INFINITUM COPPER CORP.

(Formerly Bayshore Petroleum Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

NOTICE TO READER

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

The accompanying unaudited condensed interim consolidated financial statements of Infinitum Copper Corp. have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Infinitum Copper Corp.'s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed interim financial statements by an entity's auditor.

Stephen Robertson
President and CEO

Melinda Hsu, CPA CGA
Chief Financial Officer

Vancouver, Canada
November 25, 2022

INFINITUM COPPER CORP.
(Formerly Bayshore Petroleum Corp.)

Contents

INFINITUM COPPER CORP.

(Formerly Bayshore Petroleum Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Note	September 30, 2022	December 31, 2021
ASSETS		$	$
Current assets			
Cash		258,823	2,812,783
Restricted cash	4	28,750	-
GST receivable		23,011	7,098
Prepaid expenses		185,465	40,883
Due from Bayshore Petroleum Corp.	3, 7 (b)	-	89,435
		496,049	2,950,199
Non-current assets			
Exploration and evaluation assets	5	3,247,052	198,334
VAT receivable		236,638	46,423
		3,483,690	244,757
TOTAL ASSETS		3,979,739	3,194,956
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		361,725	141,300
Due to related parties	3, 7 (b)	93,332	-
		455,057	141,300
SHAREHOLDERS' EQUITY			
Share capital	6	9,725,438	4,244,906
Reserves	6	422,446	56,952
Deficit		(6,623,202)	(1,248,202)
		3,524,682	3,053,656
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,979,739	3,194,956

Nature of operations and continuance of operations (Note 1)

Subsequent events (11)

Approved by the Board of Directors:

(Signed) *Mahendra Naik* Director

(Signed) *Garrick Mendham* Director

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

INFINITUM COPPER CORP.

(Formerly Bayshore Petroleum Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2022**	**2021**	**2022**	**2021**
		$	$	$	$
Exploration expenses	5	857,050	146,460	1,962,575	169,831
Administrative expenses					
Accounting and audit		3,660	22,221	52,252	34,109
Consulting	7	108,345	15,731	254,567	99,101
Foreign exchange loss		13,828	(980)	32,852	1,146
Investor relations and travel		100,615	2,232	314,139	8,778
Legal		36,417	684	262,841	684
Listing, filing and regulatory		11,993	-	133,022	20,000
Management fees	7	112,500	94,500	312,500	265,758
Office and general expense		31,726	8,643	63,169	13,062
RTO transaction costs		-	-	1,645,022	-
Share-based compensation		160,777	-	342,061	75,000
		579,861	143,031	3,412,425	517,638
Net loss for the period		(1,436,911)	(289,491)	(5,375,000)	(687,469)
Other comprehensive income					
Exchange differences on translation to reporting currency		12,418	(3,375)	4,883	(3,375)
Total comprehensive loss for the period		(1,424,493)	(292,866)	(5,370,117)	(690,844)
Loss per share, basic and diluted		(0.03)	(0.01)	(0.13)	(0.06)
Weighted average number of common shares outstanding					
- basic and diluted		45,977,886	21,787,417	39,914,647	11,392,895

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

INFINITUM COPPER CORP.

(Formerly Bayshore Petroleum Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

		Common Shares			Reserves					
	Note	**Number of shares**	**Amount**	**Common shares subscribed**	**Foreign exchange reserve**	**Finder's warrants**	**Share based compensation**	**Total**	**Deficit**	**Total shareholders' equity**
		#	$	$	$	$	$	$	$	$
Balance as at December 31, 2020		1	1	-	-	-	-	-	-	1
Cancellation of seed share		(1)	(1)	-	-	-	-	-	-	(1)
Shares issued:								-		
Asset Purchase Agreement	6(b)	10,000,000	170,277	-	-	-	-	-	-	170,277
Option agreement	6(b)	533,334	80,000	-	-	-	-	-	-	80,000
Executive management compensation	6(b)	500,000	75,000	-	-	-	-	-	-	75,000
Private placements	6(b)	14,908,333	3,130,000	-	-	-	-	-	-	3,130,000
Share issue costs	6(b)	-	(107,965)	-	-	31,665	-	31,665	-	(76,300)
Shares subscribed		-	-	130,010	-	-	-	-	-	130,010
Net loss for the period		-	-	-	(3,375)	-	-	(3,375)	(687,469)	(690,844)
Balance as at September 30, 2021		**25,941,667**	**3,347,312**	**130,010**	**(3,375)**	**31,665**	**-**	**28,290**	**(687,469)**	**2,818,143**
Private placements	6(b)	2,397,514	959,006	(130,010)	-	-	-	-	-	828,996
Share issue costs	6(b)	-	(61,412)	-	-	18,011	-	18,011	-	(43,401)
Net loss for the year		-	-	-	-	-	-	-	(560,733)	(560,733)
Other comprehensive income		-	-	-	10,651	-	-	10,651	-	10,651
Balance as at December 31, 2021		**28,339,181**	**4,244,906**	**-**	**7,276**	**49,676**	**-**	**56,952**	**(1,248,202)**	**3,053,656**
Shares issued per:										
Reverse takeover ("RTO")*	6(b)	5,766,361	1,485,748	-	-	-	-	-	-	1,485,748
Shares issued per option agreements	6(b)	6,730,438	2,692,175	-	-	-	-	-	-	2,692,175
Private placement	6(b)	5,698,953	1,139,791	-	-	-	-	-	-	1,139,791
Share issue costs	6(b)	-	(68,536)	-	-	18,550	-	18,550	-	(49,986)
Debt settlement		1,156,770	231,354	-	-	-	-	-	-	231,354
Share-based compensation	6(d)(e)	-	-	-	-	-	342,061	342,061	-	342,061
Net loss for the year		-	-	-	-	-	-	-	(5,375,000)	(5,375,000)
Other comprehensive income		-	-	-	4,883	-	-	4,883	-	4,883
Balance as at September 30, 2022		**47,691,703**	**9,725,438**	**-**	**12,159**	**68,226**	**342,061**	**422,446**	**(6,623,202)**	**3,524,682**

** 2,051,991 of common shares issued to certain of Bayshore Petroleum Corp. shareholders are in the process of being cancelled.*

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

INFINITUM COPPER CORP.

(Formerly Bayshore Petroleum Corp.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Nine months ended September 30,	
	2022	**2021**
	$	$
Operating activities		
Net loss for the period	(5,375,000)	(687,469)
Items not affecting cash:		
Disposal of exploration and evaluation assets	1	-
Management fee paid in common shares	-	75,000
Exploration expenses paid in common shares	231,354	-
Share-based compensation	342,061	-
RTO transaction costs	1,645,022	-
Changes in items of working capital:		
Restricted cash	(28,750)	-
GST receivable	(11,176)	(5,535)
Prepaid expenses	(144,582)	(19,491)
Due to related party	39,832	-
Due from Bayshore Petroleum Corp.	-	(89,435)
Accounts payable and accrued liabilities	200,447	56,273
Net cash used in operating activities	(3,100,791)	(670,657)
Investing activities		
Cash received from Asset Purchase Agreement	-	170,276
Cash received on the acquisition of BSH	1,394	-
Cash paid in connection with the acquisition of BSH	(10,565)	-
Expenditures on exploration and evaluation assets	(356,544)	(118,333)
VAT receivable	(173,136)	(7,879)
Net cash (used in) / generated from investing activities	(538,851)	44,064
Financing activities		
Repayment of seed share	-	(1)
Net proceeds from issuance of common shares	1,089,805	3,053,700
Common shares subscribed	-	130,010
Net cash generated from financing activities	1,089,805	3,183,709
Effect of foreign exchange on cash	(4,123)	(3,375)
Net increase in cash	(2,553,960)	2,553,741
Cash - beginning of the period	2,812,783	1
Cash - end of the period	258,823	2,553,742
Supplemental disclosure with respect to cash flows:		
Common share issued pursuant to the RTO transaction	1,485,748	-
Common shares issued for exploration expenses	231,354	-
Common shares issued for exploration and evaluation asset	2,692,175	80,000

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

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Infinitum Copper Corp. (formerly Bayshore Petroleum Corp.) (the "Company" or "INFI") was incorporated in Alberta, Canada under the Business Corporations Act on October 16, 2003 under the name of Bayshore Petroleum Corp. ("Bayshore" or "BSH"). The Company changed its name to Infinitum Copper Corp. on February 18, 2022 and continued into British Columbia on February 25, 2022. The Company's registered office is located at 1700-1055 Hastings Street West, Vancouver, BC, V6E 2E9.

Infinitum Copper Mining Corp. (formerly Infinitum Copper Corp.) ("Infinitum Copper" or "ICC") was incorporated on April 21, 2020 under the name of Arabian Shield Resources Inc. and changed its name to Infinitum Copper Corp. on March 18, 2021. The Company is domiciled in Canada under the Business Corporations Act (British Columbia). Its registered office is located at 1700-1055 Hastings Street West, Vancouver, BC, V6E 2E9.

On February 25, 2022, BSH completed the acquisition of ICC pursuant to an amalgamation agreement dated June 25, 2021 (and amended on August 27, 2021, October 25, 2021 and February 2, 2022) (the "Transaction"). For accounting purposes, the Transaction constitutes a reverse takeover ("RTO") (see Note 3).

In connection with the completion of the RTO, BSH changed its name to Infinitum Copper Corp. and ICC changed its name to Infinitum Copper Mining Corp. The Company continues to be a reporting issuer in British Columbia and Alberta, and the Company's common shares were re-listed on the TSX Venture Exchange (the "Exchange") under the new symbol "INFI", effective March 16, 2022. On May 31, 2022, the Company commenced trading on the OTCQB market under the ticker symbol "INUMF".

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

A summary of the Company's working capital and its accumulated deficit is as follows:

	September 30, 2022	December 31, 2021
	$	$
Working capital	40,992	2,808,899
Deficit	(6,623,202)	(1,248,202)

Subsequent to September 30, 2022, the Company announced its non-brokered private placement financing for gross proceeds of $1,000,000 at a price of $0.13 per unit (see Note 11). Management's plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs.

The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated revenues and is considered to be in the exploration stage. There are material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS *(Continued)*

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material.

Since February 2020, the coronavirus ("COVID-19") has caused a slowdown in the global economy and volatility in the global financial markets. Continuing rapid spread of COVID-19 may adversely affect the Company's financial position, results of operations and cash flows in future periods.

In February 2022, Russian military forces invaded Ukraine. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. The Company does not have operations within Russia or Ukraine and it is not expected that the conflict will directly impact the Company's operations. However, the long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain and could adversely affect the Company's business, operation costs, and financial condition including our ability to access capital.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021, which were prepared in accordance with IFRS as issued by the IASB.

(b) Basis of preparation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed interim consolidated financial statements were approved by the board of directors to issue on November 25, 2022.

In preparing these condensed interim consolidated financial statements, management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual amounts incurred by the Company may differ from these values.

The Company's accounting policies and significant judgements and estimates applied in these condensed interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2021.

(c) Significant accounting policies and critical accounting estimates

The Company's significant account policies and critical accounting estimates can be read in Note 3 to ICC's audited consolidated financial statements as at and for the year ended December 31, 2021.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

2. BASIS OF PREPARATION *(Continued)*

(d) Basis of consolidation

Subsidiaries

The condensed interim consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (its "subsidiaries"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

The Company's subsidiaries are:

	% Of Ownership	Jurisdiction	Principle Activity
Exploraciones Margaritas, S.A.P.I de C.V.	100%	Mexico	Exploration
Infinitum Copper Mining Corp.	100%	Canada	Exploration
Infinitum Mining LLC.	100%	USA	Holding Company

Effective on July 31, 2022, the Company has become the sole member of Infinitum Mining LLC. On May 19, 2022, Bayshore Oil Technology Corp., the Company's 100% owned subsidiary, was voluntarily dissolved.

Inter-company balances and transactions

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

3. REVERSE TAKEOVER TRANSACTION

Effective February 25, 2022, BSH completed its acquisition of ICC and issued 28,339,181 common shares to acquire all of the issued and outstanding common shares of ICC.

For accounting purposes, the Transaction constitutes a reverse takeover, as the shareholders of ICC acquired control of the consolidated entity upon the completion of the Transaction. The reverse takeover does not constitute a business combination under IFRS 3 and is being accounted for as a capital transaction in accordance with IFRS 2, *Share-based payments*. ICC is treated as the accounting parent (legal subsidiary), and BSH is treated as the accounting subsidiary (legal parent) on closing of the Transaction, subject to a deemed issuance of shares and re-capitalization of the Company's equity.

As ICC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements at their historical carrying values. BSH's results of operations have been included from February 25, 2022, the date of completion of the Transaction.

Pursuant to the terms and conditions of the Transaction, BSH consolidated its common shares on the basis of 20:1 to have 5,918,536 common shares outstanding immediately prior to the closing of the Transaction; of which, issued to certain of BSH's shareholders, 152,175 common shares were cancelled and 2,051,991 common shares are in the process of being canceled. Thus effectively, upon the cancelation of these shares, ICC will have deemed issued 3,714,370 common shares to acquire BSH.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

3. REVERSE TAKEOVER TRANSACTION ("RTO") *(Continued)*

The acquisition of BSH is accounted for as 3,714,370 common shares deemed issued at the fair value of $0.40 per share to acquire the net identifiable assets and liabilities of BSH. This $1,485,748 equity consideration is allocated to BSH's net identifiable assets and liabilities with the residual accounted for as a listing expense on the condensed interim consolidated statement of net loss and comprehensive loss.

Pursuant to the terms of the Transaction, ICC advanced $100,000 to BSH to pay towards the expenses in connection with the closing of the RTO.

The total purchase price has been allocated as follows:

	$
Fair value of consideration – 3,714,370 common shares	1,485,748
Amounts advanced to BSH by ICC	100,000
	1,585,748
Identifiable net liabilities of BSH acquired by ICC:	
Cash	1,394
GST receivable	4,737
Accounts payable and accrued liabilities	(65,405)
Total fair value of identifiable net liabilities acquired by ICC	(59,274)
Listing expense	1,645,022

In addition, the Company incurred $30,000 of filing fees and $205,515 of legal fees in connection with the reverse takeover Transaction recognized in the condensed interim consolidated statements of net loss and comprehensive loss during the nine months ended September 30, 2022.

4. RESTRICTED CASH

The Company has an Electronic Data Interchange ("EDI") account with a major financial institution. As at September 30, 2022, the financial institution holds $28,750 in a Guaranteed Investment Certificate (December 31, 2021 - $Nil) as a collateral on an EDI account.

5. EXPLORATION AND EVALUATION ASSETS ("E&E")

(a) La Adelita property, Mexico

On February 22, 2021, the Company signed an option agreement (the "Option Agreement") with Minaurum Gold Inc. ("MGG") where the Company can option into 80% interest of the La Adelita Property.

Pursuant to the Option Agreement, the Company is required to:

a) issue 200,000 common shares to the original owner of the La Adelita Property (issued; see Note 6(b));

b) issue to MGG common shares totaling 16% of its post-initial public offering shares outstanding while raising a minimum of $4,000,000. (6,105,438 common shares were issued to MGG at a deemed share price of $0.40 per share on February 25, 2022);

5. EXPLORATION AND EVALUATION ASSETS ("E&E") ***(Continued)***

(a) La Adelita property, Mexico *(Continued)*

c) make the following cash payments:

i. $50,000 upon signing the Option Agreement (paid);
ii. $43,333 reimbursement for the mining taxes (paid);
iii. $25,000 by August 22, 2021 (paid); and

d) incur $3 million in work expenditures over five years (an aggregate total of $2,283,329 were spent as of September 30, 2022).

Pursuant to the Option Agreement, the Company also made a cash payment of $100,000 in February 2022 to MGG as the Company extended the timeframe of completing its RTO by six months.

MGG's 20% retained interest will be carried until the Company carries out a total of $4.75 million in work expenditures, along with completing both a mineral resource calculation, in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, and a preliminary economic assessment.

The original owner retains a 2% net smelter royalty on the La Adelita Property.

(b) Hot Breccia project, USA

On April 19, 2022, the Company entered into an Assignment and Amending Agreement (the "Agreement") whereby the Company assumed the rights and obligations of an option agreement to acquire a 100% interest in the Hot Breccia Project in exchange for a cash payment of $256,544 (US $203,153) (paid).

To exercise the option agreement, and acquire a 100% interest in the Hot Breccia Project, the Company is required to:

a) make cash payments in the aggregate of $598,000:

i. $123,000 on or before December 6, 2022;
ii. $100,000 on or before December 6, 2023;
iii. $100,000 on or before December 6, 2024; and
iv. $275,000 on or before December 6, 2025

b) issue and deliver an aggregate of 3,125,000 of the Company's common shares as follows:

i. 625,000 shares upon the TSX-V approval (issued on May 9, 2022);
ii. 125,000 shares on December 6, 2022;
iii. 250,000 shares on December 6, 2023;
iv. 500,000 shares on December 6, 2024;
v. 875,000 shares on December 6, 2025; and
vi. 750,000 shares on December 6, 2026

c) incur exploration expenditures in the aggregate of $5,500,000 over the period of five years.

(c) Saudi Arabia mining investment license, Saudi Arabia

On March 19, 2021, the Company signed an asset purchase agreement (the "Asset Purchase Agreement") with Arabian Shield Resources Limited ("ASRL") whereby the Company issued 10,000,000 common shares to the shareholders of ASRL in exchange for $170,276 (US$135,000) and Saudi Arabia Mining Investment License (the "License") valued at $1. During the nine months ended September 30, 2022, the Company decided to not renew the License and $1 of the value was written down.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS ("E&E") *(Continued)*

(d) E&E expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or asset acquisition which are recognized as assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in the consolidated statement of comprehensive loss.

Exploration and evaluation assets	La Adelita (Mexico)	Hot Breccia (USA)	Saudi Arabia License	Total
Acquisition costs	$	$	$	$
Balance, as of January 1, 2021	-	-	-	-
Addition	198,333	-	1	198,334
Balance, as of December 31, 2021	198,333	-	1	198,334
Addition	2,542,175	506,544	-	3,048,719
Disposal	-	-	(1)	(1)
Balance, as of September 30, 2022	2,740,508	506,544	-	3,247,052

A summary of exploration and evaluation expenditures expensed during the three and nine months ended September 30, 2022 and 2021 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
Mineral exploration expenses	2022	2021	2022	2021
	$	$	$	$
La Adelita (Mexico)	804,243	146,460	1,845,691	169,831
Hot Breccia (USA)	52,807	-	96,155	-
Saudi Arabia License	-	-	20,729	-
Total	857,050	146,460	1,962,575	169,831

Mineral exploration expenses for the nine months ended September 30, 2022	La Adelita (Mexico)	Hot Breccia (USA)	Saudi Arabia License	Total
	$	$	$	$
Assey and analyses	203,658	-	-	203,658
Consulting and reporting	31,835	2,541	-	34,376
Claim, land and license fees	63,249	56,992	20,729	140,970
Drilling	518,775	-	-	518,775
Equipment rental	25,328	-	-	25,328
Freight and transportion	15,197	-	-	15,197
Geophysical	166,599	-	-	166,599
Mineral taxes	141,360	-	-	141,360
Geology and exploration	679,569	36,622	-	716,191
	1,845,691	96,155	20,729	1,962,575

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

5. EXPLORATION AND EVALUATION ASSETS ("E&E") *(Continued)*

(d) E&E expenditures *(Continued)*

Mineral exploration expenses for the nine months ended September 30, 2021	La Adelita (Mexico)	Hot Breccia (USA)	Saudi Arabia License	Total
	$	$	$	$
Consulting and reporting	19,842	-	-	19,842
Claim, land and license fees	55,162	-	-	55,162
Mineral taxes	38,900	-	-	38,900
Geology and exploration	42,603	-	-	42,603
Other property related expenses	13,324	-	-	13,324
	169,831	-	-	169,831

Cumulative mineral exploration expenses up to September 30, 2022	La Adelita (Mexico)	Hot Breccia (USA)	Saudi Arabia License	Total
	$	$	$	$
Assey and analyses	229,244	-	-	229,244
Consulting and reporting	55,729	2,541	-	58,270
Claim and land fees	102,149	56,992	20,729	179,870
Drilling	518,775	-	-	518,775
Equipment rental	25,328	-	-	25,328
Freight and transportion	15,197	-	-	15,197
Geophysical	166,599	-	-	166,599
Mineral taxes	196,377	-	-	196,377
Geology and exploration	960,563	36,622	-	997,185
Other property related expenses	13,368	-	-	13,368
	2,283,329	96,155	20,729	2,400,213

6. SHARE CAPITAL

(a) Authorized

As of September 30, 2022 and December 31, 2021, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

6. SHARE CAPITAL *(Continued)*

(b) Share issuances

For the nine months ended September 30, 2022

Private placement

On July 19, 2022 and August 5, 2022, the Company closed its non-brokered private placement financing with an aggregate total of 5,698,953 units issued for gross proceeds of $1,139,791. Each unit consisted of one common share of the Company and one transferable common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share for a period of two years from closing at a price of $0.45.

In connection with this financing, the Company paid finders' fee consists of cash fee in the aggregate of $37,100 and an aggregate of 185,500 non-transferable share purchase warrants ("finder's warrants"). Each finder's warrants entitles the holder to purchase of one common share for a period of two years from closing at a price of $0.20.

Common shares issued for debt settlement

In August 2022, the Company entered into a share for debt settlement agreement with an arm's length contractor, pursuant to which the Company issued 1,156,770 common shares at a deemed value of $0.20 per share in full satisfaction of drilling expenses of $231,354 (US $180,000).

Common shares in connection with RTO

Pursuant to the terms and conditions of the Transaction, BSH consolidated its common shares on a basis of 20:1, so as to have 5,918,536 common shares outstanding immediately prior to closing of the Transaction, of which, issued to certain of BSH's shareholders, 152,175 common shares were cancelled and 2,051,991 common shares are in the process of being canceled. Thus effectively, ICC was deemed to have issued 3,714,370 common shares at $0.40 per share to acquire net identifiable liabilities of BSH.

Common shares issued to MGG

On February 25, 2022, pursuant to the Option Agreement (Note 5(a)), ICC issued 6,105,438 shares to MGG (equating to 16% of the outstanding shares of ICC on closing of the RTO). Such shares are subject to resale restrictions expiring as to 20% on closing and an additional 20% every three months thereafter over 12 months.

Escrow shares

Following the closing of the RTO on February 25, 2022, ICC had a total of 40,863,155 common shares and 3,285,506 warrants outstanding. The number of common shares will be reduced to 38,158,989 upon the cancelation of 2,204,166 common shares held by certain BSH shareholders.

Of the common shares outstanding, a total of 8,792,602 were issued to "principals" and are subject to surplus escrow, to be released as to 5% on closing, 5% after six months, an additional 10% after 12 and 18 months, an additional 15% after 24 and 30 months, and the remaining 40% after 36 months; a total of 7,150,000 common shares held by non-principals are subject to value escrow, to be released as to 10% on closing and an additional 15% every six months thereafter over 36 months. Also, 39 non-principal shareholders holding an aggregate of 8,533,331 shares are subject to resale restrictions expiring as to 20% on closing and an additional 20% every month thereafter over four months.

6. SHARE CAPITAL *(Continued)*

(b) Share issuances *(Continued)*

Common shares issued in connection with Hot Breccia project

On May 9, 2022, pursuant to the option agreement to acquire a 100% interest in the Hot Breccia project (Note 5(b)), the Company issued 625,000 shares to the Optionors at a deemed market value of $0.40 per share for a total of $250,000.

For the year ended December 31, 2021

On March 19, 2021, the Company issued 10,000,000 common shares in exchange for $170,276 (US$135,000) and Saudi Arabia Mining Investment License valued at $1 pursuant to the Asset Purchase Agreement (Note 4(b)).

On April 6, 2021, the Company issued 200,000 common shares at a value of $30,000 pursuant to the Option Agreement (Note 4(a)) and issued 333,334 common shares at a value of $50,000 as a finder's fee to a former director for his effort in locating the La Adelita property.

On May 13, 2021, the Company issued 500,000 common shares to its Chief Executive Officer at a value of $75,000 pursuant to the Executive Management Agreement dated May 13, 2021.

On July 5, 2021, the Company completed a non-brokered private placement by issuing 7,600,070 common shares at a price of $0.15 per common share for gross proceeds of $1,140,011.

On July 15, 2021, the Company completed another non-brokered private placement by issuing 3,733,263 common shares at a price of $0.15 per common share for gross proceeds of $559,989.

On September 20, 2021, the Company completed the first tranche of a non-brokered private placement by issuing 1,087,500 units ("Units") at a price of $0.40 per Unit for gross proceeds of $435,000. Each Unit consists of one common share and one-half of one warrant. Each whole warrant is exercisable into a common share at $0.60 for two years until September 20, 2023. In connection of this first tranche of the private placement, the Company paid $6,650 cash finder's fees and issued 16,625 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until September 20, 2023.

On September 24, 2021, the Company completed the second tranche of the private placement by issuing 2,487,500 Units at a price of $0.40 per Unit for gross proceeds of $995,000. The warrants associated with this tranche expire on September 24, 2023. In connection of this second tranche, the Company paid $69,650 cash finder's fees and issued 174,125 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until September 24, 2023.

On October 7, 2021, the Company completed the third tranche of the private placement by issuing 2,072,500 Units at a price of $0.40 per Unit for gross proceeds of $829,000. The warrants associated with this tranche expire on October 7, 2023. In connection of this third tranche, the Company paid $37,590 cash finder's fees and issued 93,975 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until October 7, 2023.

On October 25, 2021, the Company completed the fourth tranche of the private placement by issuing 325,014 Units at a price of $0.40 per Unit for gross proceeds of $130,006. The warrants associated with this tranche expire on October 25, 2023. In connection of this fourth tranche, the Company paid $5,810 cash finder's fees and issued 14,525 finder's warrants, whereby each finder's warrant is exercisable into a common share at $0.60 until October 25, 2023.

As such, the total issued and outstanding number of the Company's common shares was 28,339,181 as of December 31, 2021.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

6. SHARE CAPITAL (Continued)

(c) New equity incentive plan

On March 14, 2022, the Board of Directors of ICC approved the adoption of a new equity incentive plan (the "New Plan") based on the new share-based compensation policy adopted by the TSXV. The New Plan is a 10% rolling plan for purposes of TSXV rules and contemplates the award of additional share-based compensation beyond stock options, including Deferred Share Units, Restricted Share Units, Performance Share Units, Share Appreciation Rights and Stock Purchase Rights. The New Plan was approved by the Company's shareholders and the TSXV in October 2022.

(d) Deferred share units ("DSUs") and restricted share units ("RSUs")

During the nine months ended September 30, 2022, the Company granted an aggregate of 975,000 DSUs (2021 - None) to the Company's directors and 600,000 RSUs (2021 – None) to certain officers and advisors of the Company in accordance with the New Plan. The DSUs vest 24 months and RSUs vest 36 months plus one day from the grant date. Upon vesting, the DSUs and RSUs will be payable in common shares, or the cash equivalent, or any combination of common shares and cash, as determined by the Company.

The compensation expense was calculated using the fair value method based on the trading price of the Company's shares on the grant date. As such, these DSUs and RSUs were valued at $0.40 per units and during the nine months ended September 30, 2022, the Company recorded the share-based compensation of $105,637 (2021 - $Nil) in connection with DSUs and $41,354 (2021 - $Nil) in connection with RSUs.

(e) Stock options

During the nine months ended September 30, 2022, the Company granted an aggregate of 2,075,000 stock options to purchase common shares in the Company to certain directors, officers, employees, consultants, and advisors of the Company in accordance with the Company's New Plan. The stock options are exercisable at a price of $0.40 per common share for a term of five years, vesting over 36 months with 1/3 every 12 months. As of September 30, 2022, there were no options exercisable.

For the nine months ended September 30, 2022, the Company recorded $195,070 (2021 - $Nil) of the share-based compensation in connection with stock options using the Black-Scholes pricing model. The continuity of options for the nine months ended September 30, 2022 and the year ended December 31, 2021 is as follows:

	Number of options	Weighted average exercise price	Weighted average value assigned	Weighted average remaining contractual life
	#	$	$	(years)
Balance, December 31, 2021 and 2020	-	-	-	-
Granted:				
Expiry date: March 16, 2027	1,975,000	0.40	0.29	4.46
Expiry date: May 9, 2027	100,000	0.40	0.22	4.61
Balance, September 30, 2022	2,075,000	0.40	0.29	4.47

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

6. SHARE CAPITAL *(Continued)*

(f) Warrants

During the nine months ended September 30, 2022 and the year ended December 31, 2021, there were no warrants exercised and expired. The continuity of warrants for the nine months ended September 30, 2022 and the year ended December 31, 2021 is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, as of December 31, 2020	-	-
Issued	2,986,256	0.60
Exercised	-	-
Balance, as of December 31, 2021	2,986,256	0.60
Issued	5,698,953	0.45
Exercised	-	-
Balance, as of September 30, 2022	8,685,209	0.50

As of September 30, 2022, a summary of the outstanding warrants is as below:

Expiry date	Exercise price	Number of warrants	Wighted average remaining contractual life
	$	#	(years)
September 20, 2023	0.60	543,750	0.97
September 24, 2023	0.60	1,243,750	0.98
October 7, 2023	0.60	1,036,250	1.02
October 25, 2023	0.60	162,506	1.07
July 19, 2024	0.45	5,180,175	1.80
August 5, 2024	0.45	518,778	1.85
Balance, as of September 30, 2022		8,685,209	1.53

(g) Finder’s warrants

The continuity of finder’s warrants for the nine months ended September 30, 2022 and the year ended December 31, 2021 is as follows:

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

6. SHARE CAPITAL *(Continued)*

(g) Finder's warrants *(Continued)*

	Number outstanding #	Weighted average exercise price $
Balance, as of December 31, 2020	-	-
Issued	299,250	0.60
Exercised	-	-
Balance, as of December 31, 2021	299,250	0.60
Issued	185,500	0.20
Exercised	-	-
Balance, as of September 30, 2022	484,750	0.45

As of September 30, 2022, a summary of the outstanding finder's warrants is as follows:

Expiry date	Exercise price	Number of warrants	Wighted average remaining contractual life
	$	#	(years)
September 20, 2023	0.60	16,625	0.97
September 24, 2023	0.60	174,125	0.98
October 7, 2023	0.60	93,975	1.02
October 25, 2023	0.60	14,525	1.07
July 19, 2024	0.20	185,500	1.80
Balance, as of September 30, 2022		484,750	1.31

(h) Fair value assumptions

The fair value of each option and warrants granted was estimated on the date of grant using the Black-Scholes pricing model. The Company estimated the volatility of the underlying common shares by analyzing the Company's volatility as well as the volatility of peer group public companies with similar corporate structure, E&E assets and size. The weighted average assumptions used to estimate the fair value of options and finder's warrants granted during the nine months ended September 30, 2022 and 2021 are as follows:

	Options		Finder's warrants	
Weighted average:	2022	2021	2022	2021
Risk-free interest rate	2.06%	-	3.25%	0.56%
Expected life (in years)	5.0	-	2.0	2.0
Annualized volatility	93%	-	87%	98%
Share price ($)	$0.40	-	$0.20	$0.40
Exercise price ($)	$0.40	-	$0.20	$0.60
Fair value of warrants assigned ($)	$0.29	-	$0.10	$0.17
Forfeiture rate and dividend	-	-	-	-

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

7. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management includes the Company's directors and senior management. During the three and nine months ended September 30, 2022 and 2021, the following compensation and benefit were paid to or accrued for the key management personnel and entities over which they have control or significant influence:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	$	$	$	$
Senior management remuneration (1)	112,500	94,500	312,500	265,758
Consulting fees (2)	15,000	15,000	49,344	93,000
Share-based compensation (3)	99,358	-	209,876	125,000
	226,858	109,500	571,720	483,758

(1) included in the senior management remuneration during the nine months ended September 30, 2022, there were $220,000 (2021 - $142,258) incurred to a private company controlled by the Company's chief executive officer (the "CEO"), $30,000 (2021 - $67,500) paid to a private company controlled by the Company's former chief financial officer (the "CFO") and $62,500 (2021 - $Nil) paid to a private company controlled by the Company's CFO. In 2021, the Company also paid $56,000 to its former CEO.
(2) during the nine months ended September 30, 2022, there were $45,000 (2021 – $93,000) of consulting and rent paid to a private company related to certain directors and $4,344 (2021 - $Nil) of consulting fees paid to a director.
(3) fair value assigned to granted options, DSUs and RSUs during the three and nine months ended September 30, 2022. During the nine months ended September 30, 2021, the CEO received 500,000 of the Company's common shares valued at $75,000 pursuant to the Executive Management Agreement and a former director received 333,334 of the Company's common shares valued at $50,000 as a finder's fee of La Adelita project (Note 6(b)).

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(b) Due from (to) related parties

Due from Bayshore Petroleum Corp.

Pursuant to the Amalgamation Agreement with BSH (see Notes 1 and 3), ICC advanced $100,000 as of February 25, 2022 (December 31, 2021 - $89,435) to pay towards the expenses of BSH in connection with the closing of the Transaction. As of September 30, 2022, such amount is included within the intercompany loans of ICC and BSH.

Due to related parties

Pursuant to the Amalgamation Agreement (see Notes 1 and 3), certain shareholders of BSH were permitted to retain loans of $53,500 under certain terms and conditions. In addition, as of September 30, 2022, there was a total of $39,832 due to the senior management for the remuneration and expense reimbursements.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

7. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Vancouver Office

The Company, Cassiar Gold Corp. ("Cassiar") and Reyna Silver Corp. have certain directors in common. These companies have shared office space and certain office expenditures since June 1, 2022. During the nine months ended September 30, 2022, the Company shared $13,130 (2021 - $Nil) of rent and $5,038 of office furniture and other expenses.

8. SEGMENTED FINANCIAL INFORMATION

The Company operates in two industry segments, being the acquisition and exploration of mineral properties (Note 5). Geographic information is as follows:

Balance as at	September 30, 2022	December 31, 2021
	$	**$**
Non-current assets		
Mexico	2,977,146	244,756
USA	506,544	-
Saudi Arabia	-	1
	3,483,690	244,757

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk and liquidity risk.

(a) 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 major banks in Canada and Mexico; accordingly, the Company believes it is not exposed to significant credit risk.

(b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company is not be able to meet its financial obligations as they come due. As of September 30, 2022, the Company had a cash balance of $258,823 (December 31, 2021 - $2,812,783), accounts payable and accrued liabilities of $361,725 (December 31, 2021 - $141,300) and working capital of $40,992 (December 31, 2021 - $2,808,899). The Company is exposed to liquidity risk as of September 30, 2022.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

(d) Currency risk

The Company's property interest in Mexico and USA makes it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Mexican pesos as well as US dollar. The Company does not invest in foreign currency contracts to mitigate the risks. As of September 30, 2022, the Company has net monetary liabilities of approximately 1,362,000 in Mexican pesos and $106,000 in US dollar. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar respectively would affect its net loss by approximately $2,500.

(e) Fair value measurement

IFRS 7 establishes financial assets and liabilities that are recognized on the balance sheet at fair value can be classified in a hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

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

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

The Company does not have any financial assets measured at fair value.

10. CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

11. SUBSEQUENT EVENTS

In October 2022, the Company announced its non-brokered private placement financing consisting of up to 7,692,308 units (the Units") at a price of $0.13 per Unit for gross proceeds of up to $1,000,000. Each unit consisted of one common share of the Company and one-half of one transferable common share purchase warrant. Each whole warrant (each, a "Warrant") entitles the holder to purchase one additional common share for a period of two years from closing at a price of $0.22. Such financing is still on-going.

A finder's fee may be paid in connection with the placement to finders, which will consist of cash equal to seven percent (7.0%) of the Units sold to investors introduced by such finder, and non-transferable share purchase warrants equal to seven percent (7.0%) of such Units sold to investors ("Finder's Warrants"). The Finder's Warrants will permit the holder to purchase one Common Share for a period of two (2) years from closing at a price of $0.13.