



INOMIN MINES INC.
(an Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited – prepared by management)

SIX MONTHS ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018

(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 22, 2019

INOMIN MINES INC.
(An Exploration Stage Company)

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

	September 30, 2019	March 31, 2019
ASSETS		
Current		
Cash and cash equivalents	\$ 120,351	\$ 106,476
Receivables	2,167	3,636
Prepaid deposit	2,104	2,104
Temporary investment (Notes 5 and 10(a))	42,500	47,500
	167,122	159,716
Exploration and evaluation assets (Note 6)	158,005	235,338
	\$ 325,127	\$ 395,054
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	\$ 20,764	\$ 21,430
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	1,134,329	1,134,329
Reserve (Note 7)	128,990	116,159
Deficit	(958,956)	(876,864)
	304,363	373,624
	\$ 325,127	\$ 395,054

Nature of operations and going concern (Note 1)
Significant events (Note 10)
Subsequent events (Note 11)

Approved and authorized by the Board

Signed: "Evilio Gomez-Garcia"

Director

Signed: "George Pietrobon"

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, 2019	September 30, 2018	September 30, 2019	September 30, 2018
EXPENSES				
Asset evaluation	\$ 385	\$ -	\$ 8,853	\$ -
Filing fees	6,633	4,532	7,915	6,342
Interest and bank charges	81	(19)	131	(406)
Investor communications	1,032	1,386	1,808	1,575
Listing fees	500	-	500	707
Management fees (Note 8(b))	18,000	18,000	36,000	36,000
Office costs	669	949	5,543	3,662
Professional fees	4,146	10,600	5,151	18,985
Share-based compensation (Note 7(c))	-	-	12,831	30,711
	31,446	35,448	78,732	97,576
Loss from transaction of temporary investment	3,360	-	3,360	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(34,806)	(35,448)	(82,092)	(97,576)
DEFICIT AT BEGINNING OF PERIOD	(924,150)	(768,130)	(876,864)	(706,002)
DEFICIT AT END OF PERIOD	\$ (958,956)	\$ (803,578)	\$ (958,956)	\$ (803,578)
LOSS PER COMMON SHARE				
Basic and diluted	\$ (0.002)	\$ (0.002)	\$ (0.005)	\$ (0.006)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	16,584,264	16,101,493	16,584,264	16,101,493

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
Balance at March 31, 2018	16,040,139	\$ 1,066,034	27,000	\$ 85,448	\$ (706,002)	\$ 472,480
Deposit 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)
Balance at September 30, 2018	16,584,264	\$ 1,134,329	-	\$ 116,159	\$ (803,578)	\$ 446,910
Balance at March 31, 2019	16,584,264	\$ 1,134,329	-	\$ 116,159	\$ (876,864)	\$ 373,624
Shares issued for cash	-	-	-	-	-	-
Share-based compensation	-	-	-	12,831	-	12,831
Loss and comprehensive loss for the period	-	-	-	-	(82,092)	(82,092)
Balance at September 30, 2019	16,584,264	\$ 1,134,329	-	\$ 128,990	\$ (958,956)	\$ 304,363

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)

	For the six months ended	
	September 30, 2019	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	\$ (82,092)	\$ (97,576)
Items not affecting cash		
Share-based compensation	12,831	30,711
Loss from transaction	3,360	-
Changes in non-cash working capital items:		
Decrease in accounts payable and accrued liabilities	(666)	(15,180)
Decrease (Increase) in goods and services tax receivable	1,469	2,351
Increase in receivables	-	(40,000)
Increase in prepaid expense	-	(5,000)
Net cash used in operating activities	(65,098)	(124,694)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds (temporary investment)	44,140	(35,000)
Exploration costs recovery, net	34,833	58,786
Net cash used in investing activities	78,973	23,786
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by financing activities	-	-
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	13,875	(100,908)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	106,476	255,473
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 120,351	\$ 154,565

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, 2019 and 2018

1. NATURE OF OPERATIONS AND GOING CONCERN

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.

These unaudited condensed interim financial statements are prepared on a going 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. The Company is in the process of exploring and developing its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to fund property commitments and to complete the exploration and development of the properties and upon achieving future profitable production or proceeds from the disposition thereof. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. Accordingly these unaudited condensed interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these unaudited condensed interim financial statements.

The Company's principal place of business is Suite 1130 – 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, 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 audited financial statements of the Company for the year ended March 31, 2019.

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, 2019.

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, 2019 and 2018

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.

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, 2019 and 2018

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 unaudited condensed interim 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, 2019 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 16 Leases (effective for years beginning on or after January 1, 2019)

On January 13, 2016 the IASB issued IFRS 16 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The Company believes that the adoption of IFRS 16 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, 2019 and 2018

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash and cash equivalents, temporary investment and accounts payable and accrued liabilities. The Company designated its cash and cash equivalents, and temporary investment as at fair value. The accounts payable and accrued liabilities are designated as at amortized cost.

The carrying values of accounts payable and accrued liabilities as at September 30, 2019 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.

As at September 30, 2019, the fair value of the temporary investment was based on level 1 of the fair value hierarchy. The value of the 500,000 shares of Maritime Resources Corp. was based on the quoted market price as at September 17, 2019. The Company's cash and cash equivalents are also carried at fair value based on level 1 of the fair value hierarchy.

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 and cash equivalents, which is held with high credit quality financial institutions.

Market risk:

Market risk is the risk that fair value or 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 exposed to market risk with respect to fluctuations in the fair value of its temporary investments in marketable securities. The Company's exposure to market risk is limited to the carrying value of temporary investments.

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, 2019, the Company has cash and cash equivalents of \$120,351 to settle liabilities of \$20,764 which are subject to normal trade terms.

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****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 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(a))

Balance, March 31, 2018		\$	248,874
Exploration costs – April 1, 2018 to May 16, 2018			16,214
Balance, June 30, 2018		\$	265,088
Less: (a) Maritime Resources Corp – option proceeds (see Note 10(a))			
(i) Cash payment	\$	25,000	
(ii) 500,000 shares at a quoted market price of \$0.07 per share		35,000	
(iii) Reimbursement of exploration expenditures incurred		15,000	
			(75,000)
Balance, September 30, 2018		\$	190,088
(b) Government of Newfoundland Labrador			
(iv) Recovery of staking costs		1,750	
			(1,750)
Balance, March 31, 2019		\$	188,338
(c) Maritime Resources Corp – option proceeds (see Note 10(a))			
(v) 1st anniversary – cash payment	\$	50,000	
(vi) 1st anniversary - 500,000 shares at a quoted market price of \$0.085 per share		42,500	
			(92,500)
Balance, September 30, 2019		\$	95,838

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****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 on April 11, 2018.
- 200,000 of the Company's common shares, issued during fiscal 2019.
- The TSX-V approved the transaction on April 9, 2018.

On December 21, 2018, the Company formed a strategic alliance with Turnagain Resources Inc. ("Turnagain") to co-market the adjacent Fleetwood and Seneca properties (see Significant Events note 10(b)).

Balance, September 30, 2018	\$ 37,000
Balance, September 30, 2019	\$ 37,000

(iii) Acquisition of La Gitana Property

On May 23, 2019, the Company entered into a non-binding letter agreement to acquire 100% interest in the La Gitana gold-silver property located in Oaxaca State, Mexico for consideration of: (See Significant Events note 10(c))

- \$300,000 comprising
 - \$10,000 paid on February 28, 2019
 - \$290,000 to be paid over term of agreement
- 2,000,000 of the Company's common shares to be issued over term of agreement
- Subject to completion of due diligence and obtaining receipt of TSX-V approval

Balance, September 30, 2018	\$ -
Deposit for acquisition costs (see Significant Events note 10(c))	10,000
Balance, March 31, 2019 and September 30, 2019	\$ 10,000

(iv) Acquisition of Beaver and Lynx Properties

During the three month period ended September 30, 2019 the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia (See Significant Events note 10(d)).

Balance, September 30, 2018	\$ -
Costs of staking eleven claims	15,167
Balance, September 30, 2019	\$ 15,167

Total Exploration and Evaluation Assets as at September 30, 2018	\$ 227,088
Total Exploration and Evaluation Assets as at September 30, 2019	\$ 158,005

Notes to Financial Statements

For the Six Month Period Ended September 30, 2019 and 2018

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, 2018

- (i) *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.

- (ii) *Debt Settlement Agreement*

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 price of \$0.12 per share.

- (iii) *Fleetwood Agreement Approval*

The Company obtained TSX-V approval for the Fleetwood Agreement described in note 6(ii) and issued 200,000 common shares valued at \$27,000 and paid an additional \$9,000 cash.

During the twelve month period ended September 30, 2019 other than granting of stock options as described in (c)(iii), no significant events occurred to impact share capital.

- (iv) *Escrow Shares*

Total shares held in escrow as at September 30, 2019 are 757,500 shares (September 30, 2018 – 2,272,500). Escrow shares are to be released as follows:

- 10% with completion of the Company's Qualifying Transaction on January 20, 2017 (completed); and
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th 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 TSX-V requirements, grant to Directors, Officers and 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.

- (i) 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 Option Pricing 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%.

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****7. SHARE CAPITAL (cont'd)**

- (ii) 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 Option Pricing 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%.
- (iii) On June 21, 2019, the Company granted 400,000 stock options to a Director and a consultant of the Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.05 per common share for a period of 5 years, expiring on June 21, 2024. Total compensation was valued at \$12,831 using the Black Scholes Option Pricing model. The following assumptions were used: share price - \$0.04, exercise price - \$0.05, expected life – 5 years, annual historical volatility – 160.65%, dividend rate – 0%, risk free rate – 1.37%.

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
Granted	400,000	\$ 0.05
Expired	(288,000)	(0.10)
Outstanding and exercisable, September 30, 2019	1,340,000	\$ 0.085

As at September 30, 2019, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
April 18, 2022	540,000	\$ 0.10	2.55
June 28, 2023	400,000	\$ 0.10	3.74
June 21, 2024	400,000	\$ 0.05	4.73
	1,340,000		

See also Subsequent Events note 11(b)

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****7. SHARE CAPITAL (cont'd)**

(d) Warrants

The following table summarizes the continuity of the Company's warrants, expiring on January 30, 2020:

	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
Expired	(33,880)	(0.10)
Outstanding and exercisable, September 30, 2019	7,403,459	\$ 0.10

As at September 30, 2019, the following warrants were outstanding and exercisable

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
January 30, 2020	7,403,459	\$ 0.10	0.34

(e) Reserve

The reserve of \$128,990 (September 30, 2018 - \$116,159) comprises the grant date fair value of options issued to Directors of \$68,904 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 \$30,711 on June 28, 2018 and the grant date fair value of options issued to Director and a consultant of \$12,831 on June 21, 2019.

INOMIN MINES INC.

Notes to Financial Statements

For the Six Month Period Ended September 30, 2019 and 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, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Share-based compensation (a)	\$ -	\$ -	\$ 12,831	\$ 30,711
Management fees (b)	18,000	18,000	36,000	36,000
Total	\$ 18,000	\$ 18,000	\$ 48,831	\$ 66,711

- a) Share-based compensation represents the fair value of options granted to key management personnel.
- b) 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 which commenced April 1, 2017.

The balances due to the Company's current Directors and Officers included in accounts payables and accrued liabilities was \$3,289 as at September 30, 2019 (September 30, 2018 – \$6,692). 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.

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.

The Company is not subject to any externally-imposed capital requirements.

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****10. SIGNIFICANT EVENTS***(a) 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 ("Approval Date")	-	500,000 (Received)	-
1st anniversary of Approval Date	\$ 50,000 (Received)	500,000 (Received)	\$ 75,000 (Expended)
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.

On September 17, 2019, the Company received a cash payment of \$50,000 and 500,000 Maritime shares valued at the quoted market price of \$0.085 per share which amounted to \$42,500.

(b) Strategic Alliance

On December 21, 2018, the Company formed a strategic alliance with Turnagain Resources Inc. ("Turnagain") to co-market the companies' adjacent Fleetwood and Seneca properties as a combined project named Fleetwood-Seneca.

Any consideration received from a third-party deal, such as an investment or the sale of the Fleetwood-Seneca project, is to be divided equally between the Company and Turnagain.

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****10. SIGNIFICANT EVENTS (cont'd)**c) *Acquisition of La Gitana Property*

On May 23, 2019, the Company entered into a non-binding agreement to purchase 100% interest in La Gitana Property in Oaxaca State, Mexico from Gunpoint Exploration Ltd. ("Gunpoint") in consideration for:

- (i) Cash payment of \$300,000
- (ii) 2,000,000 common shares in the capital of Company

in accordance with the following schedule.

Date for Completion	Payment	Common Shares to be Issued
On signing Option Agreement (paid)	\$ 10,000	-
Closing Date (to be established)	\$ 25,000	150,000
1st anniversary of Closing Date	\$ 50,000	250,000
2nd anniversary of Closing Date	\$ 65,000	450,000
3rd anniversary of Closing Date	\$ 75,000	500,000
4th anniversary of Closing Date	\$ 75,000	650,000
Total	\$ 300,000	2,000,000

The Project presently has a 3% NSR which may be renegotiated by Gunpoint on behalf of Company.

The agreement which is subject to completion of due diligence and obtaining receipt of TSX-V approval was extended.

d) *Acquisition of Beaver and Lynx Properties*

During the three month period ended September 30, 2019, the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia for total staking costs of \$15,167 (See also Subsequent Events note 11(c)).

INOMIN MINES INC.**Notes to Financial Statements****For the Six Month Period Ended September 30, 2019 and 2018****11. SUBSEQUENT EVENTS**

- (a) The Company incorporated a subsidiary in Mexico, Minera Rio Dorado S.A. de C.V., to establish a presence and pursue business opportunities. A Mexican entity is required to enact any property agreements in Mexico. The Mexican subsidiary was legally created through the Company's legal counsel, and the shares are in the process of being transferred into the name of the Company.
- (b) Subsequent to September 30, 2019, the Company granted 300,000 stock options to a Director of Company. Each option entitles the holder to acquire one common share at an exercise price of \$0.05 per common share for a period of 5 years, expiring on October 9, 2024.
- (c) Subsequent to September 30, 2019, the Company acquired 6,021 hectares contiguous to the Beaver and Lynx properties.

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	September 30, 2019	March 31, 2019	September 30, 2018
Legal counsel	\$ 1,791	\$ -	\$ 10,207
Management fees	3,100	6,250	6,250
Audit	13,056	10,000	-
Asset evaluation	-	3,000	-
Others	2,817	2,180	1,250
	<u>\$ 20,764</u>	<u>\$ 21,430</u>	<u>\$ 17,707</u>