

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

CONDENSED INTERIM FINANCIAL STATEMENTS
(unaudited – prepared by management)

NINE MONTHS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Inomin Mines Inc. (formerly Inovent Capital Inc.) (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by a Company’s auditor.

Vancouver, Canada

February 24, 2017

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

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

	December 31, 2016	March 31, 2016
ASSETS		
Current		
Cash	\$ 29,075	\$ 79,478
Temporary Investment (Note 11)	15,000	15,000
	\$ 44,075	\$ 94,478
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 191,198	\$ 154,878
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	275,046	275,046
Reserve (Note 7)	49,420	49,420
Deficit	(471,589)	(384,866)
	\$ (147,123)	\$ (60,400)
	\$ 44,075	\$ 94,478

Nature of operations and going concern (Note 1)

Significant events (Notes 11, 12 and 13)

Subsequent events (Notes 14, 15 and 16)

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

Approved by the Board

Signed: "David Brett"

Director

Signed: "George Pietrobon"

Director

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

Unaudited Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three months ended		For the nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
EXPENSES				
Filing fees	\$ 1,639	\$ 558	\$ 6,711	\$ 5,173
Interest and bank charges	23	22	114	94
Professional fees	38,661	6,636	48,562	13,248
Listing fees	10,500	525	10,500	525
Office	756	-	1,999	399
Investor communications	2,313	135	3,119	532
Technical report	-	-	15,718	-
Loss from transaction	-	-	-	15,000
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD				
	(53,892)	(7,876)	(86,723)	(34,971)
DEFICIT AT BEGINNING OF PERIOD				
	(417,697)	(370,117)	(384,866)	(343,022)
DEFICIT AT END OF PERIOD				
	\$ (471,589)	\$ (377,993)	\$ (471,589)	\$ (377,993)
LOSS PER COMMON SHARE				
Basic and diluted	\$ (0.011)	\$ (0.002)	\$ (0.018)	\$ (0.007)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING				
Basic and diluted	4,864,800	4,864,800	4,864,800	4,864,800

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

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

Unaudited Condensed Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number Of Shares	Share Capital	Reserve	Deficit	Total
Balance at March 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (343,022)	\$ (18,556)
Shares issued for cash	-	-	-	-	-
Net loss for the period	-	-	-	(34,971)	(34,971)
Balance at December 31, 2015	4,864,800	\$ 275,046	\$ 49,420	\$ (377,993)	\$ (53,527)
Balance at March 31, 2016	4,864,800	\$ 275,046	\$ 49,420	\$ (384,866)	\$ (60,400)
Shares issued for cash	-	-	-	-	-
Net loss for the period	-	-	-	(86,723)	(86,723)
Balance at December 31, 2016	4,864,800	\$ 275,046	\$ 49,420	\$ (471,589)	\$ (147,123)

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

INOMIN MINES INC.
(formerly Inovent Capital Inc.)

Unaudited Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the nine months ended	
	December 31, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (86,723)	\$ (34,971)
Changes in non-cash working capital items:		
Loss from transaction	-	15,000
Decrease in accounts receivable	-	800
Increase (decrease) in accounts payable and accrued liabilities	36,320	(9,696)
Net cash used in operating activities	(50,403)	(28,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit (Note 11)	-	105,000
Net cash provided by financing activities	-	105,000
CHANGE IN CASH FOR THE PERIOD	(50,403)	76,133
CASH AT BEGINNING OF PERIOD	79,478	13,089
CASH AT END OF PERIOD	\$ 29,075	\$ 89,222

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

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

1. NATURE OF OPERATIONS

Inomin Mines Inc. (formerly Inovent Capital Inc.) (the "Company" or "Inomin") was incorporated under the Business Corporations Act (British Columbia) on August 23, 2012. The Company carries on business as a "Capital Pool Company" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange"). On December 18, 2013, the Company completed its initial public offering ("IPO"). As of December 31, 2016, 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 subject, in certain cases, to shareholder approval and acceptance by the Exchange.

Where an acquisition or participation ("Qualifying Transaction") is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. Under the policies of the Exchange, the Company must identify and complete a Qualifying Transaction within 24 months from the date the Company's shares are listed for trading on the Exchange.

Since the Company did not complete a Qualifying Transaction prior to this date, the Exchange halted the Company's securities from trading in accordance with Exchange Policy 2.4 as further described in NOTE 12 - SIGNIFICANT EVENT (EXTENSION).

The Company was granted extensions to January 20, 2017 to complete its Qualifying Transaction and completed a Qualifying Transaction on January 20, 2017. As further described in Note 13 – SIGNIFICANT EVENT (KING'S POINT), the Company on August 12, 2016 signed a definitive agreement to acquire a Newfoundland gold, copper and zinc property as a Qualifying Transaction under the CPC policies of the Exchange. The Company was able to secure the necessary financing in conjunction with closing the Qualifying Transaction. See Note 14 SUBSEQUENT EVENT (FINANCING).

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. For the nine month period ended December 31, 2016, the Company had incurred operating losses in the amount of \$86,723, accumulated losses of \$471,589 and a working capital deficiency of \$147,123. However as noted in Note 14 – Subsequent Event (Financing) the Company will have sufficient working capital to meet its ongoing financial obligations for the coming year. These matters should not create material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

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

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim 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”).

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended March 31, 2016.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2016.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Refer to the audited financial statements for the year ended March 31, 2016 for a summary of significant accounting policies.

4. RECENT ACCOUNTING PRONOUNCEMENTS

The following are new and revised accounting pronouncements that have been issued but are not yet effective. 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 (IFRS 9) 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.

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

5. EQUIPMENT

The Company has not acquired any equipment to date.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016	March 31, 2016
Trade payables	\$ 191,198	\$ 148,878
Accrued liabilities	-	6,000
	\$ 191,198	\$ 154,878

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

As at December 31, 2016, the Company had 4,864,800 issued and outstanding common shares.

There were no share capital transactions during the period ended December 31, 2016 and 2015.

Total shares held in escrow as at December 31, 2016 and 2015 are 2,300,000. Escrow shares will be released as follows:

- 10% upon completion of the Company's Qualifying Transaction
- 15% on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release

Notes to Financial Statements
For the Nine Month Period Ended December 31, 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 fair value attributable to agents options was \$13,505 and was recorded as share issue costs. The Agent's Options expired during the year ended March 31, 2016.

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

	Number of shares	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 December 31, 2016	-	\$ -	-

d) Stock Options

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 fair value of options issued to directors and officers was \$35,915.

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, December 31, 2016	480,000	\$ 0.10	1.97

e) Reserve

The reserve of \$49,420 comprises the fair value of options issued to directors of \$35,915 and agents of \$13,505.

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

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 periods ended December 31, 2016 and 2015.

9. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction. (see Notes 13 and 14)

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

10. 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 value of cash, and accounts payable and accrued liabilities as at December 31, 2016 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.

The fair value of the temporary investment is 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 11.

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

10. 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 December 31, 2016, the Company has cash of \$29,075 to settle liabilities of \$191,198, which are subject to normal trade terms.

As noted in Note 14 – Subsequent Event (Financing) the Company will have sufficient working capital to meet its ongoing financial obligations for the coming year.

11. SIGNIFICANT EVENT (JETLINES)

Letter of Intent

The Company entered into a letter of intent ("LOI") with Canada Jetlines Ltd. ("Jetlines") on June 29, 2014, pursuant to which the parties agreed to negotiate the terms of a business combination transaction (the "Transaction"). Inomin intended for the Transaction to constitute its Qualifying Transaction pursuant to the policies of the Exchange.

Upon execution of the LOI, Inomin advanced to Jetlines a non-refundable deposit of \$25,000 and a secured refundable deposit of \$120,000, to be refundable if the Transaction was terminated.

Amalgamation Agreement

Inomin and Jetlines entered into an amalgamation agreement on September 12, 2014, which was amended on October 2, 2014, November 19, 2014 and December 16, 2014 (collectively the "**Amalgamation Agreement**") which set out the terms on which the Amalgamation was to occur to form an entity to be named "Canada Jetlines Ltd."

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

11. SIGNIFICANT EVENT (JETLINES) (cont'd)

Purported Termination of Amalgamation Agreement

On February 6, 2015 Jetlines provided notice to Inomin purporting to terminate the Amalgamation Agreement.

Inomin rejected Jetlines' purported termination of the Amalgamation Agreement and Jetlines' right, under the Amalgamation Agreement, to effect such a termination. Inomin worked with its legal counsel to pursue appropriate legal means to enforce the Amalgamation Agreement and for the repayment of the Refundable Deposit and to be compensated for the substantial damages caused to Inomin as result of Jetlines' termination of the Amalgamation Agreement and various other breach of the terms of the Amalgamation Agreement by Jetlines.

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 200,000 warrants entitling the Company to purchase 200,000 Jetlines common shares at price of \$0.50 per share for a period of two years ending September 30, 2017. The warrants were assessed at an initial fair value of \$15,000 being the difference between the total refundable deposit balance and the amount of cash received from Jetlines.

Upon closing of a public offering subsequent to December 31, 2016, the currently issued 200,000 Jetlines private company warrants will be split on a basis of 1 existing share exchanged for 1.5 TSX.V listed public Company share at a post RTO exercise price of \$0.333 per share.

12. SIGNIFICANT EVENT (EXTENSION)

During the three month period ended December 31, 2016, the Exchange accepted the Company's application for an extension to December 20, 2016 to complete a Qualifying Transaction ("QT") consisting of the acquisition of the King's Point gold-copper-zinc property ("King's Point") (see Note 13). The previous deadline had been September 21, 2016. Subsequent to December 31, 2016, the Exchange further extended the deadline to January 20, 2017.

On or before January 20, 2017, the Company was required to complete the acquisition of King's Point.

13. SIGNIFICANT EVENT (KING'S POINT)

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 Inovent and a 2.5% NSR in favour of the vendor, of which NSR 1.5% 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.

Notes to Financial Statements
For the Nine Month Period Ended December 31, 2016

14. SUBSEQUENT EVENT (FINANCING)

As reflected in the Filing Statement for a Qualifying Transaction dated January 20, 2017, in accordance with the policies of 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's respecting Capital Pool Companies (Note 13).

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.

The proceeds of offering will be used to continue a recommended exploration program at the Property, including payment for certain costs of the offering and QT, and for general working capital purposes.

A NI43-101 Technical Report on the Property was prepared for Inomin by L. John Peters, P. Geo. The Report recommends a \$200,000 Phase 1 exploration program and a \$600,000 success contingent Phase 2 program that would include drilling.

15. SUBSEQUENT EVENT (CHANGE OF NAME AND TRADING)

The Company changed its name to INOMIN MINES INC. and trading symbol to MINE to reflect the change in the Company's business as a result of completion of its QT.

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

16. SUBSEQUENT EVENT (ACCOMODATION AGREEMENT)

On January 19, 2017 and prior to completion of filing statement, the Company reached a debt accommodation agreement with its legal counsel as follows:

- Permanently write off \$30,000 of the current payables associated with the failed Jetlines QT;
- Permanently write off an additional \$26,416 in accumulated interest on those overdue Jetlines QT accounts; and
- Defers to the end of January, 2018, \$41,295 of the remaining Jetlines QT legal fees.