



INOMIN MINES INC.  
(an Exploration Stage Company)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
(unaudited – prepared by management)  
THREE MONTHS ENDED JUNE 30, 2020 AND JUNE 30, 2019  
(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

August 28, 2020

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

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

	June 30, 2020	March 31, 2020
<b>ASSETS</b>		
Current		
Cash	\$ 59,910	\$ 18,831
Receivables	1,316	2,182
Prepaid deposit	2,104	2,104
Temporary investment (Notes 5 and 10(a))	-	42,500
	63,330	64,617
Exploration and evaluation assets (Note 6)	184,576	184,576
	\$ 247,906	\$ 250,193
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 12)	\$ 42,388	\$ 24,083
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	1,134,329	1,134,329
Reserve (Note 7)	137,184	137,184
Deficit	(1,065,995)	(1,045,403)
	205,518	226,110
	\$ 247,906	\$ 250,193

**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)

	<b>For the three months ended</b>	
	June 30, 2020	June 30, 2019
<b>EXPENSES</b>		
Asset evaluation	\$ -	\$ 8,468
Filing fees	1,064	1,282
Interest and bank charges	22	50
Investor communications	608	776
Listing fees	-	-
Management fees (Note 8(b))	18,000	18,000
Office costs	-	4,874
Professional fees	-	1,005
Share-based compensation (Note 7(c))	-	12,831
	19,694	47,286
LOSS ON TEMPORARY INVESTMENT	898	-
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	(20,592)	(47,286)
<b>DEFICIT AT BEGINNING OF PERIOD</b>	(1,045,403)	(876,864)
<b>DEFICIT AT END OF PERIOD</b>	\$ (1,065,995)	\$ (924,150)
<b>LOSS PER COMMON SHARE</b>		
Basic and diluted	\$ (0.001)	\$ (0.003)
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>		
Basic and diluted	16,584,264	16,584,264

*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	Reserve	Deficit	Total
<b>Balance at March 31, 2019</b>	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	-	-	-	(47,286)	(47,286)
<b>Balance at June 30, 2019</b>	16,584,264	\$ 1,134,329	\$ 128,990	\$ (924,150)	\$ 339,169
<b>Balance at March 31, 2020</b>	16,584,264	\$ 1,134,329	\$ 137,184	\$ (1,045,403)	\$ 226,110
Shares issued for cash	-	-	-	-	-
Share-based compensation	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(20,592)	(20,592)
<b>Balance at June 30, 2020</b>	16,584,264	\$ 1,134,329	\$ 137,184	\$ (1,065,995)	\$ 205,518

*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 three months ended</b>	
	June 30, 2020	June 30, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss and comprehensive loss for the period	\$ (20,592)	\$ (47,286)
Items not affecting cash		
Loss on temporary investment	898	-
Share-based compensation	-	12,831
Changes in non-cash working capital items:		
Increase (decrease) in accounts payable and accrued liabilities	18,305	(324)
Decrease in receivables	866	633
Net cash used in operating activities	(523)	(34,146)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of temporary investment	41,602	-
Exploration costs	-	-
Net cash used in investing activities	41,602	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by financing activities	-	-
<b>CHANGE IN CASH FOR THE PERIOD</b>	41,079	(34,146)
<b>CASH AT BEGINNING OF PERIOD</b>	18,831	106,476
<b>CASH AT END OF PERIOD</b>	\$ 59,910	\$ 72,330

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

**Notes to Financial Statements**

**For the Three Month Period Ended June 30, 2020 and 2019**

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**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.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's activities. The extent of the impact of this outbreak and related containment measures on the Company's activities cannot be reliably estimated at the date of approval of these unaudited condensed interim financial statements.

There is a material uncertainty related to these events and conditions that may cast significant doubt on 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").

**Notes to Financial Statements**  
**For the Three Month Period Ended June 30, 2020 and 2019**

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

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, 2020.

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, 2020.

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

***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 Three Month Period Ended June 30, 2020 and 2019**

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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 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, risk-free discount rate, 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, 2020 for a summary of significant accounting policies.

**4. RECENT ACCOUNTING PRONOUNCEMENTS**

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016, and replaced IAS 17 Leases. IFRS 16 specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases except for short-term leases and leases with low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. IFRS 16 became effective for annual periods beginning on January 1, 2019.

The Company believes that the adoption of IFRS 16 will have no impact on the Company's unaudited condensed interim financial statements.

**Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019**

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**5. FINANCIAL INSTRUMENTS AND RISKS**

**Classification of financial instruments**

The Company's financial instruments consist of cash, temporary investment and accounts payable and accrued liabilities. The Company designated its cash, and temporary investment as fair value through profit or loss (FVTPL). The accounts payable and accrued liabilities are designated as at amortized cost.

The carrying values of accounts payable and accrued liabilities as at June 30, 2020 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 March 31, 2020, the fair value of the temporary investment was based on level 1 of the fair value hierarchy. The 500,000 shares of Maritime Resources Corp. were valued at the fair value of \$42,500. During this period, shares were disposed to net the Company \$41,602. The Company's cash is 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 cash shown on the statement of financial position, which is held with high credit quality financial institutions, management considers risk to be minimal.

*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 June 30, 2020, the Company has cash of \$59,910 to settle liabilities of \$42,388 which are subject to normal trade terms.

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**Notes to Financial Statements**  
**For the Three Month Period Ended June 30, 2020 and 2019**


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**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, 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	
		(76,750)
(b) Government of Newfoundland Labrador		
(iv) Recovery of staking costs	1,750	
Balance, June 30, 2019		\$ 188,338
(c) Maritime Resources Corp – option proceeds (see Note 10(a))		
(v) 1st anniversary – cash payment	\$ 50,000	
(vi) 1st anniversary – fair value of 500,000 shares	42,500	
		(92,500)
Balance, June 30, 2020		\$ 95,838

**INOMIN MINES INC.****Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019****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)). On December 21, 2019, the Company renewed its strategic alliance.

On March 27, 2020, the B.C. Ministry of Energy, Mines and Petroleum Resources extended registering work requirements for all existing mineral claims to December 31, 2021.

Balance, June 30, 2019	\$	37,000
Balance, June 30, 2020	\$	37,000

*(iii) Acquisition of La Gitana Property*

On May 23, 2019, the Company entered into a non-binding letter of intent to purchase 100% interest in La Gitana Property in Oaxaca State, Mexico from Gunpoint Exploration Ltd. ("Gunpoint") and paid an initial non-refundable deposit of \$10,000. The letter of intent expired without entry into a formal agreement, however, negotiations continued and an agreement was entered into on July 31, 2020 with respect to the La Gitana and the Pena Blanca Properties (see Subsequent Events (a)).

Balance, June 30, 2019	\$	10,000
Balance, June 30, 2020	\$	10,000

*(iv) Acquisition of Beaver and Lynx Properties*

During the last twelve months, 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)).

On March 27, 2020, the B.C. Ministry of Energy, Mines and Petroleum Resources extended registering work requirements for all existing mineral claims to December 31, 2021.

Balance, June 30, 2019	\$	-
Costs of staking and acquisitions	38,891	
Analysis and evaluation	2,847	
Balance, June 30, 2020	\$	41,738

Total Exploration and Evaluation Assets as at June 30, 2019	\$	235,338
Total Exploration and Evaluation Assets as at June 30, 2020	\$	184,576

**Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019**

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**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 June 30, 2019, other than granting of stock options in (c) (ii) and (iii), no significant events occurred to impact share capital.

During the twelve month period ended June 30, 2020 other than granting of stock options as described in (c) (iv), and warrant extension as described in (d), no significant events occurred to impact share capital.

- (i) *Escrow Shares*

There are no shares held in escrow as at June 30, 2020 (June 30, 2019 – 1,515,000). Escrow shares were released as follows:

- 10% with completion of the Company's Qualifying Transaction 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 Company's Qualifying Transaction.

- (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%.
- (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%.

**INOMIN MINES INC.****Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019****7. SHARE CAPITAL (cont'd)**

- (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%.
- (iv) On October 9, 2019, the Company granted 300,000 stock options to a Director 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 October 9, 2024. Total compensation was valued at \$8,194 using the Black-Scholes option pricing model. The following assumptions were used: share price - \$0.03, exercise price - \$0.05, expected life – 5 years, annual historical volatility – 160.89%, dividend rate – 0%, risk free rate – 1.32%.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price
Outstanding and exercisable, June 30, 2018	1,404,000	\$ 0.10
Granted	400,000	0.05
Cancelled and expired	(464,000)	(0.10)
Outstanding and exercisable, June 30, 2019	1,340,000	\$ 0.08
Granted	300,000	\$ 0.05
Outstanding and exercisable, June 30, 2020	1,640,000	\$ 0.08

As at June 30, 2020, 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	1.80
June 28, 2023	400,000	\$ 0.10	2.99
June 21, 2024	400,000	\$ 0.05	3.98
October 9, 2024	300,000	\$ 0.05	4.27
	1,640,000		

**INOMIN MINES INC.****Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019****7. SHARE CAPITAL (cont'd)****(d) Warrants**

The following table summarizes the continuity of the Company's warrants, expiring on January 30, 2022:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable, June 30, 2018	7,437,339	\$ 0.10
Expired	(33,880)	(0.10)
Outstanding and exercisable, June 30, 2019 and June 30, 2020	7,403,459	\$ 0.10

As at June 30, 2020, the following warrants were outstanding and exercisable

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
January 30, 2022	7,403,459	\$ 0.10	1.59

**(e) Reserve**

The reserve of \$137,184 (June 30, 2019 - \$128,990) 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, the grant date fair value of options issued to Director and a consultant of \$12,831 on June 21, 2019 and the grant date fair value of options issued to Director of \$8,194 on October 9, 2019.

**Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019**

**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:

	<b>For the three months ended</b>	
	June 30, 2020	June 30, 2019
Share-based compensation (a)	\$ -	\$ 12,831
Management fees (b)	18,000	18,000
<b>Total</b>	<b>\$ 18,000</b>	<b>\$ 30,831</b>

- 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 \$25,000 as at June 30, 2020 (June 30, 2019 – \$6,674). 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.

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**Notes to Financial Statements**  
**For the Three Month Period Ended June 30, 2020 and 2019**


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**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 November 6, 2018.

On September 17, 2019, the Company received a cash payment of \$50,000 and 500,000 Maritime shares valued at the fair value of \$42,500. The shares were subsequently disposed of for proceeds of \$41,602.

*(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.

On December 31, 2019, the Company renewed its strategic alliance.

**Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019**

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**10. SIGNIFICANT EVENTS (cont'd)**

c) *Acquisition of La Gitana Property*

On May 23, 2019, the Company entered into a non-binding letter of intent to purchase 100% interest in La Gitana Property in Oaxaca State, Mexico from Gunpoint Exploration Ltd. ("Gunpoint") and paid an initial non-refundable deposit of \$10,000. The letter of intent expired without entry into a formal agreement, however, negotiations continued and an agreement was entered into on July 31, 2020 with respect to the La Gitana and the Pena Blanca Properties (see Subsequent Events (a)).

d) *Acquisition of Beaver and Lynx Properties*

Through staking and acquisitions of approximately 20,000 hectares, the Company owns 100% interest with no royalties in the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia.

The Company in addition to filing an N.I. 43-101 Technical Report on the Beaver and Lynx properties, the Company submitted an application of multi-year exploration work permits for the properties.

e) *Incorporation of Mexican Subsidiary*

During the year, the Company incorporated a subsidiary in Mexico, Minera Rio Dorado S.A. de C.V. (the "Mexican subsidiary"), 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. At June 30, 2020, the Mexican subsidiary shares were not yet owned by the Company and was therefore not a controlled and consolidated subsidiary for financial reporting purposes. The shares were transferred to the Company on July 2, 2020.

f) *Share Purchase Agreement*

On April 30, 2020, the Company entered into an agreement to acquire Canada Metals Ltd. ("Canada Metals"), a private Australian company backed by Melbourne-based investment management firm Peak Asset Management Pty Ltd. ("Peak"). Canada Metals is expected at the time of acquisition, to have a minimum of Australian \$40,000 in cash, no liabilities and no current business operations (See also Subsequent Events (b)).

To acquire Canada Metals, the Company proposes to issue 2 million common shares and 2 million share purchase warrants to shareholders of Canada Metals. The warrants will be exercisable at \$0.08 per share for two years.

The transaction is expected to close by August 30, 2020 and is subject to acceptance by the TSX Venture Exchange.

**Notes to Financial Statements  
For the Three Month Period Ended June 30, 2020 and 2019**

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**11. SUBSEQUENT EVENTS**

*a) Acquisition of La Gitana and Pena Blanca Properties*

On July 31, 2020, the Company executed an agreement to acquire the La Gitana and Pena Blanca gold-silver projects in Mexico. The properties are located approximately 100 kilometers east of Oaxaca City in the prolific Oaxaca Gold-Silver Belt that hosts several epithermal gold-silver mines and prospects.

Subject to acceptance by the TSX Venture Exchange the Company will acquire a 100% interest in the La Gitana and Pena Blanca properties for 1,000,000 common shares of Inomin, \$25,000 cash, and the grant of a 1.5% NSR payable to Gunpoint on the Pena Blanca property (with an option for Inomin to purchase 0.5% of the NSR at any time for \$1,000,000). La Gitana is subject to an existing 3% NSR to a third-party which will be assumed by the Company.

*b) Private Placement*

The Company also announced a non-brokered private placement of up to 5,333,333 shares priced at \$0.075 per share, for gross proceeds up to \$400,000. The Private Placement is not subject to any minimum aggregate subscription, however a minimum raise of \$210,000 is required as a condition precedent to completing the acquisition of Canada Metals Ltd.

Peak Asset Management Pty Ltd., a financial backer of Canada Metals, has been engaged as corporate advisor and lead manager to provide capital raising activities – including the minimum capital raise - and corporate and financial advice to Inomin. In consideration for its services, Inomin has agreed to compensate Peak with the following (i) a management fee equal to 1% of the funds raised or introduced by Peak under the Private Placement; (ii) a capital raising fee of 7% of funds raised or introduced by Peak under the Private Placement; and (iii) 8% of any shares issued to subscribers introduced by Peak in warrants with an exercise price of \$0.08 per share expiring in December 31, 2022. Finders fees may also be paid to third party finders.

The terms of the Private Placement are subject to the acceptance by the TSX Venture Exchange. All securities issued in connection with the Private Placement will be subjected to a statutory hold period expiring on the date that is four months and one day after closing of the Private Placement.

In addition, for working capital, the Company intends to use the proceeds of the Privacy Placement to establish operations in Mexico to move forward with the La Gitana and Pena Blanca projects, as well as other potential gold and silver acquisition opportunities. Inomin also plans to review options to advance its Beaver-Lynx sulphide nickel project in south-central British Columbia.

*c) Exercise of Warrants*

As of August 28, 2020, 250,000 warrants were exercised to net the Company \$25,000.

**INOMIN MINES INC.**

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**Notes to Financial Statements**  
**For the Three Month Period Ended June 30, 2020 and 2019**

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**12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities comprise the following:

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	June 30, 2020	March 31, 2020	June 30, 2019
Legal counsel	\$ 4,636	\$ 4,636	\$ 1,050
Management fees	25,000	6,250	6,250
Audit	12,000	12,000	10,000
Others	752	1,197	3,806
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	\$ 42,388	\$ 24,083	\$ 21,106

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