

Financial Statements of
INOMIN MINES INC. (formerly Inovent Capital Inc.)
(An Exploration Stage Company)
YEARS ENDED MARCH 31, 2017 AND 2016
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inomin Mines Inc. (formerly Inovent capital Inc.)

We have audited the accompanying financial statements of Inomin Mines Inc. (formerly Inovent Capital Inc.), which comprise the statements of financial position as at March 31, 2017 and 2016, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Inomin Mines Inc. (formerly Inovent Capital Inc.) as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which indicates the existence of material uncertainties that may cast significant doubt about the ability of Inomin Mines Inc. (formerly Inovent Capital Inc.) to continue as a going concern.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

July 28, 2017
Vancouver, B.C.

INOMIN MINES INC.
(formerly Inovent Capital Inc.)
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31

	2017	2016
ASSETS		
Current		
Cash	\$ 436,205	\$ 79,478
Temporary investment (Notes 5 and 12(b))	22,500	15,000
	458,705	94,478
Exploration and evaluation assets (Note 6)	220,562	-
	\$ 679,267	\$ 94,478
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 119,359	\$ 154,878
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	1,013,846	275,046
Reserve (Note 7)	52,459	49,420
Deficit	(506,397)	(384,866)
	559,908	(60,400)
	\$ 679,267	\$ 94,478

Nature of operations and going concern (Note 1)

Significant events (Note 12)

Subsequent event (Note 13)

Approved and authorized by the Board on July 28, 2017

On behalf of the Board:

"Evilio Gomez-Garcia" Director

"George Pietrobon" Director

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

INOMIN MINES INC.
(formerly Inovent Capital Inc.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	2017	2016
EXPENSES		
Filing fees	\$ 13,077	\$ 8,486
Interest and bank charges	172	119
Investor communications	1,988	2,023
Listing fees	21,215	5,985
Office costs	4,805	399
Professional fees	72,056	24,832
Technical report	15,718	-
	129,031	41,844
Gain on fair value adjustment of temporary investment (Notes 5 and 12(b))	7,500	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (121,531)	\$ (41,844)
LOSS PER COMMON SHARE		
Basic and diluted	\$ (0.020)	\$ (0.009)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic and diluted	6,224,273	4,864,800

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

INOMIN MINES INC.

(formerly Inovent Capital Inc.)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	Number of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (343,022)	\$ (18,556)
Net and comprehensive loss for the year	-	-	-	(41,844)	(41,844)
Balance at March 31, 2016	4,864,800	275,046	49,420	(384,866)	(60,400)
Property acquisition	2,750,000	192,500	-	-	192,500
Private placement	7,903,459	553,242	-	-	553,242
Share issue costs - cash	-	(3,903)	-	-	(3,903)
Share issue costs – warrants	-	(3,039)	3,039	-	-
Loss and comprehensive loss for the year	-	-	-	(121,531)	(121,531)
Balance at March 31, 2017	15,518,259	\$ 1,013,846	\$ 52,459	\$ (506,397)	\$ 559,908

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

INOMIN MINES INC.
(formerly Inovent Capital Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	\$ (121,531)	\$ (41,844)
Items not involving cash:		
Gain on fair value adjustment of temporary investment	(7,500)	-
Changes in non-cash working capital items:		
Decrease in accounts receivable	-	800
Increase (decrease) in accounts payable and accrued liabilities	(35,519)	2,433
Net cash used in operating activities	\$ (164,550)	\$ (38,611)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration costs	\$ (28,062)	\$ -
Repayment of refundable deposit	-	105,000
Net cash provided by (used in) investing activities	\$ (28,062)	\$ 105,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued in private placement	\$ 553,242	\$ -
Share issue costs	(3,903)	-
Net cash provided by financing activities	\$ 549,339	\$ -
CHANGE IN CASH FOR THE YEAR	\$ 356,727	\$ 66,389
CASH AT THE BEGINNING OF THE YEAR	\$ 79,478	\$ 13,089
CASH AT THE END OF THE YEAR	\$ 436,205	\$ 79,478

Supplemental cash flow information (Note 9)

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

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

1. NATURE OF OPERATIONS

Inomin Mines Inc. (formerly Inovent Capital Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. As of March 31, 2017, the Company had no business operations. The Company's principal purpose is the identification, evaluation and acquisition of assets, properties or businesses or participation therein.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on its exploration and evaluation asset. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation asset. To date, the Company has not earned revenues and is considered to be in the exploration stage.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. The Company is pursuing such additional sources of the financing estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's registered office is Suite 1130 - 400 Burrard Street, Vancouver, British Columbia, Canada.

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

These 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 International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement

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

2. BASIS OF PRESENTATION (cont'd)

Critical estimates and judgements

The preparation of these 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 financial statements include:

Going concern

The preparation of these 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.

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

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.

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 financial statements include:

Share-based payments and share issue costs

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

3. SIGNIFICANT ACCOUNTING POLICIES***Financial instruments******Financial assets***

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial assets at initial recognition. The Company's accounting policy for each category held as at year end is as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and is classified as a current asset

(ii) Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset, or, where appropriate, a shorter period. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

Financial liabilities are classified into one of the following categories: fair value through profit or loss or other liabilities. The Company's accounting policy for each category held as at year end is as follows:

(i) Other financial liabilities

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instruments and subsequently carried at amortized cost using the effective interest rate method.

See also Note 5 – Financial Instruments and Risks.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)***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 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. Transaction costs directly attributable to the issuance of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the transaction is approved.

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 first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measured component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and the shares issued were valued at their fair value, as determined by the closing quoted bid price on the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to warrants is recorded as a warrant reserve.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)***Share-based compensation***

The Company grants stock options to buy common shares of the Company to directors and officers. The Company may also issue stock options to agents as finders' fees. The Company recognizes share-based compensation expense based on the estimated fair value of the options at grant. 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 payment. Otherwise, these share-based payments are measured at the fair value of goods or services received.

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 model, and is recognized over the vesting period as share issuance costs, in the equity reserve account, with a corresponding amount charged against share capital.

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.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exploration and evaluation assets

Costs related to acquisition and exploration are capitalized by property until the commencement of commercial production. Each of the Company's exploration and evaluation assets are considered to be a cash generating unit. If commercially profitable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the property, or the property is abandoned, the property is written down to its recoverable amount.

The carrying amounts reported for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, 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 mining 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 mining assets. Changes in the present value, excluding changes in the Company's estimates of reclamation costs, are charged to the consolidated statement of loss and comprehensive 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 environmental rehabilitation obligations for the years presented.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective and which are expected to be applicable to the Company. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements:

IFRS 9 Financial Instruments (effective for years beginning on or after January 1, 2018)

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 - Financial Instruments as a first phase in its ongoing project to replace IAS 39.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

5. FINANCIAL INSTRUMENTS AND RISKS**Classification of financial instruments**

The Company's financial instruments consist of cash, temporary investment and accounts payable and accrued liabilities. The Company designated its cash as loans and receivables, which are measured at amortized cost. The Company's temporary investment is classified as fair value through profit and loss. The accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

The carrying values of cash and accounts payable and accrued liabilities as at March 31, 2017 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, 2016, the fair value of the temporary investment was based on level 2 inputs of the fair value hierarchy. The fair value of the temporary investment was based on the settlement terms of the transaction described in Note 12(b). During the current year, Canada Jetlines Ltd. ("Jetlines") amalgamated with a public company and the warrants were listed on the TSX.V. As a result of this transaction, new information is available which allows the temporary investment to be classified as a level 1 financial instrument. The full value of the temporary investment was transferred from level 2 to level 1.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

5. FINANCIAL INSTRUMENTS AND RISKS (cont'd)**Risk management**

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying value of its financial instruments shown on the statement of financial position and arises from the Company's cash, which is held with high credit quality financial institutions.

Market risk:

Market risk is the risk that fair value of 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 not exposed to any significant market risk.

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 March 31, 2017, the Company has cash of \$436,205 to settle liabilities of \$119,359 which are subject to normal trade terms. The Company has sufficient working capital to meet its ongoing financial obligations for the coming year.

6. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing.

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% NSR in favour of the vendor, of which 1.5% of the NSR is purchasable by Inomin for \$1 million.

Comprising 129 claims covering 3,225 hectares within two separate blocks, the Property hosts numerous priority mesothermal gold and "Buchans Type" VMS exploration targets in an established precious and base metal mineral belt.

The acquisition of the King's Point Property received final Exchange 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.

INOMIN MINES INC.
(formerly INOVENT CAPITAL INC.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Balance, March 31, 2015 and 2016	\$	-
Acquisition costs (Note 7(b)(i))		192,500
Exploration costs		28,062
Balance, March 31, 2017	\$	220,562

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

There were no share capital transactions during the year ended March 31, 2016.

During the year ended March 31, 2017

- (i) Acquisition of King's Point Property
2,750,000 escrowed common shares were issued at \$0.07 per share (See Note 6).
- (ii) *Private Placement Financing*

On January 20, 2017, in accordance with the policies of the TSX Venture Exchange (the "Exchange"), the Company arranged a Non-brokered Private Placement Financing consisting of 7,903,459 Units of the Company at a price of \$0.07 per unit, for gross proceeds of \$553,242 (the "Financing"). The Financing closed concurrent with and to provide funding for the Company's acquisition of a 100% interest in the King's Point property in Newfoundland (the "Property"), which constituted the Company's Qualifying Transaction ("QT") under the rules of the Exchange respecting Capital Pool Companies.

Each Unit of the financing consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.10 for a period of 2 years ending January 30, 2019. All securities issued under the placement are subject to a hold period of 4 months ending May 31, 2017. Finder's fees paid under the financing consist of \$3,903 in cash and the issuance of 55,760 warrants exercisable at \$0.10 for two years, which were valued at \$3,039 using the Black-Sholes model. The following assumptions were used: share price - \$0.07, exercise price - \$0.10, expected life - 2 years, annual volatility - 186%, dividend rate - 0%, risk free rate - 0.77%.

- (iii) *Escrow Shares*

Total shares held in escrow as at March 31, 2017 are 4,545,000 shares (2016 – 2,300,000). Escrow shares are to be released as follows:

- 10% with completion of the Company's QT on January 20, 2017 (completed); and
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the closing date of the QT.

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

7. SHARE CAPITAL (cont'd)

c) Agent's Options

In connection with the IPO, the Company granted 256,840 agent options. Each option entitled the holder to acquire one common share at an exercise price of \$0.10 per common share for a period of 2 years. The Agent's Options have now expired.

The following table summarizes the continuity of the Company's agent's options:

	Number of options	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2015	256,840	\$ 0.10	0.72
Expired	(256,840)	(0.10)	-
Outstanding and exercisable, March 31, 2016 and March 31, 2017	-	\$ -	-

d) Stock Options

The Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange 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 issued and outstanding common shares.

In connection with the IPO, the Company granted 480,000 options to certain 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 December 18, 2018.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2015	480,000	\$ 0.10	3.72
Outstanding and exercisable, March 31, 2016	480,000	\$ 0.10	2.72
Outstanding and exercisable, March 31, 2017	480,000	\$ 0.10	1.72

INOMIN MINES INC.
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FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

7. SHARE CAPITAL (cont'd)

e) Warrants

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

	Number of warrants	Weighted average exercise price	Remaining contractual life (years)
Outstanding and exercisable, March 31, 2015 and March 31, 2016	-	\$ -	-
Issued	7,959,219	0.10	1.81
Outstanding and exercisable, March 31, 2017	7,959,219	\$ 0.10	1.81

f) Reserve

The reserve of \$52,459 comprises the grant date fair value of options issued to Directors of \$35,915, the grant date fair value of options issued to agents of \$13,505, and the grant date fair value of warrants issued as finders' fees of \$3,039.

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.

There were no related party transactions during the years ended March 31, 2017 and 2016.

9. SUPPLEMENTAL CASH FLOW INFORMATION

There was no cash paid for interest or income taxes for the years ended March 31, 2017 and 2016.

During the year ended March 31, 2016, the Company completed the settlement agreement with Canada Jetlines Ltd. for \$105,000 – See Note 12(b) – Significant Events.

During the year ended March 31, 2017, the Company acquired the King's Point Property for \$192,500 by issuing 2,750,000 escrowed common shares of the Company at \$0.07 per share – See Notes 6 and 7(b)(i).

During the year ended March 31, 2017, the Company issued 55,760 broker warrants with an aggregate fair value of \$3,039 in connection with the private placement financing – see Note 7(b)(ii).

INOMIN MINES INC.

(formerly INOVENT CAPITAL INC.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2017 AND 2016

10. 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 or adjust the amount of cash.

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

11. INCOME TAXES

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

	2017	2016
Loss and comprehensive loss for the year	\$ (121,531)	\$ (41,844)
Statutory income tax rate	26%	26%
Expected income tax (recovery)	\$ (31,598)	\$ (10,880)
Permanent Differences and other	598	880
Change in unrecognized deductible temporary differences	31,000	10,000
Total income tax expense (recovery)	\$ -	\$ -

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

	2017	2016
Deferred tax assets (liabilities)		
Share issue costs	\$ 6,000	\$ 9,000
Non-capital losses available for future period	138,000	104,000
	144,000	113,000
Unrecognized deferred tax assets	(144,000)	(113,000)
Net deferred tax assets	\$ -	\$ -

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11. INCOME TAXES (cont'd)

The Company has available for deduction against future taxable income non-capital losses of approximately \$531,600 which will expire between 2033 and 2037 and share issue costs of approximately \$23,100 which will expire between 2018 and 2021.

Non capital losses expire as follows:

\$ 14,900	2033
55,600	2034
269,800	2035
58,400	2036
<u>132,900</u>	2037
<u>\$ 531,600</u>	

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

12. SIGNIFICANT EVENTS

(a) Change of Name and Trading

The Company changed its name to Inomin Mines Inc. and its trading symbol to MINE to reflect the change in the Company's business as a result of completion of its Qualifying Transaction.

The Company recommenced trading at the open on February 2, 2017 under its new name and new trading symbol, and is no longer considered a Capital Pool Company.

(b) Settlement of Litigation

On September 30, 2015, the Company and Jetlines completed their litigation settlement agreement whereby Jetlines settled the refundable deposit in full by paying the Company \$105,000 and issuing 300,000 warrants entitling the Company to purchase 300,000 Jetlines common shares at price of \$0.333 per share for a period of two years ending September 30, 2017. As at March 31, 2016, the warrants were assessed a fair value of \$15,000 being the difference between the total refundable deposit balance and the amount of cash received from Jetlines. As at March 31, 2017, the warrants were assessed a fair value of \$22,500 based on market price, see note 5.

13. SUBSEQUENT EVENT

Subsequent to year-end, 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.