288,194 (December 31, 2023 - \$342,947). The following table is a reconciliation of exploration and evaluation assets for the nine-month period ended September 30, 2024.

	Hickey’s Pond	Dalhousie Project	Nicobi Project	Total
Balance, December 31, 2022	\$ 343,729	\$ -	\$ -	\$ 343,729
Cash	-	100,000	-	100,000
Staking	-	-	17,947	17,947
Shares	-	55,000	170,000	225,000
Impairment	(343,729)	-	-	(343,729)
Balance, December 31, 2023	-	155,000	187,947	342,947
Cash	-	-	25,000	25,000
Staking	-	-	247	247
Shares	-	-	75,000	75,000
Impairment	-	(155,000)	-	(155,000)
Balance, September 30, 2024	\$ -	\$ -	\$ 288,194	\$ 288,194

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

3. EXPLORATION AND EVALUATION ASSETS (continued)

During the nine-month period ended September 30, 2024, the Company incurred exploration costs as follows:

	Dalhousie Project	Nicobi Project	Total
Exploration and evaluation costs			
Assay and analytical	\$ 13,911	\$ 111,038	\$ 124,949
Camp costs	3,518	7,745	11,263
Drilling	-	481,187	481,187
Equipment rentals	-	13,166	13,166
Field expenditures	2,111	29,702	31,813
Geological consulting	74,236	168,165	242,401
Surveys	10,361	288,899	299,260
Transportation	6,144	-	6,144
Storage	-	2,311	2,311
Travel	<u>19,371</u>	<u>56,171</u>	<u>75,542</u>
Total	\$ 129,652	\$ 1,158,384	\$ 1,288,036

During the nine-month period ended September 30, 2023, the Company incurred exploration costs as follows:

	Hickey's Pond
Exploration and evaluation costs	
Assay and analytical	\$ 345,810
Camp costs	312,563
Core logging	48,320
Drilling	1,052,585
Equipment rentals	66,188
Field expenditures	154,563
Geological consulting	219,789
Geophysical survey	513,702
Labour	242,695
Road building and excavation	881,276
Transportation	<u>31,463</u>
Total	\$ 3,868,954

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

4. EQUIPMENT AND RIGHT-OF-USE ASSET

	Field		ROU Asset		Total
	Equipment	Vehicles			
Cost					
Balance at December 31, 2022	\$ 212,671	\$ 48,000	\$ 71,912	\$	332,583
Disposals	(212,671)	(48,000)	-		(260,671)
Lease termination	-	-	(71,912)		(71,912)
Balance at December 31, 2023 and September 30, 2024	\$ -	\$ -	\$ -	\$	-
Accumulated Amortization					
Balance at December 31, 2022	\$ 50,973	\$ 5,484	\$ 41,949	\$	98,406
Amortization	33,044	2,737	4,993		40,774
Disposals	(84,017)	(8,221)	-		(92,238)
Lease termination	-	-	(46,942)		(46,942)
Balance at December 31, 2023 and September 30, 2024	\$ -	\$ -	\$ -	\$	-
Carrying Amounts					
As at December 31, 2023	\$ -	\$ -	\$ -	\$	-
As at September 30, 2024	\$ -	\$ -	\$ -	\$	-

During the year ended December 31, 2023, the Company terminated the office lease, paying a termination fee of \$22,072, extinguishing the lease liability and resulting in a loss on termination of lease of \$20,754.

During the year ended December 31, 2023, the Company disposed of field equipment with a book value of \$168,433 for gross proceeds of \$24,200 and recognized a loss on disposal of assets of \$144,234.

5. LEASE LIABILITY

Lease liability	
Balance, December 31, 2022	\$ 32,243
Finance expense	632
Lease payments	(6,590)
Termination of lease	(26,285)
Balance, December 31, 2023 and September 30, 2024	\$ -

6. RELATED PARTY TRANSACTIONS

The remuneration of key management personnel, which includes directors, officers and a consulting company of which an officer is an employee, included amounts disclosed below, during the nine-month period ended September 30, 2024 and 2023 were as follows:

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

6. RELATED PARTY TRANSACTIONS (continued)

	2024	2023
Payments to key management personnel		
Consulting fees	\$ 72,000	\$ 76,605
Management fees	125,285	35,172
Geological consulting	121,520	21,526
Professional fees	45,000	45,000
	\$ 363,805	\$ 178,303

As at September 30, 2024 \$11,269 (December 31, 2023 - \$24,699) is included in accounts payable and accrued liabilities that is due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments.

7. SHARE CAPITAL**Authorized Share Capital**

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

Transactions

During the period ended September 30, 2024, the Company:

- Closed two tranches of a non-brokered private placement (the "2024 Offering") and issued 4,000,000 units of the Company (the "2024 HD Units") at a price of \$0.075 per 2024 HD Unit for gross proceeds of \$300,000 and 2,383,333 charity flow-through units of the Company (the "2024 CFT Units") at a price of \$0.138 per 2024 CFT Unit for gross proceeds of \$328,900 and 1,388,889 flow-through units of the Company (the "2024 FT Units") for gross proceeds of \$125,000. Each 2024 HD Unit is composed of one common share in the capital of the Company and one-half of one common share purchase warrant (each, a "Warrant"), with each whole Warrant exercisable by the holder for a period of twenty-four months from the date of issuance at a price of \$0.15 per Warrant. Each 2024 CFT Unit and 2024 FT Unit is composed of one common share that qualifies as a "flow-through share" (within the meaning of subsection 66(15) of the Income Tax Act (Canada) and section 359.1 of the Taxation Act (Québec))(each, a "FT Share") and one-half of one Warrant, with each whole Warrant exercisable by the holder for a period of twenty-four months from the date of issuance at a price of \$0.15 per Warrant. Using the residual value method, \$676,178 of the proceeds were allocated to share capital with the remaining \$77,722 allocated to warrants.

The Company paid a cash commission of \$19,300 and issued 235,111 compensation warrants with a fair value of \$8,989 and paid professional fees and other share issuance costs of \$21,756. Each compensation warrant entitles the holder thereof to acquire one common share at a price of \$0.15 per common share until the date that is 24 months following the closing date of the 2024 Offering. The compensation warrants were valued using the following Black-Scholes Option-Pricing Model using the following assumptions: expected life of 2 years, an expected dividend of \$nil, a risk-free interest rate of 3.85%, and an expected volatility of 149.57%.

The Company recorded a flow through premium of \$150,150 associated with the flow-through shares issued.

INFINICO METALS CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

7. SHARE CAPITAL (continued)

Transactions (continued)

- Issued 2,500,000 common shares with a fair value of \$75,000 as exploration and evaluation asset acquisition payments (Note 3).

During the year ended December 31, 2023, the Company:

- Closed a non-brokered private placement (the "2023 Offering") and issued 7,999,999 units of the Company (the "2023 HD Units") at a price of \$0.075 per 2023 HD Unit for gross proceeds of \$600,000 and 8,275,864 charity flow-through units of the Company (the "2023 Charity FT Units") at a price of \$0.145 per 2023 Charity FT Unit for gross proceeds of \$1,200,000. Each 2023 HD Unit is composed of one common share in the capital of the Company and one-half of one common share purchase Warrant, with each whole Warrant exercisable by the holder for a period of twenty-four months from the date of issuance at a price of \$0.15 per Warrant. Each 2023 Charity FT Unit is composed of one FT and one-half of one Warrant, with each whole Warrant exercisable by the holder for a period of twenty-four months from the date of issuance at a price of \$0.15 per Warrant. Using the residual value method, \$1,718,621 of the proceeds was allocated to share capital with the remaining \$81,379 allocated to warrants.

The Company paid a cash commission of \$34,305 and issued 181,417 compensation warrants with a fair value of \$6,748 and paid professional fees and other share issuance costs of \$29,205. Each compensation warrant entitles the holder thereof to acquire one common share at a price of \$0.15 per common share until the date that is 24 months following the closing date of the Offering. The compensation warrants were valued using the following Black-Scholes Option-Pricing Model using the following assumptions: expected life of 2 years, an expected dividend of \$nil, a risk-free interest rate of 4.45%, and an expected volatility of 133.37%.

The Company recorded a flow through premium of \$579,310 associated with the flow-through shares issued.

- Issued 1,000,000 common shares with a fair value of \$55,000 for the acquisition of exploration and evaluation assets in accordance with the Globex Agreement (note 3).
- Issued 625,000 common shares with a fair value of \$50,000 for the acquisition of exploration and evaluation assets in accordance with the Gadoury Agreement (note 3).
- Issued 1,500,000 common shares with a fair value of \$120,000 for the acquisition of exploration and evaluation assets in accordance with the Broadback Agreement (note 3).

Escrowed shares

As at September 30, 2024, the Company had 3,125,227 common shares subject to escrow release restrictions which released on November 22, 2024.

Restricted and Deferred Share Units

The Company has a long-term incentive plan ("LTIP"), that permits the grant of Restricted Share Units ("RSU's) and Deferred Share Units (collectively referred to as "Awards") to directors, officers, employees and consultants. Under the terms of the LTIP the maximum number of Awards that can be granted is fixed at 400,000. Further, the maximum number of shares for which Awards and other share compensation issuable to: (i) any participant shall not exceed 1.5% of the outstanding shares within any one-year period, (ii) a consultant shall not exceed 2.5% of the outstanding shares within any one year period; and (iii) insiders as a group shall not exceed 10% of the outstanding shares.

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

7. SHARE CAPITAL (continued)**Restricted and Deferred Share Units (continued)**

No persons providing investor relations activities may be granted Awards under the SBC Plan. All Awards are subject to a mandatory one-year vesting requirement. The Company did not grant any Awards during the period ended September 30, 2024 and 2023.

Stock options

The Company has issued stock options as approved by the Board of Directors who determine the vesting terms and conditions at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors, officers, and technical consultants, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

During the period ended September 30, 2024 and 2023, the Company did not grant any stock options.

Stock option transactions are summarized as follows:

	Number of Options	Weighted average exercise price
Balance, December 31, 2022	3,095,000	\$ 0.53
Granted	3,150,000	0.11
Cancelled	<u>(565,000)</u>	<u>0.55</u>
Balance, outstanding and exercisable, December 31, 2023 and September 30, 2024	5,680,000	\$ 0.30

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

7. SHARE CAPITAL (continued)**Restricted and Deferred Share Units (continued)**

The following stock options were outstanding as at September 30, 2024:

Date of grant	Options Outstanding	Exercise Price	Expiry date	Remaining Life in Years
April 27, 2020	250,000	\$ 0.50	April 27, 2025	0.57
May 21, 2020	250,000	0.50	May 21, 2025	0.64
October 28, 2020	200,000	0.50	October 28, 2025	1.08
May 17, 2021	210,000	0.50	May 17, 2026	1.63
January 31, 2022	1,520,000	0.55	January 25, 2027	2.32
March 1, 2022	100,000	0.45	March 1, 2027	2.42
November 28, 2023	<u>3,150,000</u>	0.11	November 28, 2028	<u>4.16</u>
	<u>5,680,000</u>			<u>3.12</u>

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
Balance, December 31, 2022	4,800,555	\$ 0.79
Expired	(4,800,555)	(0.79)
Granted	<u>8,319,358</u>	<u>0.15</u>
Balance, December 31, 2023	8,319,358	0.15
Granted	<u>4,121,220</u>	<u>0.15</u>
Balance, September 30, 2024	12,440,578	\$ 0.15

The following warrants were outstanding as at September 30, 2024:

Date of grant	Warrants Outstanding	Exercise Price	Expiry date	Remaining Life in Years
November 15, 2023	8,319,358	\$ 0.15	November 15, 2025	1.13
June 19, 2024	3,315,665	\$ 0.15	June 19, 2026	1.72
July 8, 2024	805,555	\$ 0.15	July 8, 2026	1.77

8. FLOW-THROUGH SHARES

Pursuant to the terms of the flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. Expenditures related to the use of flow-through share proceeds are included in exploration and evaluation expenditures but are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors.

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

8. FLOW-THROUGH SHARES (continued)

The Company also indemnifies subscribers of the flow-through shares for taxable amounts that may become due if the Company does not complete its contractual obligations related to the flow-through shares.

During the period ended September 30, 2024, the Company:

- Received \$453,900 in flow-through funds (2023 - \$1,200,000) and recognized \$170,983 in flow-through premium (2023 - \$579,310).
- Incurred eligible flow-through expenditures of \$1,287,747 (2023 - \$nil).
- Reported a recovery of flow-through premium of \$615,533 and as at September 30, 2024 had a remaining flow-through premium liability of \$64,215 (December 31, 2023 - \$508,766) and \$220,026 in unspent flow-through funds (December 31, 2023 - \$1,053,873).

9. FINANCIAL AND CAPITAL RISK MANAGEMENT**Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

Risk management

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous year unless otherwise stated in the note.

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

The Company is exposed through its operations to the following financial risks:

INFINICO METALS CORP.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars)

For the nine months ended September 30, 2024 and 2023

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash as the entire amount is held at a single major Canadian financial institution. Credit risk on cash is minimized by depositing with only reputable financial institutions.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Foreign currency risk

The Company may at times be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

10. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration and evaluation of mineral properties in Canada, refer to Note 3.