



**INOMIN MINES INC.**

(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – prepared by management)

**DECEMBER 31, 2022**

(Expressed in Canadian Dollars)

Reader's Note:

These unaudited condensed interim consolidated financial statements of Inomin Mines Inc. have been prepared by management and have not been reviewed by the Company's auditor

**INOMIN MINES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	December 31, 2022	March 31, 2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	308,650	459,489
Receivables	2,532	13,563
Securities (Note 3d)	45,000	115,000
Prepayments	10,834	-
<b>Total current assets</b>	<b>367,016</b>	<b>588,052</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3e)	735,329	707,049
Security deposit on exploration and evaluation assets (Note 3a)	55,000	55,000
<b>Total non-current assets</b>	<b>790,329</b>	<b>762,049</b>
<b>TOTAL ASSETS</b>	<b>1,157,345</b>	<b>1,350,101</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	36,805	60,449
Flow-through premium liability	-	4,480
<b>TOTAL LIABILITIES</b>	<b>36,805</b>	<b>64,929</b>
<b>EQUITY</b>		
Share capital (Note 4)	2,408,214	2,144,590
Shares to be issued	-	132,720
Reserve	364,703	407,357
Deficit	(1,652,377)	(1,399,495)
<b>TOTAL EQUITY</b>	<b>1,120,540</b>	<b>1,285,172</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,157,345</b>	<b>1,350,101</b>

Nature of operations and going concern (Note 1)

Approved and Authorized by the board on February 21, 2023

On behalf of the Board:

"Evilio Gomez-Garcia" Director"Anil Jiwani" Director

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

**INOMIN MINES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – prepared by management)

(Expressed in Canadian Dollars, except for number of shares)

	<b>Three Months Ended December 31,</b>		<b>Nine Months Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating expenses</b>				
Filing fees	257	416	14,043	14,989
Insurance	2,499	-	6,666	-
Interest and bank charges	326	481	1,340	1,070
Investor communications	6,325	31,677	12,611	66,442
Management fees (Note 6)	15,000	15,000	45,000	33,000
Office	1,760	1,132	6,046	6,564
Professional fees (Note 6)	15,177	19,769	58,514	72,011
Share-based compensation	-	108,160	-	108,160
Travel	-	-	4,875	-
<b>Total operating expenses</b>	<b>(41,344)</b>	<b>(176,635)</b>	<b>(149,095)</b>	<b>(302,236)</b>
<b>Other items</b>				
Write off of exploration and evaluation (Note 3c)	-	-	(38,314)	-
Loss on securities (Note 3d)	(5,000)	(12,500)	(70,000)	(12,500)
Foreign exchange (loss) gain	321	-	47	-
Recovery in excess of cost for the King's Point project	-	-	-	190,000
Flow through premium liability recovery	2,404	30,130	4,480	56,448
<b>Comprehensive loss for the period</b>	<b>(43,619)</b>	<b>(159,005)</b>	<b>(252,882)</b>	<b>(68,288)</b>
<b>Loss per common share</b>				
Basic and diluted	(0.001)	(0.006)	(0.008)	(0.002)
Weighted average number of common shares outstanding	30,946,410	28,506,264	30,922,561	26,229,724

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

**INOMIN MINES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital \$	Shares to be issued \$	Reserve \$	Deficit \$	Total \$
<b>Balance at March 31, 2021</b>	24,474,264	1,707,040	-	164,973	(1,141,629)	730,384
Private placement						
- flow-through shares	2,862,000	286,200	-	-	-	286,200
- non-flow-through shares	1,170,000	117,000	-	-	-	117,000
Finders fees	-	(18,143)	-	-	-	(18,143)
Finders warrants	-	(12,486)	-	12,486	-	-
Share-based compensation	-	-	-	108,160	-	108,160
Loss for the period	-	-	-	-	(68,288)	(68,288)
<b>Balance at December 31, 2021</b>	28,506,264	2,079,611	-	285,619	(1,209,917)	1,155,313
<b>Balance at March 31, 2022</b>	29,261,510	2,144,590	132,720	407,357	(1,399,495)	1,285,172
Exercise of warrants	1,049,900	164,527	(132,720)	(7,057)	-	24,750
Exercise of options	635,000	99,097	-	(35,597)	-	63,500
Loss for the period	-	-	-	-	(252,882)	(252,882)
<b>Balance at December 31, 2022</b>	<b>30,946,410</b>	<b>2,408,214</b>	<b>-</b>	<b>364,703</b>	<b>(1,652,377)</b>	<b>1,120,540</b>

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

**INOMIN MINES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

	<b>For the nine months ended December 31, 2022 \$</b>	For the nine months ended December 31, 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	<b>(252,882)</b>	(68,288)
Write off of exploration and evaluation assets	<b>38,314</b>	-
Loss on securities	<b>70,000</b>	12,500
Flow-through premium recovery	<b>(4,480)</b>	(56,448)
Share based compensation	-	108,160
Recovery in excess of cost for the King's Point project	-	(190,000)
Changes in non-cash working capital items:		
Receivables	<b>11,031</b>	1,561
Prepays	<b>(10,834)</b>	-
Accounts payable and accrued liabilities	<b>(19,029)</b>	(29,123)
Net cash used in operating activities	<b>(167,880)</b>	(221,638)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration costs net of recovery	<b>(70,838)</b>	(242,063)
Net cash used in investing activities	<b>(70,838)</b>	(242,063)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Funds received on private placement, net of finders fees	-	456,607
Exercise of warrants	<b>24,750</b>	-
Exercise of options	<b>63,500</b>	-
Net cash provided by financing activities	<b>88,250</b>	456,607
<b>CHANGE IN CASH FOR THE PERIOD</b>		
Impact of foreign exchange	<b>(371)</b>	-
<b>CASH AT THE BEGINNING OF THE PERIOD</b>	<b>459,489</b>	378,347
<b>CASH AT THE END OF THE PERIOD</b>	<b>308,650</b>	371,253
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Fair value of warrants and options exercised	<b>42,654</b>	-
Exploration and evaluation costs payables	<b>4,244</b>	-

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

**INOMIN MINES INC.****NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Unaudited – Prepared by Management

DECEMBER 31, 2022

(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 of mineral properties. The Company's principal place of business is Suite 1130 – 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, Canada.

These unaudited condensed interim consolidated financial statements are prepared on a going concern 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 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. The Company has an accumulated deficit of \$1,652,377 as at December 31, 2022 and incurred a comprehensive loss of \$252,882 for the nine months ended December 31, 2022 (2021 – \$68,288). In addition, during the nine months ended December 31, 2022, the Company used cash flows in operations of \$167,880 (2021- \$221,638). These events and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. Accordingly, these unaudited condensed interim consolidated 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 consolidated financial statements.

**2. BASIS OF PRESENTATION*****Statement of Compliance***

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2022, which were prepared in accordance with IFRS. The accounting policies adopted are consistent with those of the previous financial year.

Certain prior year amounts have been reclassified for consistency with the current year presentation.

***Basis of Measurement***

These unaudited condensed interim 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 unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

**INOMIN MINES INC.**

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DECEMBER 31, 2022

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***Critical estimates and judgements***

The preparation of these unaudited condensed interim 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, and expenses. Actual results may differ significantly from these estimates.

The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended March 31, 2022.

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**3. 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.

***(a) Beaver-Lynx Property***

During the 2020 fiscal year, the Company acquired the Beaver and Lynx nickel-cobalt properties located in the Cariboo region of south-central British Columbia through staking.

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

The Company subsequently acquired additional mineral claims to join the Beaver and Lynx properties into a single property (Beaver-Lynx).

***(b) La Gitana and Pena Blanca Properties***

During the 2020 and 2021 fiscal years, the Company acquired a 100% interest in the La Gitana and Pena Blanca gold-silver properties in Oaxaca State, Mexico from Gunpoint Exploration Ltd. ("Gunpoint") for 1,000,000 common shares (issued) of Inomin, \$35,000 cash payment, and the grant of a 1.5% Net Smelter Royalty ("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.

***(c) Fleetwood Property***

On March 28, 2018, the Company acquired 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 comprising:

- \$10,000 cash payment (paid); and
- 200,000 of the Company's common shares (valued at \$27,000) (issued).

During the period ended December 31, 2022, the claims related to the Fleetwood property were allowed to lapse and the \$38,314 capitalized on the statement of financial position was written off.

***(d) King's Point Property***

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"). Maritime exercised its option effective September 15, 2021 and earned a 100% interest in King's Point.

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During the period since the date of the option agreement to September 15, 2021, Maritime spent \$600,000 in exploration, made cash payments of \$300,000 to the Company, and issued 2,000,000 Maritime securities to the Company in four equal instalments.

During the 2020 and 2019 fiscal years, the Company received the first and second instalments of the Maritime securities and \$75,000 in cash payments. During the year ended March 31, 2020, 500,000 of the securities which had a fair value of \$47,500 were disposed for proceeds of \$44,140.

During the year ended March 31, 2021, the Company sold a further 500,000 securities for total proceeds of \$41,602. During the same fiscal year, the Company received the second cash payment of \$100,000 and the third instalment of the 500,000 securities of Maritime valued at \$77,500.

During the year ended March 31, 2022, the Company received its final cash instalment of \$125,000 and 500,000 securities of Maritime valued at \$65,000. The Company recognized a recovery in excess of costs of \$190,000 for these proceeds.

As at December 31, 2022, the Company held 1,000,000 securities of Maritime. The securities of Maritime are carried at the market value of \$45,000 based on their quoted price.

	Number of securities	Fair value \$
Balance, March 31, 2022	1,000,000	115,000
Unrealized loss on securities	-	(70,000)
Balance, December 31, 2022	1,000,000	45,000

The Company holds a 1% NSR on King's Point, including mineral claims acquired by Maritime within three kilometres from the perimeter of the King's Point project.

*(e) Exploration cost for the period:*

The table below details the expenditures incurred on each project during the period ended December 31, 2022:

	Beaver-Lynx Property \$	La Gitana, Pena Blanca and other Mexican activities \$	Fleetwood Property \$	Total \$
Balance, March 31, 2022	409,471	259,264	38,314	707,049
Staking	2,742	-	-	2,742
Consulting expenses	10,381	39,939	-	50,320
Evaluation and community costs	-	2,852	-	2,852
Laboratory test work	10,680	-	-	10,680
Write off	-	-	(38,314)	(38,314)
<b>Balance, December 31, 2022</b>	<b>433,274</b>	<b>302,055</b>	<b>-</b>	<b>735,329</b>

**4. 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 – 30,946,410 as at December 31, 2022 (March 31, 2022 – 29,261,510).



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**(c) Stock Options**

The Board of Directors of the Company may from time to time, at 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.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price (\$)
Outstanding and exercisable, March 31, 2022	2,835,000	0.13
Exercised	(635,000)	0.10
Outstanding and exercisable, December 31, 2022	2,200,000	0.13

During the nine months ended December 31, 2022, 635,000 stock options were exercised in exchange for 635,000 common shares for proceeds of \$63,500. The weighted average market price of the Company's common shares on the dates of exercise was \$0.31 per share.

As at December 31, 2022, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price (\$)	Remaining contractual life (years)
June 28, 2023	225,000	0.10	0.49
June 21, 2024	300,000	0.05	1.47
October 9, 2024	300,000	0.05	1.78
October 5, 2026	1,025,000	0.10	3.76
March 30, 2027	350,000	0.38	4.25
	2,200,000	0.13	2.92

**(d) Warrants**

During the nine months ended December 31, 2022, a total of 1,049,900 warrants were exercised in exchange of 1,049,900 common shares of the Company, for total proceeds of \$157,470 of which \$24,750 was received during the nine months ended December 31, 2022. The weighted average market price of the Company's common shares on the date of exercise was \$0.31 per share.

During the nine months ended December 31, 2022, a total of 266,666 warrants expired.

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

	Number of warrants	Weighted average exercise price (\$)
Outstanding and exercisable March 31, 2022	2,427,566	0.14
Exercised	(1,049,900)	0.15
Expired	(266,666)	0.08
Outstanding and exercisable December 31, 2022	1,111,000	0.15

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DECEMBER 31, 2022

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As at December 31, 2022, the following warrants were outstanding and exercisable:

Expiry date	Number of warrants	Exercise price (\$)	Remaining contractual life (years)
August 25, 2023	999,000	0.15	0.65
September 24, 2023	112,000	0.15	0.73
	1,111,000	0.15	0.66

**5. FINANCIAL INSTRUMENTS**

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.

	Fair value hierarchy	December 31, 2022	March 31, 2022
		\$	\$
Financial assets at FVTPL			
Cash	Level 1	308,650	459,489
Securities	Level 1	45,000	115,000
		<b>353,650</b>	<b>574,489</b>

The carrying value of the Company's security deposit on mineral properties approximates its fair value. The accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

**Management of financial risks**

The Company has exposure to the following risks from its financial instruments: credit risk, liquidity risk and foreign currency 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.

*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 December 31, 2022, the Company had cash of \$308,650 (March 31, 2022 - \$459,489) and securities of \$45,000 (March 31, 2022 - \$115,000), to settle liabilities of \$36,805 (March 31, 2022 - \$60,449) which are subject to normal trade terms.

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Unaudited – Prepared by Management

DECEMBER 31, 2022

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*Foreign currency risk:*

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian dollars and Mexican pesos. As at 31 December 2022 cash held in banks were mainly denominated in Canadian dollars. The portion of the Company's funds held in Mexican pesos is subject to fluctuations in foreign exchange rates.

As at December 31, 2022, the Company has certain monetary items denominated in Mexican pesos. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the Mexican pesos would result in an increase or decrease of approximately \$67 in the Company's net loss.

**6. 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 transactions were as follows:

- a) The Company has a consulting agreement with its Chief Executive Officer ("CEO") for a fee of \$5,000 per month from October 1, 2021, onwards, through Oro Grande Capital, a Company controlled by the CEO. During the three and nine months ended December 31, 2022, the Company incurred \$15,000 and \$45,000 (2021 - \$15,000 and \$33,000) respectively in fees to Oro Grande Capital. These fees are included in Management fees in the condensed interim consolidated statement of loss and comprehensive loss.
- b) The Company has a consulting agreement with its Corporate Secretary for a fee of \$2,000 per month from October 1, 2021, onwards. During the three and nine months ended December 31, 2022, the Company incurred \$6,000 and \$18,000 (2021 - \$6,000 and \$12,000) respectively in fees to the Corporate Secretary. These fees are included in Professional fees in the condensed interim consolidated statement of loss and comprehensive loss.
- c) The Company has an agreement with a director of the Company whereby the Director provides exploration related services to the Company. During the three and nine months ended December 31, 2022, the Company incurred \$Nil and \$10,150 (2021 - \$nil) respectively in fees to the Director and these fees are included in Exploration and Evaluation assets in the condensed interim consolidated statement of financial position.
- d) In January 2022, the Company entered into a consulting agreement with the Chief Financial Officer ("CFO") of the Company for a monthly fee of \$2,500 through Avisar Everyday Solutions Ltd. ("Avisar") to provide accounting related services. During the three and nine months ended December 31, 2022, the Company incurred \$7,500 and \$22,500 (2021 - \$nil) in professional fees to Avisar. Also, during the three and nine month period ended December 31, 2022, the Company incurred \$Nil and \$Nil (2021 - \$7,500 and \$19,500) respectively in professional fees to the former CFO of the Company. These fees are included in Professional fees in the condensed interim consolidated statement of loss and comprehensive loss.

The balance due to the Company's current Directors and Officers included in accounts payables and accrued liabilities was \$9,971 as at December 31, 2022 (March 31, 2022 – \$12,014). These amounts are unsecured, non-interest bearing and payable on demand.

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**7. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in Canada and Mexico. Non-current assets by country are as follows:

	December 31, 2022			March 31, 2022		
	Canada	Mexico	Total	Canada	Mexico	Total
	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets	433,274	302,055	735,329	447,784	259,265	707,049
Security deposit	55,000	-	55,000	55,000	-	55,000
Total	488,274	302,055	790,329	502,784	259,265	762,049

**8. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity, which totaled \$1,120,540 at December 31, 2022. 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.

The Company manages the capital structure and adjusts 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 did not change during the nine-month period ended December 31, 2022.

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