



Consolidated Financial Statements of
INOMIN MINES INC.
(An Exploration Stage Company)
YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

INDEX

	Page
FINANCIAL STATEMENTS	
Auditor's Report	1 - 3
Consolidated Statements of Financial Position	4
Consolidated Statements of Loss and Comprehensive Loss	5
Consolidated Statements of Changes in Equity	6
Consolidated Statements of Cash Flows	7
Notes to the Consolidated Financial Statements	8 – 25

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inomin Mines Inc.:

vancouver@bakertilly.ca
www.bakertilly.ca

Opinion

We have audited the consolidated financial statements of Inomin Mines Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

July 29, 2021

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2021 and 2020
(Expressed in Canadian Dollars)

	2021	2020
ASSETS		
Current		
Cash	\$ 378,347	\$ 18,831
Receivables	1,561	2,182
Advances	-	2,104
Temporary investment (Notes 6)	77,500	42,500
	457,408	65,617
Security deposit on mineral properties (Note 6(iv))	55,000	-
Exploration and evaluation assets (Note 6)	261,491	184,576
	\$ 773,899	\$ 250,193
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 43,515	\$ 24,083
SHAREHOLDERS' EQUITY		
Share capital (Note 7(b))	1,707,040	1,134,329
Reserve (Note 7(e))	164,973	137,184
Deficit	(1,141,629)	(1,045,403)
	730,384	226,110
	\$ 773,899	\$ 250,193

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized by the Board on July 22, 2021

On behalf of the Board:

"Evilio Gomez-Garcia" Director

"George Pietrobon" Director

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

INOMIN MINES INC.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)**

	2021	2020
EXPENSES		
Asset evaluation	\$ -	\$ 8,853
Filing fees	19,251	11,191
Interest and bank charges	(137)	279
Investor communications	3,866	8,925
Listing fees	5,200	6,450
Management fees (Note 8)	72,000	72,000
Office costs	4,980	10,183
Professional fees	71,831	26,273
Share-based compensation (Notes 7(c)) and 8)	-	21,025
	176,991	165,179
Loss on temporary investment	(898)	(3,360)
Recovery in excess of cost (Note 6(i))	81,663	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (96,226)	\$ (168,539)
LOSS PER COMMON SHARE		
Basic and diluted	\$ (0.005)	\$ (0.010)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic and diluted	19,678,100	16,584,264

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

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(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
Share-based compensation	-	-	21,025	-	21,025
Loss and comprehensive loss for the year	-	-	-	(168,539)	(168,539)
Balance at March 31, 2020	16,584,264	1,134,329	137,184	(1,045,403)	226,110
Shares issued for cash					
- Acquisition of Canada Metals (Note 7)	1,000,000	50,000	-	-	50,000
- Exercise of options	100,000	5,000	-	-	5,000
- Exercise of warrants	450,000	45,000	-	-	45,000
- Private placement	5,340,000	400,500	-	-	400,500
Finder's fees	-	(20,000)	-	-	(20,000)
Finder's warrants	-	(27,789)	27,789	-	-
Shares issued for property acquisition	1,000,000	120,000	-	-	120,000
Loss and comprehensive loss for the year	-	-	-	(96,226)	(96,226)
Balance at March 31, 2021	24,474,264	\$ 1,707,040	\$ 164,973	\$ (1,141,629)	\$ 730,384

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

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (96,226)	\$ (168,539)
Items not involving cash:		
Recovery in excess of cost	(81,663)	-
Loss on temporary investment	898	3,360
Share-based compensation	-	21,025
Changes in non-cash working capital items:		
Decrease in receivables	621	1,454
Decrease in advances	2,104	-
Increase in accounts payable and accrued liabilities	19,432	2,653
Net cash used in operating activities	(154,834)	(140,047)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of temporary investment	41,602	44,140
Exploration costs recovery, net	72,248	8,262
Property acquisition	(25,000)	-
Security deposit on mineral properties	(55,000)	-
Net cash provided by investing activities	33,850	52,402
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued upon exercise of warrants	45,000	-
Shares issued upon exercise of options	5,000	-
Net funds received on private placement	380,500	-
Funds received from Canada Metals Ltd.	50,000	-
Net cash provided by financing activities	480,500	-
CHANGE IN CASH FOR THE YEAR	359,516	(87,645)
CASH AT THE BEGINNING OF THE YEAR	18,831	106,476
CASH AT THE END OF THE YEAR	\$ 378,347	\$ 18,831

Supplemental cash flow information (Note 9)

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

INOMIN MINES INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Inomin Mines Inc. (the "Company" or "Inomin") 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, acquisition, and exploration and evaluation of mineral property interests.

These consolidated 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. As at March 31, 2021, the Company has a deficit of \$1,141,629 (March 31, 2020 - \$1,045,403). 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. While the pandemic has not yet had a material impact on the Company, 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 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 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 consolidated 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 consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

2. BASIS OF PRESENTATION (cont'd)

Basis of Measurement

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

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

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its 100% controlled Mexican subsidiary, Minera Rio Dorado S.A. de C.V. and Australian subsidiary, Canada Metals Ltd. ACN. The Company's subsidiaries have been consolidated since the date of acquisition or incorporation. All intercompany transactions and balances have been eliminated.

Critical estimates and judgements

The preparation of these consolidated 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 consolidated financial statements include:

Going concern

The preparation of these consolidated 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.

Acquisitions

Management uses judgement in determining if an acquisition is a business combination or an asset acquisition.

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 consolidated 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

Cash and cash equivalents

The Company considers all highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value to be cash equivalents.

Financial instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,
- ii) those to be measured subsequently at amortized cost.

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

The classification and measurement bases of the Company's consolidated financial instruments are as follows:

Financial Instrument	Classification
Cash	FVTPL
Temporary investment	FVTPL
Security deposit on mineral properties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i) amortized cost;
- ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or
- iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk;

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs for all classifications of financial instruments, other than those at FVTPL, that are directly attributable to the acquisition or issuance of a financial asset or financial liability are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

Financial instruments that are classified and measured at amortized cost utilize the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

See also Note 5 – Financial Instruments and Risks.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date and which are expected to be applicable in the period(s) in which realization or settlement of the carrying amount of assets and liabilities is expected to occur.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Common shares issued for consideration other than cash, are measured at fair value at the date the transaction is approved.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share issue costs

Costs directly identifiable with the raising of capital are charged against the related share capital, net of any tax effects. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs are charged against the related share capital or charged to operations if the shares are not issued.

The Company may issue compensatory warrants to brokers and agents, from time to time. The fair value of the warrants is determined using the Black-Scholes option pricing model, and is recognized as share issuance costs, in the equity reserve account, with a corresponding amount charged against share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method allocates the private placement proceeds first to the fair value of the shares issued, and the residual value, if any, is assigned to the warrants.

The fair value of the common shares issued in a private placement is measured using the closing quoted bid price on the issuance date. Any fair value attributed to warrants is recorded as a warrant reserve.

Share-based compensation

The Company grants stock options to buy common shares of the Company to Directors, Officers and technical consultants. The Company may also issue compensatory warrants to agents. The Company recognizes share-based compensation expense based on the estimated fair value of the options at grant date. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period of the options granted as share-based compensation expense, with a corresponding amount recognized in reserve within equity. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserve is subsequently reduced if the options are exercised and the amount initially recorded is then reclassified/transferred to share capital.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based compensation. Otherwise, share-based compensation is measured at the fair value of goods or services received.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is not adjusted for potential common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated profit or loss.

Exploration and evaluation assets

Pre-exploration costs are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation are recognized and capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The rehabilitation costs are depreciated on the same basis as the exploration and evaluation assets. Changes in the present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding adjustment to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

The Company had no material environmental rehabilitation obligations for the years presented.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The Company has reviewed the recent, but not yet effective, accounting pronouncements issued by the IASB. None of the upcoming accounting pronouncements are expected to have a material impact on the Company's consolidated financial statements.

5. FINANCIAL INSTRUMENTS AND RISKS

Classification of financial instruments

The carrying values of accounts payable and accrued liabilities as at March 31, 2021 approximate their fair values due to their short term nature. The carrying value of security deposit on mineral properties approximates its fair value, as it is held in a deposit account with a financial institution at a market rate of interest.

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; and

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

As at March 31, 2021, the cash and fair value of the temporary investment were based on level 1 of the fair value hierarchy. The 500,000 shares of Maritime Resources Corp. were valued at the closing trading price of Maritime Resources Corp.'s common shares on March 31, 2021 of \$0.155 per share for a total fair value of \$77,500.

5. FINANCIAL INSTRUMENTS AND RISKS (cont'd)

Risk management

The Company has exposure to the following risks from its 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 values of cash and security deposit on mineral properties shown on the consolidated statement of financial position. The cash and security deposit on mineral properties are held with high credit quality financial institutions, management considers the risk of loss on these financial instruments to be minimal.

Market risk:

Market risk is the risk that the fair values 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 investment in marketable securities. The Company's exposure to market risk is limited to the carrying value of temporary investment.

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 so at excessive cost. As at March 31, 2021, the Company had cash of \$378,347 (2020 - \$18,831) and a temporary investment of \$77,500 (2020 - \$42,500), to settle liabilities of \$43,515 (2020 - \$24,083) which are subject to normal trade terms.

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 uncertainty 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 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 would have paid 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% would have had to be paid.

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").

INOMIN MINES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)****6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

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, making 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 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.

As at March 31, 2020, the 500,000 Maritime shares were valued at the fair value of \$42,500. These shares were disposed for proceeds of \$41,602.

As at March 31, 2021, the 500,000 Maritime shares were valued at the fair value of \$77,500.

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Balance, March 31, 2018	\$	248,874
Exploration costs – April 1, 2018 to May 16, 2018		16,214
		265,088
Less: (a) Maritime Resources Corp – option proceeds		
(i) Cash payment	\$	25,000
(ii) 500,000 shares at a quoted price of \$0.07 per share		35,000
(iii) Reimbursement of exploration expenditures incurred		15,000
		75,000
(b) Government of Newfoundland Labrador		
(iv) Recovery of staking costs		1,750
		(76,750)
Balance, March 31, 2019		188,338
Less: (c) Maritime Resources Corp – option proceeds		
(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, March 31, 2020	\$	95,838
Less: (d) Maritime Resources Corp – option proceeds		
(vii) 2nd anniversary – cash payment	\$	100,000
(viii) 2nd anniversary – 500,000 shares at a quoted price of \$0.155 per share		77,500
		(177,500)
		(81,662)
Recovery in Excess of Cost		81,663
Balance, March 31, 2021 – nominal cost	\$	1

(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 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.

Balance, March 31, 2019, March 31, 2020, and March 31, 2021	\$	37,000
-------------------------------------------------------------	----	--------

INOMIN MINES INC.
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
 (Expressed in Canadian Dollars)**
6. EXPLORATION AND EVALUATION ASSETS (cont'd)*(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.

The purchase agreement was subsequently amended and on February 28, 2021 the Company acquired 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. The TSX-V approved the transaction on March 24, 2021.

Balance, March 31, 2019 and March 31, 2020		\$ 10,000
Property acquisition - cash	\$ 25,000	
- 1,000,000 shares at fair value of \$0.12 per share	120,000	
Property taxes	11,700	
Technical report	8,225	164,925
Balance, March 31, 2021		\$ 174,925

(iv) Acquisition of Beaver and Lynx Properties

In the previous fiscal period, the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia.

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 the year ended March 31, 2021, the Company was issued a Mines Act permit on the proposed program of mineral exploration on both the Beaver and Lynx properties by posting a reclamation security deposit amounting to \$55,000.

Balance, March 31, 2019		\$ -
Cost of staking and acquisitions	\$ 38,891	
Analysis and evaluation	2,847	41,738
Balance, March 31, 2020		\$ 41,738
Technical report	\$ 7,000	
Cost of staking	827	7,827
Balance, March 31, 2021		\$ 49,565
Total Exploration and Evaluation Assets as at March 31, 2020		\$ 184,576
Total Exploration and Evaluation Assets as at March 31, 2021		\$ 261,491

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

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 year ended March 31, 2021

(i) Acquisition of Canada Metals Ltd.

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") for 1,000,000 common shares at \$0.05 per share. Canada Metals had at the time of acquisition, \$50,000 in cash, no liabilities and no current business operations.

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.

(ii) Private Placement

The Company closed its non-brokered private placement for 5,340,000 common shares, for gross proceeds of \$400,500. As consideration for Peak introducing subscribers to the Company under the Private Placement, Peak paid a finder's fee of \$20,000 cash, a management fee equal to 1% of funds raised and a capital raising fee of 7% of funds raised. 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.

(iii) Acquisition of La Gitana and Pena Blanca Properties

The Company acquired a 100% interest in the La Gitana and Pena Blanca properties for 1,000,000 common shares at \$0.12 per share and \$25,000 cash.

(iv) Warrants and Options Exercised

During the year 450,000 warrants and 100,000 options were exercised to net the Company \$50,000.

(v) Escrow Shares

There are no shares held in escrow as at March 31, 2021 (2020 – NIL).

During the year ended of March 31, 2020:

Other than granting of stock options as described in (c(i) and c(ii)) and warrant extension described in (d), no significant events occurred to impact share capital.

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

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 technical consultants of the Company, non-transferable options to purchase common shares exercisable for a period of up to 5 years from the date of grant, provided that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares.

- (i) 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%.
- (ii) 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%.

During the year, 100,000 stock options were exercised for proceeds of \$5,000. The market price of the Company's common shares on the date of exercise was \$0.175 per share.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price
Outstanding and exercisable, March 31, 2019	940,000	\$ 0.10
Granted	700,000	0.05
Outstanding and exercisable, March 31, 2020	1,640,000	0.08
Exercised	(100,000)	0.05
Outstanding and exercisable, March 31, 2021	1,540,000	\$ 0.08

As at March 31, 2021, 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	1.05
June 28, 2023	400,000	\$ 0.10	2.24
June 21, 2024	300,000	\$ 0.05	3.23
October 9, 2024	300,000	\$ 0.05	3.52
	1,540,000		

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

d) Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable, March 31, 2019 and March 31, 2020	7,403,459	\$ 0.10
Exercised Trading price at date of exercise: 150,000 at \$0.175; 100,000 at \$0.180; 100,000 at \$0.150	(450,000)	(0.10)
Granted at fair value of \$27,789	266,666	0.08
Outstanding and exercisable March 31, 2021	7,220,125	\$ 0.10

As at March 31, 2021, the following warrants were outstanding and exercisable:

Expiry date	Number of options	Exercise price	Remaining contractual life (years)
January 30, 2022	6,953,459	\$ 0.10	0.84
December 31, 2022	266,666	\$ 0.08	1.75
	7,220,125		

e) Reserve

The reserve of \$164,973 (2020 - \$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 and 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 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, and the grant date fair value of the finders warrants of \$27,789 on July 7, 2020.

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

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 for the years ended March 31, 2021 and 2020 were as follows:

	2021		2020	
Share-based compensation (a)	\$	-	\$	17,817
Management fees (b)		72,000		72,000
Total	\$	72,000	\$	89,817

- 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 balance due to the Company's current Directors and Officers included in accounts payables and accrued liabilities was \$7,078 as at March 31, 2021 (2020 – \$6,987). These amounts are unsecured, non-interest bearing and payable on demand.

9. SUPPLEMENTAL CASH FLOW INFORMATION

There was no cash paid for interest or income taxes for the years ended March 31, 2021 and 2020.

10. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. 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 way in which the Company manages capital has not changed for the year ended March 31, 2021.

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

INOMIN MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020
(Expressed in Canadian Dollars)

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2021	2020
Loss and comprehensive loss for the year	\$ (96,226)	\$ (168,539)
Statutory income tax rate	27%	27%
Expected income tax (recovery)	\$ (25,981)	\$ (45,505)
Permanent Differences	(26,019)	(13,495)
Change in unrecognized deductible temporary differences	52,000	59,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	2021	2020
Deferred tax assets (liabilities)		
Share issue costs	\$ 10,000	\$ -
Non-capital losses available for future period	302,000	273,000
Exploration and evaluation assets	(23,000)	(36,000)
	289,000	237,000
Unrecognized deferred tax assets	(289,000)	(237,000)
Net deferred tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$1,117,600 which will expire between 2033 and 2041.

Non capital losses expire as follows:

\$ 14,900	2033
55,600	2034
269,800	2035
58,400	2036
146,400	2037
163,000	2038
153,400	2039
149,000	2040
107,100	2041
<u>\$ 1,117,600</u>	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. SUBSEQUENT EVENTS

- (a) For the Company's Mexico operations, the Company entered into independent consulting agreements to commence on April 1, 2021 until October 1, 2021 with:
 - (i) A senior exploration geologist; and
 - (ii) A community relations representative.

- (b) The Company entered into marketing and advertising agreements:
 - (i) For a twelve month period ending April 26, 2022 for an annual fee of \$24,000; and
 - (ii) For a twelve month period ending July 12, 2022 for a \$5,000 fee and 200,000 stock options of Company.

- (c) On July 26, 2021, the Company announced that it proposed to undertake a non-brokered private placement of securities to raise total gross proceeds of \$1,000,000 (the "offering"). The Offering will be comprised of a combination of non-flow-through units (the "NFT Units") to be sold at a price of \$0.10 per NFT Unit and flow-through units (the "FT Units") to be sold at a price of \$0.125 per FT Unit. Each NFT Unit will be comprised of one non-flow-through common share and one-half (0.5) of one warrant. Each FT Unit will be comprised of one flow-through common share and one-half (0.5) of one warrant. The warrants for all units will be subject to the same terms, with each whole warrant entitling the holder thereof to purchase one non-flow-through common share for a period of 2 years from the date of issuance at an exercise price of \$0.15. As at the audit report date, the Offering has not closed.