



INOMIN MINES INC.  
(an Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS  
(unaudited – prepared by management)

SIX MONTHS ENDED SEPTEMBER 30, 2018 AND SEPTEMBER 30, 2017

(Expressed in Canadian Dollars)

INOMIN MINES INC.

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Inomin Mines Inc. (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 interim financial statements by a Company's auditor.

Vancouver, Canada

November 6, 2018

**INOMIN MINES INC.**  
(An Exploration Stage Company)

**Unaudited Condensed Interim Statement of Financial Position**  
(Expressed in Canadian Dollars)

	September 30, 2018	March 31, 2018
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 154,565	\$ 255,473
Temporary investment (Note 10(b))	35,000	-
Accounts receivable (Note 11)	40,000	-
Goods and services tax receivable	2,964	5,315
Prepaid expense	5,000	-
	237,529	260,788
Exploration and evaluation assets (Note 6)	227,088	285,874
	\$ 464,617	\$ 546,662
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 12)	\$ 17,707	\$ 74,182
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	1,134,329	1,066,034
Shares to be issued (Note 6)	-	27,000
Reserve (Note 7)	116,159	85,448
Deficit	(803,578)	(706,002)
	446,910	472,480
	\$ 464,617	\$ 546,662

**Nature of operations and going concern** (Note 1)

**Significant events** (Note 10)

**Approved by the Board**

Signed: "Evilio Gomez-Garcia"

\_\_\_\_\_  
Director

Signed: "George Pietrobon"

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Director

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

**INOMIN MINES INC.**  
(An Exploration Stage Company)

**Unaudited Condensed Interim Statement of Loss and Comprehensive Loss**  
(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
<b>EXPENSES</b>				
Asset evaluation	\$ -	\$ 5,000	\$ -	\$ 5,000
Filing fees	4,532	4,565	6,342	9,836
Interest and bank charges	(19)	46	(406)	121
Investor communications	1,386	-	1,575	2,393
Listing fees	-	1,065	707	1,065
Management fees (Note 8(b))	18,000	18,000	36,000	36,000
Office costs	949	121	3,662	522
Professional fees	10,600	1,624	18,985	4,998
Share-based compensation (Note 7(c))	-	-	30,711	32,989
	35,448	30,421	97,576	92,924
Loss from transaction (Note 10(a))	-	22,500	-	22,500
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(35,448)</b>	<b>(52,921)</b>	<b>(97,576)</b>	<b>(115,424)</b>
<b>DEFICIT AT BEGINNING OF PERIOD</b>	<b>(768,130)</b>	<b>(568,900)</b>	<b>(706,002)</b>	<b>(506,397)</b>
<b>DEFICIT AT END OF PERIOD</b>	<b>\$ (803,578)</b>	<b>\$ (621,821)</b>	<b>\$ (803,578)</b>	<b>\$ (621,821)</b>
<b>LOSS PER COMMON SHARE</b>				
Basic and diluted	\$ (0.002)	\$ (0.005)	\$ (0.006)	\$ (0.010)
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>				
Basic and diluted	16,101,493	11,565,596	16,101,493	11,565,596

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

**INOMIN MINES INC.**

(An Exploration Stage Company)

**Unaudited Condensed Interim Statement of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars)

	Number Of Shares	Share Capital	Shares to be Issued	Reserve	Deficit	Total
<b>Balance at March 31, 2017</b>	15,518,259	\$ 1,013,846	-	\$ 52,459	\$ (506,397)	\$ 559,908
Shares issued for cash	-	-	-	-	-	-
Share-based compensation	-	-	-	32,989	-	32,989
Loss and comprehensive loss for the period	-	-	-	-	(115,424)	(115,424)
<b>Balance at September 30, 2017</b>	15,518,259	\$ 1,013,846	-	\$ 85,448	\$ (621,821)	\$ 477,473
<b>Balance at March 31, 2018</b>	16,040,139	\$ 1,066,034	27,000	\$ 85,448	\$ (706,002)	\$ 472,480
Payment for property acquisition	200,000	27,000	(27,000)	-	-	-
Shares issued on debt settlement	344,125	41,295	-	-	-	41,295
Share-based compensation	-	-	-	30,711	-	30,711
Loss and comprehensive loss for the period	-	-	-	-	(97,576)	(97,576)
<b>Balance at September 30, 2018</b>	16,584,264	\$ 1,134,329	-	\$ 116,159	\$ (803,578)	\$ 446,910

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

**INOMIN MINES INC.**  
(An Exploration Stage Company)

**Unaudited Condensed Interim Statement of Cash Flows**  
(Expressed in Canadian Dollars)

	<b>For the six months ended</b>	
	September 30, 2018	September 30, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the period	\$ (97,576)	\$ (115,424)
Items not affecting cash		
Share-based compensation	30,711	32,989
Loss from transaction	-	22,500
Changes in non-cash working capital items:		
Decrease in accounts payable and accrued liabilities	(15,180)	(56,619)
Decrease (Increase) in goods and services tax receivable	2,351	(2,262)
Increase in receivables	(40,000)	-
Increase in prepaid expense	(5,000)	-
Net cash used in operating activities	(124,694)	(118,816)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Temporary investment	(35,000)	-
Exploration costs recovery	58,786	(3,500)
Net cash used in investing activities	23,786	(3,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by financing activities	-	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>	(100,908)	(122,316)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	255,473	436,205
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	\$ 154,565	\$ 313,889

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

**Notes to Financial Statements**

**For the Six Month Period Ended September 30, 2018 and 2017**

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**1. NATURE OF OPERATIONS**

Inomin Mines Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012 and is an exploration stage public company whose shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "MINE". The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein.

At the date of these unaudited condensed interim financial statements, the Company has not been able to identify a known body of commercial grade ore on its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

These unaudited condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. The Company is pursuing such additional sources of the financing estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's registered office is Suite 1800 - 510 West Georgia Street, Vancouver, British Columbia, Canada.

**2. BASIS OF PRESENTATION**

***Statement of Compliance***

These unaudited condensed interim financial statements are prepared in accordance with International Accounting Standards 34. Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards Board ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2018.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended March 31, 2018.

The Company's interim results are not necessarily indicative of its results for a full year.

**Notes to Financial Statements**

**For the Six Month Period Ended September 30, 2018 and 2017**

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**2. BASIS OF PRESENTATION (cont'd)**

***Basis of Measurement***

These unaudited condensed interim financial statements have been prepared on a historical costs basis, except for certain financial instruments that are measured at fair values. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

***Critical estimates and judgements***

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the unaudited condensed interim financial statements include:

*Going concern*

The preparation of these unaudited condensed interim financial statements requires management to make judgements regarding the ability of the Company to continue as a going concern as previously discussed in Note 1.

*Recovery of deferred tax assets*

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

*Exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement 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. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.



**Notes to Financial Statements**

**For the Six Month Period Ended September 30, 2018 and 2017**

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**2. BASIS OF PRESENTATION (cont'd)**

Key sources of estimation uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates made by management affecting the financial statements include:

*Share-based payments and share issue costs*

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

**3. SIGNIFICANT ACCOUNTING POLICIES**

Refer to the audited financial statements for the year ended March 31, 2018 for a summary of significant accounting policies.

**4. RECENT ACCOUNTING PRONOUNCEMENTS**

The following are new and revised accounting pronouncements that have been issued but are not yet effective and which are expected to be applicable to the Company. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

*IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018)*

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 - Financial Instruments as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

The Company has determined that adopting IFRS 9 will not have a significant impact on the Company's unaudited condensed interim financial statements.

**Notes to Financial Statements**

**For the Six Month Period Ended September 30, 2018 and 2017**

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**5. FINANCIAL INSTRUMENTS AND RISKS**

**Classification of financial instruments**

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The Company designated its cash and cash equivalents as loans and receivables, which are measured at amortized cost. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying values of cash and cash equivalents and accounts payable and accrued liabilities as at September 30, 2018 approximate their fair value due to their short term nature.

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 included within level 1 that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not observable for the asset or liability.

**Risk management**

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

*Credit risk:*

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

*Market risk:*

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of currency risk, interest rate risk and other price risk. The Company is not exposed to any significant market risk.

*Liquidity risk:*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do at excessive cost. As at September 30, 2018, the Company has cash and cash equivalents of \$154,565 to settle liabilities of \$17,707 which are subject to normal trade terms. The Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

**INOMIN MINES INC.****Notes to Financial Statements****For the Six Month Period Ended September 30, 2018 and 2017****6. EXPLORATION AND EVALUATION ASSETS**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing.

*(i) Acquisition of King's Point Property*

On August 12, 2016, Inomin Mines Inc. signed a definitive agreement to acquire 100% of the King's Point Property in the Green Bay area of Newfoundland (the "Property") for a one-time payment of 2,750,000 escrowed common shares of Inomin at \$0.07 per share and a 2.5% net smelter royalty ("NSR") in favour of the vendor, of which 1.5% of the NSR is purchasable by Inomin for \$1 million.

The property is comprised of 129 claims covering 3,225 hectares within two separate blocks.

The acquisition of the King's Point Property received final TSX-V acceptance and closed effective January 20, 2017. On January 31, 2017 the Company also entered into an Operator Agreement with the vendor to operate exploration and mining programs under the Company's direction and at its discretion on the King's Point Property for a period of 2 years. Pursuant to the Operator Agreement, the Company will pay a management fee to the operator equal to 10% of all exploration expenditures defined under the terms of the agreement except for contracts in excess of \$100,000, for which a management fee of 5% will be paid.

On May 16, 2018, the Company entered into an agreement to option its 100% owned King's Point Property to Maritime Resources Corp. (see Significant Events - note 10(b))

Balance, September 30, 2016	\$	-
Acquisition costs (Note 7(b)(i))		192,500
Exploration costs – to March 31, 2017		28,062
Balance, March 31, 2017		220,562
Exploration costs – April 1, 2017 to September 30, 2017		3,500
Balance, September 30, 2017	\$	224,062
Exploration costs – October 1, 2017 to March 31, 2018		24,812
Balance, March 31, 2018	\$	248,874
Exploration costs – April 1, 2018 to September 30, 2018		16,214
	\$	265,088
Less: Maritime Resources Corp – recovery of exploration costs (see Note 10(b))		
(i) Cash payment	\$	25,000
(ii) 500,000 shares at a deemed value of \$0.07 per share		35,000
(iii) Reimbursement of exploration expenditures incurred		15,000
		(75,000)
Balance, September 30, 2018	\$	190,088

## INOMIN MINES INC.

### Notes to Financial Statements

#### For the Six Month Period Ended September 30, 2018 and 2017

#### 6. EXPLORATION AND EVALUATION ASSETS (cont'd)

##### (ii) Acquisition of Fleetwood Property

On March 28, 2018, the Company entered into an agreement to acquire 100% interest in the Fleetwood zinc-copper-silver-gold property located in the New Westminster mining division of south-western British Columbia for the aggregate consideration of \$37,000 (the "Fleetwood Agreement") comprising:

- \$10,000 cash:
  - \$1,000 paid on or before March 30, 2018; and
  - \$9,000 paid upon receipt of TSX-V acceptance on April 9, 2018
- 200,000 of the Company's common shares valued at \$27,000 and issued upon receipt of TSX-V acceptance on April 9, 2018

Balance, September 30, 2017	\$	-
Payment for acquisition costs (see above)		37,000
Balance, September 30, 2018	\$	37,000
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Total Exploration and Evaluation Assets as at September 30, 2017	\$	224,062
Total Exploration and Evaluation Assets as at September 30, 2018	\$	227,088

#### 7. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and Outstanding

During the twelve month period ended September 30, 2017

(i) Acquisition of King's Point Property

2,750,000 escrowed common shares were issued at \$0.07 per share (See Note 6).

(ii) Private Placement Financing

On January 20, 2017, in accordance with the policies of the TSX-V, the Company arranged a Non-brokered Private Placement Financing consisting of 7,903,459 Units of the Company at a price of \$0.07 per unit, for gross proceeds of \$553,242 (the "Financing"). The Financing closed concurrent with and to provide funding for the Company's acquisition of a 100% interest in the King's Point property in Newfoundland (the "Property"), which constituted the Company's Qualifying Transaction ("QT") under the rules of the TSX-V respecting Capital Pool Companies.

**Notes to Financial Statements**

**For the Six Month Period Ended September 30, 2018 and 2017**

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**7. SHARE CAPITAL (cont'd)**

Each Unit of the financing consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.10 for a period of 2 years ending January 30, 2019. All securities issued under the placement are subject to a hold period of 4 months ending May 31, 2017. Finder's fees paid under the financing consist of \$3,903 in cash and the issuance of 55,760 warrants exercisable at \$0.10 for two years, which were valued at \$3,039 using the Black-Sholes model. Assumptions were used: share price - \$0.07, exercise price - \$0.10, expected life - 2 years, annual historical volatility - 186%, dividend rate - 0%, risk free rate - 0.77%.

During the twelve month period ended September 30, 2018

*(iii) Exercise of Warrants*

521,880 common shares were issued upon the exercise of 521,880 warrants. Warrants were exercised at \$0.10 per common share for total proceeds of \$52,188. Warrants were exercised during a period when the Company's average market price was \$0.14 per common share.

*(iv) Escrow Shares*

Total shares held in escrow as at September 30, 2018 are 2,272,500 shares (September 30, 2017 – 3,787,500). Escrow shares are to be released as follows:

- 10% with completion of the Company's QT on January 20, 2017 (completed); and
- 15% on each of the 6<sup>th</sup>, 12<sup>th</sup>, 18<sup>th</sup>, 24<sup>th</sup>, 30<sup>th</sup> and 36<sup>th</sup> months following the closing date of the QT.

*(c) Stock Options*

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to Directors, Officers, and technical consultants of the Company, non-transferable options to purchase common shares exercisable for a period of up to 5 years from the date of grant, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

- (v)* In connection with the Initial Public Offering ("IPO"), the Company granted 480,000 options to certain directors and officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years, expiring December 18, 2018.
- (vi)* On April 18, 2017, the Company granted 700,000 stock options to Directors and Officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years, expiring on April 18, 2022. Total compensation was valued at \$32,989 using the Black Scholes model. The following assumptions were used: share price - \$0.06, exercise price - \$0.10, expected life – 5 years, annual historical volatility – 122.21%, dividend rate – 0%, risk free rate – 0.98%.
- (vii)* On June 28, 2018, the Company granted 400,000 stock options to Directors and Officers of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 5 years, expiring on June 28, 2023. Total compensation was valued at \$30,711 using the Black Scholes model. The following assumptions were used: share price - \$0.08 exercise price - \$0.10, expected life – 5 years, annual historical volatility – 185.69%, dividend rate – 0%, risk free rate – 2.01%.

**INOMIN MINES INC.****Notes to Financial Statements****For the Six Month Period Ended September 30, 2018 and 2017****7. SHARE CAPITAL (cont'd)**

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price
Outstanding and exercisable, September 30, 2017	1,180,000	\$ 0.10
Granted	400,000	0.10
Cancelled	(352,000)	(0.10)
Outstanding and exercisable, September 30, 2018	1,228,000	\$ 0.10

As at September 30, 2018, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
December 18, 2018	288,000	\$ 0.10	0.22
April 18, 2022	540,000	\$ 0.10	3.55
June 28, 2023	400,000	\$ 0.10	4.74
	1,228,000		

**(d) Warrants**

The following table summarizes the continuity of the Company's warrants, as described in (b)(iii), expiring on January 30, 2019:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable, September 30, 2017	7,959,219	0.10
Exercised	(521,880)	(0.10)
Outstanding and exercisable, September 30, 2018	7,437,339	\$ 0.10

As at September 30, 2018, the following warrants were outstanding and exercisable

Expiry date	Number of warrants	Exercise price	Remaining contractual life (years)
January 20, 2019	7,437,339	\$ 0.10	0.31

## INOMIN MINES INC.

### Notes to Financial Statements

#### For the Six Month Period Ended September 30, 2018 and 2017

## 7. SHARE CAPITAL (cont'd)

### (e) Reserve

The reserve of \$116,159 (September 30, 2017 - \$85,448) comprises the grant date fair value of options issued to Directors of \$35,915 in prior years, the grant date fair value of options issued to agents of \$13,505, the grant date fair value of warrants issued as finders' fees of \$3,039, the grant date fair value of options issued to Directors of \$32,989 on April 18, 2017 and \$30,711 on June 28, 2018.

## 8. RELATED PARTY TRANSACTIONS

### *Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and Corporate Officers.

Total key management personnel compensation were as follows:

	For the three months ended		For the six months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Share-based compensation (a)	\$ -	\$ -	\$ 30,711	\$ 32,989
Management fees (b)	18,000	18,000	36,000	36,000
Total	\$ 18,000	\$ 18,000	\$ 66,711	\$ 68,989

- Share-based compensation represents the fair value of options granted to key management personnel.
- The Company provides compensation to its Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Corporate Secretary, or companies controlled by each of them, in the amount of monthly fees of \$3,000 for the CEO, \$2,000 for the CFO and \$1,000 for the Corporate Secretary, plus applicable GST, which commenced April 1, 2017.

The balances due to the Company's current directors and officer included in accounts payables and accrued liabilities was \$6,692 as at September 30, 2018 (September 30, 2017 – \$6,250). These amounts are unsecured, non-interest bearing and payable on demand.

## 9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above internally determined capital guidelines and calculated risk management levels.

## INOMIN MINES INC.

### Notes to Financial Statements

For the Six Month Period Ended September 30, 2018 and 2017

#### 9. CAPITAL MANAGEMENT (cont'd)

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 is not subject to any externally-imposed capital requirements.

#### 10. SIGNIFICANT EVENTS

##### (a) Expiration of Warrants

On September 30, 2015, the Company and Jetlines completed their litigation settlement agreement whereby Jetlines settled the refundable deposit in full by paying the Company \$105,000 and issuing 300,000 warrants entitling the Company to purchase 300,000 Jetlines common shares at price of \$0.333 per share for a period of two years ending September 30, 2017. As the value of Jetlines shares did not exceed \$0.33 per share, the warrants expired unexercised on September 30, 2017.

##### (b) Option Agreement

On May 16, 2018, the Company entered into an agreement to option its 100% owned King's Point Property in Newfoundland to Maritime Resources Corp. ("Maritime").

Under the terms of the Option Agreement, Maritime can earn a 100% interest in King's Point over three years by spending \$600,000 in exploration, cash payments of \$300,000 to the Company, and issuing 2,000,000 Maritime common shares to the Company, in accordance with the following schedule.

Date for Completion	Payment	Common Shares to be Issued	Expenditures (cumulative)
On signing Option Agreement	\$ 25,000 (Received)	-	-
Three (3) business days following approval by the Exchange (the "Approval Date")	-	500,000 (Received)	-
1st anniversary of Approval Date	\$ 50,000	500,000	\$ 75,000
2nd anniversary of Approval Date	\$ 100,000	500,000	\$ 150,000
3rd anniversary of Approval Date	\$ 125,000	500,000	\$ 375,000
Total	\$ 300,000	2,000,000	\$ 600,000

The Project has a 1% NSR which can be purchased from the Company for \$500,000, and an underlying NSR of 2.5% of which 1.5% can be purchased for \$1,000,000.

The Option Agreement was approved by the shareholders of the Company on September 6, 2018 and subsequently by the TSX-V.

The 500,000 Maritime shares were issued at a deemed issuance price of \$0.07 per share amounting to aggregate consideration of \$35,000.



**INOMIN MINES INC.****Notes to Financial Statements****For the Six Month Period Ended September 30, 2018 and 2017****10. SIGNIFICANT EVENTS (cont'd)**c) *Debt Settlement Agreement*

On April 13, 2018, the Company entered into a Debt Settlement Agreement with its legal counsel, to settle \$41,295 of payables owed for legal services by issuing 344,125 common shares at a deemed price of \$0.12 per share.

**11. ACCOUNTS RECEIVABLE**

Accounts receivable comprise the following:

	September 30, 2018	March 31, 2018	September 30, 2017
(i) Due from Maritime Resources Corp. (reimbursement of exploration expenditures incurred)	\$ 15,000	\$ -	\$ -
(ii) Due from third party (return of payment voiding transaction as per letter agreement of September 19, 2018)	25,000	-	-
	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>

**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities comprise the following:

	September 30, 2018	March 31, 2018	September 30, 2017
Legal counsel	\$ 10,207	\$ 46,754	\$ 42,877
Management fees	6,250	6,250	6,250
Exploration costs	-	-	-
Audit	-	10,000	10,000
Acquisition costs	-	9,000	-
Others	1,250	2,178	3,613
	<u>\$ 17,707</u>	<u>\$ 74,182</u>	<u>\$ 62,740</u>