



INOMIN MINES INC.

(an Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

(unaudited – prepared by management)

NINE MONTHS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 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

February 19, 2021

INOMIN MINES INC.
(An Exploration Stage Company)

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

	December 31, 2020	March 31, 2020
ASSETS		
Current		
Cash (Note 10 (d))	\$ 434,338	\$ 18,831
Receivables	2,037	2,182
Deposit for Mexican subsidiary (Note 10 (f))	3,140	2,104
Temporary investment (Notes 5 and 10 (a))	77,500	42,500
Security deposit on mineral properties (Note 6(iv))	55,000	-
	572,015	65,617
Exploration and evaluation assets (Note 6)	103,964	184,576
	\$ 675,979	\$ 250,193
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 18,894	\$ 24,083
Funds received on private placement (Note 10 (d))	400,500	-
	419,394	24,083
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	1,209,329	1,134,329
Reserve (Note 7)	137,184	137,184
Deficit	(1,089,928)	(1,045,403)
	256,585	226,110
	\$ 675,979	\$ 250,193

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

Approved and authorized by the Board.

Signed: "Evilio Gomez-Garcia"

Signed: "George Pietrobon"

Director

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 nine months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
EXPENSES				
Asset evaluation	\$ -	\$ -	\$ -	\$ 8,852
Filing fees	5,156	1,076	17,395	8,991
Interest and bank charges	78	97	222	228
Investor communications	858	4,688	3,437	6,497
Listing fees	-	-	-	500
Management fees (Note 8(b))	18,000	18,000	54,000	54,000
Office costs	1,776	1,405	4,103	6,948
Professional fees	25,553	4,467	46,133	9,618
Share-based compensation (Note 7(c))	-	8,194	-	21,025
	(46,421)	(37,927)	(125,290)	(116,659)
LOSS ON TEMPORARY INVESTMENT	-	-	(898)	(3,360)
RECOVERY IN EXCESS OF COST (Note 6(i))	-	-	81,663	-
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(46,421)	(37,927)	(44,525)	(120,019)
DEFICIT AT BEGINNING OF PERIOD	(1,043,507)	(956,956)	(1,045,403)	(876,864)
DEFICIT AT END OF PERIOD	\$ (1,089,928)	\$ (996,883)	\$ (1,089,928)	\$ (996,883)
LOSS PER COMMON SHARE				
Basic and diluted	\$ (0.003)	\$ (0.002)	\$ (0.003)	\$ (0.007)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	16,728,784	16,584,264	16,728,784	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
Balance at March 31, 2019	16,584,264	\$ 1,134,329	\$ 116,159	\$ (876,864)	\$ 373,624
Shares issued for cash	-	-	-	-	-
Share-based compensation	-	-	21,025	-	21,025
Loss and comprehensive loss for the period	-	-	-	(120,019)	(120,019)
Balance at December 31, 2019	16,584,264	\$ 1,134,329	\$ 137,184	\$ (996,883)	\$ 274,630
Balance at March 31, 2020	16,584,264	\$ 1,134,329	\$ 137,184	\$ (1,045,403)	\$ 226,110
Shares issued for cash					
- share purchase - Canada Metals Ltd	1,000,000	50,000	-	-	50,000
- exercise of warrants	250,000	25,000	-	-	25,000
- private placement (Note 10 (d))	5,340,000	-	-	-	-
Share-based compensation	-	-	-	-	-
Loss and comprehensive loss for the period	-	-	-	(44,525)	(44,525)
Balance at December 31, 2020	23,174,264	\$ 1,209,329	\$ 137,184	\$ (1,089,928)	\$ 256,585

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 nine months ended	
	December 31, 2020	December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	\$ (44,525)	\$ (120,019)
Items not affecting cash		
Recovery in excess of cost	(81,663)	-
Loss on temporary investment	898	3,360
Share-based compensation	-	12,831
Changes in non-cash working capital items:		
Decrease in accounts payable and accrued liabilities	(5,189)	(10,333)
(Increase) decrease in receivables and deposit	(891)	1,317
Net cash used in operating activities	(131,370)	(104,650)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of temporary investment	41,602	44,140
Exploration costs recovery, net	84,775	8,262
Security deposit on mineral properties	(55,000)	-
Net cash used in investing activities	71,377	52,402
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received on private placement (Note 10 (d))	400,500	-
Exercise of warrants	25,000	-
Share purchase – Canada Metals Ltd	50,000	-
Net cash provided by financing activities	475,500	-
CHANGE IN CASH FOR THE PERIOD	415,507	(52,248)
CASH AT BEGINNING OF PERIOD	18,831	106,476
CASH AT END OF PERIOD	\$ 434,338	\$ (54,228)

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

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2020 and 2019

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 Nine Month Period Ended December 31, 2020 and 2019

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 Nine Month Period Ended December 31, 2020 and 2019

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 Nine Month Period Ended December 31, 2020 and 2019

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The Company's financial instruments consist of cash, receivables, deposit, temporary investment, and accounts payable and accrued liabilities. The Company designated its cash, receivables, deposit 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 of December 31, 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 and were subsequently disposed to net the Company \$41,602.

On September 17, 2020, the Company received an additional 500,000 shares of Maritime Resources Corp. valued at the fair value of \$77,500.

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 December 31, 2020, the Company has unencumbered cash of \$33,838 to settle liabilities of \$18,894 which are subject to normal trade terms.

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2020 and 2019

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 is 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 10 (a)).

Balance, December 31, 2018	\$	190,088
Less: (a) Government of Newfoundland Labrador		
(i) Recovery of staking costs	\$	1,750
(b) Maritime Resources Corp – option proceeds (see Note 10(a))		
(ii) 1st anniversary – cash payment	50,000	
(iii) 1st anniversary – fair value of 500,000 shares	42,500	
		(94,250)
Balance, December 31, 2019		95,838
(c) Maritime Resources Corp – option proceeds (see Note 10(a))		
(iv) 2nd anniversary – cash payment	\$ 100,000	
(v) 2nd anniversary – fair value of 500,000 shares	77,500	
		(177,500)
		(81,662)
Recovery in Excess of Cost		81,663
Balance, December 31, 2020 – nominal cost	\$	1

INOMIN MINES INC.

Notes to Financial Statements

For the Nine Month Period Ended December 31, 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 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, December 31, 2019	\$	37,000
Balance, December 31, 2020	\$	37,000

(iii) Acquisition of La Gitana and Pena Blanca Properties

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.

Subject to final approval 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. (see Significant Events 10 (c)).

Balance, December 31, 2019	\$	10,000
Technical report	\$	8,225
Balance, December 31, 2020	\$	18,225

INOMIN MINES INC.**Notes to Financial Statements****For the Nine Month Period Ended December 31, 2020 and 2019****6. EXPLORATION AND EVALUATION ASSETS (cont'd)***(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 (e)).

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.

During this period, the Company was issued a Mines Act permit on the proposed program of mineral exploration on both the Beaver and Lynx properties by posting reclamation security deposit amounting to \$55,000.

Balance, December 31, 2019		\$	41,738
Technical report	\$	7,000	
Balance, December 31, 2020		\$	48,738
Total Exploration and Evaluation Assets as at December 31, 2019		\$	184,576
Total Exploration and Evaluation Assets as at December 31, 2020		\$	103,964

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2020 and 2019

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 December 31, 2019, other than granting of stock options in (c) (iii), and c (iv) no significant events occurred to impact share capital.

During the twelve-month period ended December 31, 2020, the Company extended its warrants as described in (d), of which 250,000 were exercised, and 1,000,000 common shares were issued to acquire Canada Metals Ltd.

- (i) *Escrow Shares*

There are no shares held in escrow as at December 31, 2020 (December 31, 2019 – 757,500). 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 6th, 12th, 18th, 24th, 30th and 36th 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 Nine Month Period Ended December 31, 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, December 31, 2018	940,000	\$ 0.10
Granted	700,000	0.05
Outstanding and exercisable, December 31, 2019	1,640,000	\$ 0.08
Outstanding and exercisable, December 31, 2020	1,640,000	\$ 0.08

As at December 31, 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	1.30
June 28, 2023	400,000	\$ 0.10	2.49
June 21, 2024	400,000	\$ 0.05	3.48
October 9, 2024	300,000	\$ 0.05	3.77
	1,640,000		

INOMIN MINES INC.**Notes to Financial Statements
For the Nine Month Period Ended December 31, 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, December 31, 2018	7,437,339	\$ 0.10
Expired	(33,880)	(0.10)
Outstanding and exercisable December 31, 2019	7,403,459	\$ 0.10
Exercised	(250,000)	(0.10)
Outstanding and exercisable, December 31, 2020	7,153,459	\$ 0.10

As at December 31, 2020, the following warrants were outstanding and exercisable

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
January 30, 2022	7,153,459	\$ 0.10	1.09

(e) Reserve

The reserve of \$137,184 (December 31, 2019 - \$137,184) 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 Nine Month Period Ended December 31, 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 was as follows:

	For the three months ended		For the nine months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Share-based compensation (a)	\$ -	\$ 8,194	\$ -	\$ 21,025
Management fees (b)	18,000	18,000	54,000	54,000
Total	\$ 18,000	\$ 26,194	\$ 54,000	\$ 75,025

- 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 \$6,394 as at December 31, 2020 (December 31, 2019 – \$7,662). 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.

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2020 and 2019

10. SIGNIFICANT EVENTSa) *King's Point 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 (Received)	500,000 (Received)	\$ 150,000 (Expended)
3rd anniversary of Approval Date	\$ 125,000	500,000	\$ 375,000
Total	\$ 300,000	2,000,000	\$ 600,000

The Option Agreement includes a 3-kilometre Area of Influence (AOI) whereby any mineral claims acquired by Inomin or Maritime within the AOI become part of the property.

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.

On September 17, 2020, the Company received a cash payment of \$100,000 and 500,000 Maritime shares valued at the fair value of \$77,500.

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2020 and 2019

10. SIGNIFICANT EVENTS (cont'd)

b) Fleetwood Property 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.

Inomin has had discussions with various parties that have expressed interest in a potential option or acquisition of the project. Fleetwood is a 100% Inomin owned zinc-copper-silver-gold Volcanogenic Massive Sulphide project located approximately 90 kilometres east of Vancouver, British Columbia.

c) Acquisition of La Gitana and Pena Blanca Properties

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.

The Company entered into an agreement July 31, 2020 to acquire the La Gitana and Pena Blanca gold-silver projects in Mexico. The properties are located approximately 100 kilometres 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-V, 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.

d) Private Placement

On August 4, 2020 Inomin announced a non-brokered Private Placement of up to 5,333,333 shares priced at \$0.075 per share, for gross proceeds of up to \$400,000. Peak Asset Management Pty Ltd. ("Peak"), a Melbourne-based investment management firm, was engaged as corporate advisor and lead manager to provide capital raising activities, financial advice, and marketing strategy to Inomin.

Notes to Financial Statements

For the Nine Month Period Ended December 31, 2020 and 2019

10. SIGNIFICANT EVENTS (cont'd)

On October 7, 2020, the Company announced that it has closed its Private Placement in trust, pending final approval from the TSX-V, for gross proceeds of \$400,500. The Company issued 5,340,000 common shares in the capital of the Company. All securities issued under the Private Placement are subject to a four month and one day hold period.

The proceeds of the Private Placement and share certificates for shares to be issued are held in trust pending final TSX-V approval of the Company's transaction to acquire the La Gitana gold-silver property in Mexico. The La Gitana property acquisition requires several documentations including completion of a N.I. 43-101 technical report. A technical report for La Gitana has been completed and submitted to the Exchange.

As consideration for Peak Asset Management Pty Ltd. ("Peak") introducing subscribers to the Company under the Private Placement, Peak is entitled to a finder's fee of \$20,000 cash, comprised of a management fee equal to 1% of funds raised and a capital raising fee of 7% funds raised through subscribers introduced to the company by Peak under the Private Placement. Peak is also entitled to 266,666 Inomin common share purchase warrants (each a "Warrant"), with each Warrant entitling the holder to purchase an additional Share at an exercise price of \$0.08 per Share until December 31, 2022.

Inomin intendeds to use proceeds of the Private Placement to establish operations in Mexico to move forward with the La Gitana project.

e) *Technical Report and Exploration Permits for Beaver and Lynx Properties*

During the period, Inomin completed and filed a N.I. 43-101 Technical Report dated June 24, 2020 on the Beaver and Lynx properties. The Company has received multi-year exploration work permits for both 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.

f) *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 were transferred into the name of the Company. At December 31, 2020, the Mexican subsidiary shares were owned by the Company and was therefore a controlled and consolidated subsidiary for financial reporting purposes.

g) *Acquisition of Canada Metals*

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 will have at the time of acquisition, \$50,000 in cash, no liabilities and no current business operations.

INOMIN MINES INC.**Notes to Financial Statements****For the Nine Month Period Ended December 31, 2020 and 2019****10. SIGNIFICANT EVENTS (cont'd)**

On October 27, 2020, Inomin amended the acquisition price for all of the outstanding shares of Canada Metals to one million common shares of the Company. The original consideration was two million common shares and two million share purchase warrants of the Company.

On December 14, 2020, the TSX-V approved the transaction and the Company closed the acquisition.

Cash of \$50,000 was transferred to Inomin and the former shareholders of Canada Metals are in the process of winding-up Canada Metals pursuant to purchase agreement.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	December 31, 2020	March 31, 2020	December 31, 2019
Legal counsel	\$ 10,391	\$ 4,636	\$ 116
Management fees	6,250	6,250	6,250
Audit	-	12,000	-
Property evaluation	-	-	1,051
Others	2,253	1,197	3,680
	<u>\$ 18,894</u>	<u>\$ 24,083</u>	<u>\$ 11,097</u>