



INOMIN MINES INC.
(An Exploration Stage Company)
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2025 AND 2024
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Inomin Mines Inc.:

Opinion

We have audited the consolidated financial statements of Inomin Mines Inc. and its subsidiary (together the “Company”), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, 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 material accounting policy information.

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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit 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 audit 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 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for exploration and evaluation assets</i>	
Refer to notes 3 and 5	Our approach to addressing the matter involved the following procedures, among others:
As at March 31, 2025, the carrying amount of the Company's exploration and evaluation assets was \$1,211,571 At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at March 31, 2025. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained evidence to support the right to explore the properties under the permit titles held by the Company. • Read the board of directors' minutes and resolutions and observed evidence supporting the continued and planned exploration expenditures, which included evaluating events subsequent to March 31, 2025 related to private placements of units for continued exploration activities and the earn-in and joint venture agreement with Sumitomo Metal Mining Canada Ltd. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

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 audit 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 audit 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 IFRS Accounting 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
July 28, 2025

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	March 31, 2025 \$	March 31, 2024 \$
ASSETS			
Current assets			
Cash and cash equivalents		46,434	95,524
Receivables		6,514	2,130
Securities	4	-	55,000
Prepayments		900	1,162
Total current assets		53,848	153,816
Non-current assets			
Exploration and evaluation assets	5	1,211,571	1,094,648
Equipment	6	28,712	32,193
Security deposit on exploration and evaluation assets	5a	59,805	57,139
Total non-current assets		1,300,088	1,183,980
TOTAL ASSETS		1,353,936	1,337,796
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	149,579	66,233
Flow-through premium liability		3,320	440
TOTAL LIABILITIES		152,899	66,673
EQUITY			
Share capital	7	2,997,736	2,863,163
Reserve		542,816	480,868
Deficit		(2,339,515)	(2,072,908)
TOTAL EQUITY		1,201,037	1,271,123
TOTAL LIABILITIES AND EQUITY		1,353,936	1,337,796

Nature of operations and going concern (Note 1)

Subsequent events (Notes 7(c,d),13)

Approved and authorized for issue by the Board of Directors on July 28, 2025

On behalf of the Board:

"Evilio Gomez-Garcia" Director

"Anil Jiواني" Director

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

(Expressed in Canadian dollars, except for number of shares and loss per share)

		For the year ended March 31, 2025	For the year ended March 31, 2024
	Notes	\$	\$
Operating expenses			
Filing fees		20,322	17,988
Insurance		10,745	10,000
Interest and bank charges		1,212	1,326
Listing fees		5,663	5,732
Management fees	10	60,000	60,000
Marketing and investor communications		7,438	82,573
Office costs		2,592	6,949
Professional fees	10	123,766	113,274
Share-based compensation	7,10	37,934	103,660
Travel costs		60	11,823
Total operating expenses		(269,732)	(413,325)
Other items			
(Loss) gain on securities	4	(18,275)	10,000
Interest income		4,099	4,871
Flow through premium liability recovery	7	17,120	97,810
Foreign exchange gain (loss)		181	(182)
Net loss and comprehensive loss for the year		(266,607)	(300,826)
Loss per common share			
Basic and fully diluted		(0.01)	(0.01)
Weighted average number of common shares outstanding		40,584,073	37,115,297

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

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

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

	Number of Shares	Share Capital \$	Reserve \$	Deficit \$	Total \$
Balance, March 31, 2023	30,946,410	2,408,229	364,703	(1,772,082)	1,000,850
Private placement – flow-through shares	3,275,000	327,500	-	-	327,500
Flow-through shares premium liability	-	(98,250)	-	-	(98,250)
Private placement – non-flow-through shares	3,992,142	279,450	-	-	279,450
Finders fees and other issuance cost	-	(48,261)	-	-	(48,261)
Finders warrants	-	(12,505)	12,505	-	-
Shares issued for mineral property	100,000	7,000	-	-	7,000
Share-based compensation	-	-	103,660	-	103,660
Net loss and comprehensive loss for the year	-	-	-	(300,826)	(300,826)
Balance, March 31, 2024	38,313,552	2,863,163	480,868	(2,072,908)	1,271,123
Private placement – flow-through units	2,000,000	90,000	10,000	-	100,000
Flow-through shares premium liability	-	(20,000)	-	-	(20,000)
Private placement – non-flow-through units	2,140,000	98,900	8,100	-	107,000
Finders fees and other issuance cost	-	(28,413)	-	-	(28,413)
Finders warrants	-	(5,914)	5,914	-	-
Share-based compensation	-	-	37,934	-	37,934
Net loss and comprehensive loss for the year	-	-	-	(266,607)	(266,607)
Balance, March 31, 2025	42,453,552	2,997,736	542,816	(2,339,515)	1,201,037

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

INOMIN MINES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the year ended March 31, 2025 \$	For the year ended March 31, 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss and comprehensive loss for the year	(266,607)	(300,826)
Items not involving cash:		
Share-based compensation	37,934	103,660
Loss (gain) on securities	18,275	(10,000)
Flow-through premium recovery	(17,120)	(97,810)
Changes in non-cash working capital items:		
Receivables	(4,384)	1,669
Prepayments	262	21,672
Accounts payable and accrued liabilities	60,460	8,882
Net cash used in operating activities	(171,180)	(272,753)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit	(2,666)	(2,139)
Exploration costs net of recovery	(90,451)	(335,230)
Purchase of equipment	-	(34,803)
Proceeds from sale of securities	36,725	-
Net cash used in investing activities	(56,392)	(372,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received on private placements, net of finders' fees	178,587	558,689
Net cash provided by financing activities	178,587	558,689
Change in cash and cash equivalents for the year	(48,985)	(86,236)
Impact of foreign exchange	(105)	(903)
Cash and cash equivalents at beginning of year	95,524	182,663
Cash and cash equivalents at the end of year	46,434	95,524
Cash	46,434	62,825
Cash equivalents	-	32,699
Total cash and cash equivalents at the end of year	46,434	95,524
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of warrants as issuance costs	5,914	12,505
Exploration and evaluation assets received for common shares issued	-	7,000
Exploration and evaluation costs prepaid (payable)	(22,990)	3,312
Depreciation capitalized to exploration and evaluation assets	3,481	2,610

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

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 700 West Georgia Street, Suite 2200, Vancouver, British Columbia V7Y 1K8, Canada.

These 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 \$2,339,515 as at March 31, 2025 (2024 – \$2,072,908) and recognized a net loss and comprehensive loss of \$266,607 for the year ended March 31, 2025 (2024 – loss of \$300,826). During the year ended March 31, 2025, the Company's cash flows used in operating activities were \$173,845 (2024 – \$274,892). 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. During the year ended March 31, 2025, the Company completed private placements to raise gross proceeds of \$207,000 (Note 7b). While the Company has been successful in securing financing, there is no assurance that it will be able to do so in the future or on terms that are favourable to the Company. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These 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 consolidated financial statements. These adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

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, unless otherwise noted, 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. A subsidiary is an entity in which the Company has control, directly or indirectly. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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, and expenses. Actual results may differ significantly from these estimates.

Critical judgements

Significant judgements made by management affecting the consolidated financial statements include:

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 profit or loss in the period the new information becomes available.

Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgement between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

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 issued as compensation or for share issuance costs 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 rate of forfeitures and making assumptions about it.

3. MATERIAL ACCOUNTING POLICIES

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 consolidated 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.

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(Expressed in Canadian dollars)

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 of 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.

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 value 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 financial instruments are as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Securities	FVTPL
Security deposit on exploration and evaluation assets	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 instruments classified at FVTPL are expensed in profit or loss.

Financial instruments that are classified and measured at amortized cost utilize the effective interest 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 supportable forward-looking information.

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.

Flow-through units/shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the market trading price of the common share or unit;
- Flow-through premium – the estimated premium investors pay for the flow-through feature, which is recognized as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation asset.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

Share capital

Common shares and warrants are classified as equity. Common shares issued for consideration other than cash, are measured at fair value which is the closing market price at the date of issuance.

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 profit or loss 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 reserve within equity, 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 in reserve within equity.

Share-based compensation

The Company grants stock options to buy common shares 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 Company 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.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is adjusted for potential common shares outstanding. Diluted loss per share is equivalent to basic loss per share, as the effect of adjusting for potential common shares outstanding is anti-dilutive.

Foreign exchange

The functional currency is the currency of the primary economic environment in which an 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 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 indicators of impairment at least annually, and whenever facts and circumstances suggest that the carrying amount of property 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 mines under construction.

Exploration and evaluation assets are classified by the Company as intangible assets.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the rehabilitation 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 asset 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 asset. Changes in the present value, excluding changes in the Company’s estimates of rehabilitation costs, are charged to profit or loss for the period.

The Company’s estimates of rehabilitation 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 provisions for the years presented.

New accounting standards

Effective January 1, 2024, the Company adopted the following new and amended standards issued by the IASB. The adoption of these standards did not result in a material impact on the Company’s financial position or results of operations unless otherwise stated.

IAS 1 – Classification of Liabilities as Current or Non-current

These amendments clarify that the classification of liabilities as current or non-current is based on rights that exist at the end of the reporting period. Specifically, a liability is classified as non-current if the entity has a substantive right to defer settlement for at least twelve months after the reporting date. The adoption of this amendment did not have an impact on the Company’s consolidated financial statements.

The following new or amended standards have been issued by the IASB but are not yet effective and have not been early adopted by the Company. The Company is currently assessing the potential impact of these standards on its consolidated financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements

This amendment issued in April 2024 and effective for annual reporting periods beginning on or after January 1, 2027, introduces significant changes to financial statement presentation by replacing parts of IAS 1. The standard requires new defined subtotals in the statement of profit or loss, classifies income and expenses into operating, investing, and financing categories, and mandates enhanced disclosure of management performance measures. Early application is permitted.

IAS 7– Statement of Cash flows and IFRS 7 – Financial Instruments

The IASB has ongoing projects to amend these standards as part of its broader disclosure and transparency initiatives. The proposed amendments to IAS 7 are intended to improve the presentation and granularity of cash flow information, including enhanced disclosure of changes in liabilities arising from financing activities and more detailed breakdowns of operating, investing, and financing cash flows. Similarly, proposed changes to IFRS 7 aim to strengthen disclosures related to financial instrument risks, particularly around liquidity risk, concentration of exposures, and the maturity analysis of financial liabilities. These enhancements are expected to provide users of financial statements with improved insights into an entity's funding and risk management practices, especially under stressed conditions.

4. SECURITIES

In conjunction with the sale of its previously owned 100% King's Point Property in Newfoundland (the "King's Point Project"), the Company acquired common shares of Maritime Resources Corp. ("Maritime"). As at March 31, 2024, the Company held 1,000,000 common shares of Maritime, which were sold during the year ended March 31, 2025. The Company recognized a loss of \$18,275 resulting from the change in market value of the common shares of Maritime at the time of sale.

	Number of securities	Fair value \$
Balance, March 31, 2024	1,000,000	55,000
Proceeds from sale of securities	(1,000,000)	(36,725)
Loss on securities	-	(18,275)
Balance, March 31, 2025	-	-

5. 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 its exploration and evaluation assets and, to the best of its knowledge, titles to all its interests are in good standing.

(a) Beaver-Lynx Property

During the 2019 fiscal year, the Company acquired the Beaver and Lynx nickel-magnesium 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 reclamation security deposits amounting to \$55,000.

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

On July 7, 2023, the Company issued 100,000 common shares to acquire additional mineral claims, extending the size of its Beaver-Lynx property.

(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, \$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 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 was assumed by the Company.

(c) Exploration cost for the years ended March 31, 2025 and 2024

The table below details the expenditures incurred on each project during the years ended March 31, 2025 and 2024:

	Beaver-Lynx Property	La Gitana and Pena Blanca Properties	Total
	\$	\$	\$
Balance, March 31, 2023	440,474	312,646	753,120
Acquisition of property: paid in cash	3,404	-	3,404
Acquisition of property: paid in common shares	7,000	-	7,000
Depreciation	2,610	-	2,610
Drilling	122,091	-	122,091
Evaluation and community costs	-	837	837
Geological and consulting	69,650	14,789	84,439
Laboratory test work	18,122	-	18,122
Recoveries	(9,745)	-	(9,745)
Shipping	44,731	-	44,731
Staking	4,962	-	4,962
Supplies and other	30,171	-	30,171
Travel, logistics and camp costs	32,906	-	32,906
Balance, March 31, 2024	766,376	328,272	1,094,648
Depreciation	3,481	-	3,481
Geophysics	71,589	-	71,589
Geological and consulting	30,575	-	30,575
Laboratory test work	4,161	-	4,161
Staking	5,537	-	5,537
Travel, logistics and camp costs	1,580	-	1,580
Balance, March 31, 2025	883,299	328,272	1,211,571

The Company is eligible for British Columbia Mining Exploration Tax Credit ("BCMETS") on qualifying exploration expenditures of up to 30%. The Company's claims for the BCMETS for exploration expenditures incurred during the taxation years ended March 31, 2022, and March 31, 2023, were approved by the

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Canada Revenue Agency. During the year ended March 31, 2024, the Company received and recognized in the recoveries \$9,745 for its 2022 and 2023 BCMETC claims.

(d) King's Point Project

The Company holds a 1% NSR on the King's Point Project, including mineral claims acquired by Maritime within three kilometres from the perimeter of the King's Point Project (Note 4).

6. EQUIPMENT

	Equipment
Cost:	\$
Balance, March 31, 2023	-
Additions	34,803
Balance, March 31, 2024 and 2025	34,803
Accumulated depreciation:	
Balance, March 31, 2023	-
Additions	2,610
Balance, March 31, 2024	2,610
Additions	3,481
Balance, March 31, 2025	6,091
Carrying amount:	
Balance, March 31, 2024	32,193
Balance, March 31, 2025	28,712

During the year ended March 31, 2024, the Company purchased XRF Handheld Spectrometer, which is being depreciated on a straight-line basis with estimated useful life of 10 years. The depreciation is capitalized to the exploration and evaluation assets.

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 – 42,453,552 as at March 31, 2025 (March 31, 2024 – 38,313,552).

During the year ended March 31, 2025

2024 Private Placements

On May 28, 2024, and July 23, 2024, the Company completed the first and second tranche of a non-brokered private placement (the "2024 Private Placement") of 1,600,000 units and 540,000 units at a price of \$0.05 per Unit for gross proceeds of \$80,000 and \$27,000, respectively. Each Unit is comprised of one common share of the Company and one-half of one share purchase warrant. Each whole warrant ("NFT Warrant") is exercisable to purchase a common share at a price of \$0.10 per common share for a period of two years from the date of issuance thereof. The Company has the option to accelerate the expiry date of these warrants. The Company applied the residual method and allocated \$8,100 of the proceeds to the share purchase warrants, which was recorded in reserve.

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On December 20, 2024, the Company completed the first tranche of a non-brokered flow-through private placement (the "2024 FT Private Placement") of 2,000,000 FT units at a price of \$0.05 per FT Unit for gross proceeds of \$100,000. Each FT Unit is comprised of one common share of the Company and one common share purchase warrant. Each whole warrant ("FT Warrant") is exercisable at a price of \$0.10 per common share for a period of three years from the date of issuance thereof. The Company has the option to accelerate the expiry date of these warrants. The Company applied the residual method and allocated \$10,000 of the proceeds to the share purchase warrants, which was recorded in reserve. \$20,000 was recognized as flow-through premium liability.

In connection with the 2024 Private Placements, the Company issued an aggregate of 226,800 non-transferrable finder's warrants and paid finder's commissions of an aggregate of \$11,340. A total of 86,800 finder's warrants were issued on the same terms as the NFT Warrants and 140,000 finder's warrants were issued on the same terms as the FT Warrants issued in 2024 Private Placements. The Company also paid other professional and filing fees totaling \$17,073.

During the year ended March 31, 2024

2023 Private Placement – Flow-Through and Non-Flow-Through Units.

On May 31, 2023, the Company completed a non-brokered private placement (the "2023 Private Placement") of 3,992,142 units (each, a "Unit") at a price of \$0.07 per Unit and 3,275,000 flow-through units (each, a "FT Unit") at a price of \$0.10 per FT Unit for gross proceeds of \$606,950.

Each Unit consists of one common share of the Company and one share purchase warrant (each, a "NFT Warrant"). Each NFT Warrant is exercisable by the holder to acquire one share for a period of three years at a price of \$0.13 per Share. The residual warrant value was determined to be \$Nil.

Each FT Unit consists of one share that will qualify as a "flow-through share" and one share purchase warrant of the Company (each, a "FT Warrant"). Each FT Warrant is exercisable by the holder to acquire one share for a period of two years at a price of \$0.15 per Share. \$98,250 was recognized as flow-through premium liability and the residual warrant value was determined to be \$Nil.

In connection with the 2023 Private Placement, the Company issued an aggregate of 256,550 non-transferrable finder's warrants and paid finder's commissions of an aggregate of \$24,574. A total of 36,050 finder's warrants were issued on the same terms as the NFT Warrants and 220,500 finder's warrants were issued on the same terms as the FT Warrants issued in 2023 Private Placements. The Company also paid other professional and filing fees totaling \$23,687.

Common shares issued for property

During the year ended March 31, 2024, the Company issued 100,000 common shares to acquire additional mineral claims, extending the size of its Beaver-Lynx property. Fair value of the common shares issued of \$7,000 (Note 5a).

Flow-through premium liability

The premium received on the issuance of FT Units was recognized as a liability on the Company's statement of financial position. The continuity of the flow-through premium liability was as follows:

Balance, March 31, 2023	\$	-
Flow-through premium liability recognized		98,250
Recognized to profit or loss upon incurring qualifying expenditures		(97,810)
Balance, March 31, 2024	\$	440
Flow-through premium liability recognized		20,000
Recognized to profit or loss upon incurring qualifying expenditures		(17,120)
Balance, March 31, 2025	\$	3,320

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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 consultants of the Company, non-transferable options to purchase common shares exercisable for a period of up to 10 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.

During the year ended March 31, 2025

On August 12, 2024, the Company granted incentive stock options to an independent director and two consultants of the Company to acquire 450,000 common shares of the Company at \$0.05 per common share, vesting immediately, for a period of five years expiring August 12, 2029. Fair value of the options was \$10,170 (\$7,910 of which was with related parties).

On November 7, 2024, the Company granted incentive stock options to a related party, an independent director of the Company, to acquire 300,000 common shares of the Company at \$0.05 per common share, vesting immediately, for a period of five years expiring November 7, 2029. Fair value of the options was \$12,600.

On November 18, 2024, the Company granted incentive stock options to an advisor of the Company to acquire 500,000 common shares of the Company at \$0.05 per common share, for a period of five years expiring November 18, 2029. The options vest quarterly over one year. Total fair value of the options was \$23,452. During the year ended March 31, 2025, the Company recognized an expense of \$15,164 for these stock options.

The following assumptions were used in the valuation of options granted during the year ended March 31, 2025:

	August 12, 2024	November 7, 2024	November 18, 2024
Share price at grant date	\$0.025	\$0.045	\$0.050
Exercise price	\$0.050	\$0.050	\$0.050
Expected annual volatility	160%	163%	163%
Expected life	5 years	5 years	5 years
Expected dividends	Nil	Nil	Nil
Expected forfeiture rate	Nil	Nil	Nil
Risk-free interest rate	2.98%	3.03%	3.10%

During the year ended March 31, 2024

On April 11, 2023, the Company granted incentive stock options to a consultant to acquire 100,000 common shares of the Company at \$0.07 per common share, vesting immediately, for a period of two years expiring April 11, 2025. The Company recognized \$5,380 as share-based compensation expense for these options granted.

On July 3, 2023, the Company granted 1,400,000 stock options under the Company's stock option plan to directors and advisors of the Company. The options are exercisable until July 3, 2028, at a price of \$0.075 per common share, and vested immediately. Fair value of the options was \$98,280 (\$43,875 of which was with related parties).

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The following assumptions were used in the valuation of options granted during the year ended March 31, 2024:

	April 11, 2023	July 3, 2023
Share price at grant date	\$0.07	\$0.075
Exercise price	\$0.07	\$0.075
Expected annual volatility	166%	162%
Expected life	2 years	5 years
Expected dividends	Nil	Nil
Expected forfeiture rate	Nil	Nil
Risk-free interest rate	4.32%	3.74%

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price (\$)
Outstanding and exercisable, March 31, 2023	2,200,000	0.13
Expired	(225,000)	0.10
Granted	1,500,000	0.07
Outstanding and exercisable, March 31, 2024	3,475,000	0.11
Expired	(850,000)	0.15
Granted	1,250,000	0.05
Outstanding, March 31, 2025	3,875,000	0.08
Exercisable, March 31, 2025	3,500,000	0.08

As at March 31, 2025, the following stock options were outstanding and exercisable:

Expiry date	Number of options	Exercise price (\$)	Remaining contractual life (years)
April 11, 2025	100,000	0.07	0.03
October 5, 2026	1,025,000	0.10	1.52
March 30, 2027	100,000	0.38	2.00
July 3, 2028	1,400,000	0.08	3.26
August 12, 2029	450,000	0.05	4.37
November 7, 2029	300,000	0.05	4.61
November 18, 2029 *	500,000	0.05	4.64
	3,875,000	0.08	3.09

* 375,000 options are unvested as of March 31, 2025.

On April 11, 2025, subsequent to year end, 100,000 stock options expired unexercised.

(d) Warrants

During the year ended March 31, 2025

In connection with the 2024 Private Placement, the Company granted 1,070,000 warrants, described above (Note 7b). In addition, the Company paid a total of \$4,340 in finder's commission, and issued 49,000 and 37,800 finder's warrants as finder's fees valued at \$1,705 and \$597, respectively. Each finder's warrant is exercisable for one common share at a price of \$0.10 per share for a period of two years from the date of

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issuance. The fair value attributed to the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: expected life of two years, risk free interest rates of 4.28% and 3.74%, and volatility rates of 134% and 129%, respectively.

In connection with the 2024 FT Private Placement, the Company granted 2,000,000 warrants, described above (Note 7b). In addition, the Company paid a total of \$7,000 in finder's commission and issued a total of 140,000 finder's warrants as finder's fees valued at \$3,612. Each finder's warrant is exercisable for one common share at a price of \$0.10 per share for a period of three years from the date of issuance. The fair value attributed to the finder's warrants was determined using the Black-Scholes option pricing model using the following assumptions: expected life of three years, risk free interest rate of 2.99%, and volatility rate of 159%.

During the year ended March 31, 2024

In connection with the 2023 Private Placement, the Company granted 3,495,500 FT Warrants and 4,028,192 NFT Warrants, as part of the FT Units and NFT Units, described above (Note 7b). In addition, during the year ended March 31, 2024, the Company issued 256,550 finders' warrants valued at \$12,505. A total of 36,050 finder's warrants were issued on the same terms as the NFT Warrants and 220,500 finder's warrants were issued on the same terms as the FT Warrants, issued in 2023 Private Placements. The fair value attributed to the FT finders' warrants was determined using the Black-Scholes option pricing model using the following assumptions: Risk free interest rate of 4.32%, expected life of two years, and volatility rate of 166%. The fair value attributed to the NFT finders' warrants was determined using the Black-Scholes option pricing model using the following assumptions: Risk free interest rate of 3.96%, expected life of three years, and volatility rate of 180%.

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

	Number of warrants	Weighted average exercise price (\$)
Outstanding and exercisable, March 31, 2023	1,111,000	0.15
Granted flow-through warrants	3,495,500	0.15
Granted non-flow-through warrants	4,028,192	0.13
Expired	(63,000)	0.15
Outstanding and exercisable, March 31, 2024	8,571,692	0.14
Granted flow-through warrants	2,140,000	0.10
Granted non-flow-through warrants	1,156,800	0.10
Outstanding and exercisable, March 31, 2025	11,868,492	0.13

As at March 31, 2025, the following warrants were outstanding and exercisable:

Expiry date	Number of warrants	Exercise price (\$)	Remaining contractual life (years)
May 29, 2025	3,495,500	0.15	0.16
August 25, 2025	1,048,000	0.15	0.40
May 28, 2026	849,000	0.10	1.16
May 29, 2026	4,028,192	0.13	1.16
July 23, 2026	307,800	0.10	1.31
December 20, 2027	2,140,000	0.10	2.72
	11,868,492	0.13	1.09

During August 2023, the Company extended the term of 1,048,000 warrants issued as part of the Company's private placements that closed on August 25, 2021, and September 24, 2021. The warrants

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are exercisable at a price of \$0.15 and would have expired on during August and September 2023. The term of these warrants was extended to August 25, 2025. All other terms of the warrants remained the same. A total of 63,000 warrants issued as part of the same private placement expired unexercised.

On May 29, 2025, subsequent to year end, 3,495,500 warrants expired unexercised.

8. INCOME TAXES

The tax expense at statutory rates for the Company can be reconciled to the reported loss per the statement of loss and comprehensive loss as follows:

	For the year ended March 31, 2025	For the year ended March 31, 2024
	\$	\$
Loss before income taxes	(266,607)	(300,826)
Canadian federal and provincial income tax rates	27.0%	27.0%
Income tax expense (recovery) based on the above rates	(72,238)	(81,505)
Permanent differences	28,910	15,111
Share issue costs	(7,672)	(13,030)
Tax benefits renounced to flow through shareholders	27,000	88,425
Impact of deferred tax assets not recognized	24,000	(9,000)
Total tax expense	-	-

The Company's unrecognized deferred tax assets are as follows:

	2025	2024	Expiry date
	\$	\$	range
Unrecognized deferred tax assets (liabilities)			
Non-capital losses carried forward	538,000	477,000	See below
Securities	-	12,000	Not applicable
Share issue costs	16,000	15,000	2026-2029
Equipment	2,000	1,000	Not applicable
Exploration and evaluation assets	(281,000)	(254,000)	Not applicable
Total unrecognized deferred tax assets	275,000	251,000	

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The Company has non-capital losses available of approximately \$1,992,000 that may be carried forward to reduce future taxable income. These losses are with respect to Canadian operations, and if not utilized, will expire as follows:

Expiry Date	\$
2033	15,000
2034	55,600
2035	269,800
2036	58,400
2037	146,400
2038	161,500
2039	153,400
2040	144,900
2041	105,100
2042	71,700
2043	271,400
2044	315,400
2045	223,400
	1,992,000

9. 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	March 31, 2025	March 31, 2024
		\$	\$
Financial assets at FVTPL			
Cash and cash equivalents	Level 1	46,434	95,524
Securities	Level 1	-	55,000
		46,434	150,524

The carrying values of the Company's security deposit on exploration and evaluation assets and accounts payable and accrued liabilities approximate their fair values due to the market rates of interest attached and or 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 market risk. Management and Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is limited to the carrying values of cash and cash equivalents, and security deposit on exploration and evaluation assets shown on its consolidated statement of financial position, which totaled \$106,239 at March 31, 2025 (March 31, 2024 - \$152,663). The cash and cash equivalents, and security deposit on exploration and evaluation assets are held with high credit quality financial institutions, management considers the risk of loss on these financial instruments to be minimal. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at March 31, 2025, the Company had a working capital deficit of \$99,051 (March 31, 2024 - working capital surplus of \$87,143). The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to endeavor to ensure that it will have sufficient liquidity to meet liabilities when they fall due. The Company's financial liabilities are short-term in nature, due on demand and subject to normal trade terms. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

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 foreign currency risk, interest rate risk and other price risk. Management has determined that the Company is not exposed to material interest rate or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the prior year.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Company maintains its cash reserves in Canadian dollars and Mexican pesos. As at March 31, 2025 cash held in banks were mainly denominated in Canadian dollars.

As at March 31, 2025, the Company had 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 a decrease of approximately \$14 in the Company's profit or loss.

10. RELATED PARTY TRANSACTIONS

Related parties are persons or entities that have control, joint control, or significant influence over the Company, or who are members of key management personnel of the Company.

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.

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These amounts of key management compensation are included in the amounts shown in profit or loss and statement of financial position for the years ended March 31, 2025 and 2024:

	For the year ended March 31, 2025 \$	For the year ended March 31, 2024 \$
Short-term compensation		
Management fees	60,000	60,000
Professional fees	54,000	54,000
Exploration and evaluation asset expenditures	31,675	52,150
Share-based compensation	20,510	91,260
Total	166,185	257,410

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, through Oro Grande Capital, a company controlled by the CEO. During the year ended March 31, 2025, the Company incurred \$60,000 (2024 - \$60,000) in fees to Oro Grande Capital. These fees are included in Management fees in profit or loss.
- b) The Company has a consulting agreement with its Corporate Secretary for a fee of \$2,000 per month, through A. Shack Enterprises Inc., a company controlled by the Corporate Secretary. During the year ended March 31, 2025, the Company incurred \$24,000 (2024 - \$24,000) in fees to the A. Shack Enterprises Inc. These fees are included in Professional fees in profit or loss.
- c) The Company has an arrangement with a director of the Company whereby the Director provides exploration related services to the Company. During the year ended March 31, 2025, the Company incurred \$31,675 (2024 - \$52,150) in fees to the Director. These fees are included in Exploration and Evaluation assets in the consolidated statements of financial position.
- d) The Company has 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"), a company where the CFO is a director and an officer, to provide accounting related services. During the year ended March 31, 2025, the Company incurred \$30,000 (2024 - \$30,000) in professional fees to Avisar. These fees are included in Professional fees in profit or loss.

The balance due to the Company's related parties included in accounts payables and accrued liabilities was \$48,375 as at March 31, 2025 (March 31, 2024 - \$15,759). These amounts are unsecured, non-interest bearing and payable on demand.

Key management personnel compensation included share-based compensation related to the fair value of the stock options granted (Note 7c). During the year ended March 31, 2025, share-based compensation for the key management personnel amounted to \$20,510 (2024 - \$91,260).

11. 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:

	March 31, 2025			March 31, 2024		
	Canada	Mexico	Total	Canada	Mexico	Total
	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets	883,299	328,272	1,211,571	766,376	328,272	1,094,648
Equipment	28,712	-	28,712	32,193	-	32,193
Security deposit	59,805	-	59,805	57,139	-	57,139
Total	971,816	328,272	1,300,088	855,708	328,272	1,183,980

12. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity, which totalled \$1,201,037 as at March 31, 2025 (March 31, 2024 - \$1,271,123). 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. Management believes the Company's working capital is presently sufficient for the Company to meet its near-term objectives. The Company's approach to the management of capital has not changed from that of the prior year.

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

13. SUBSEQUENT EVENTS

Private placement

On July 4, 2025, the Company completed a non-brokered private placement. The Company issued 6,565,000 units at \$0.035 per Unit for gross proceeds of \$229,775. Each Unit is comprised of one common share of the Company and one share purchase warrant. Each Warrant is exercisable to purchase a common share at a price of \$0.05 per share for a period of two years from the date of issuance. The Company paid a total of \$15,349 in commission and issued a total of 438,550 finder's warrants as finder's fees. Each finder's warrant is exercisable for one common share at a price of \$0.05 per share for a period of two years.

Definitive Agreement on Beaver-Lynx with Sumitomo Metal Mining Canada

On April 25, 2025, the Company entered into an earn-in and joint venture Definitive Agreement with Sumitomo Metal Mining Canada Ltd. ("Sumitomo") on Beaver-Lynx property. The Definitive Agreement received 99.9% shareholder approval at the Company's July 3, 2025, Annual General Meeting.

Key Terms of Definitive Agreement:

- Sumitomo was granted an initial option (phase 1) to earn a 60% interest in the Project by incurring minimum exploration expenditures of \$3,000,000 by the second anniversary of the Definitive Agreement;

INOMIN MINES INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

MARCH 31, 2025 and 2024

(Expressed in Canadian dollars)

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- Provided that Sumitomo has exercised the initial option, Sumitomo will have a second option (phase 2) to earn an additional 20% interest in the Project by incurring minimum exploration expenditures of \$5,000,000 by the third anniversary of the date on which the initial option was exercised;
 - Provided that Sumitomo has exercised the initial option, Sumitomo will have the option to acquire certain non-mineral rights, including hydrogen, by paying Inomin \$500,000 and grant to Inomin a royalty in certain circumstances as described in the Definitive Agreement;
 - Inomin will be the operator of the Project during at least the initial option period, entitling the Company to a fee equal to 10% of Project exploration expenditures incurred by the Company on behalf of Sumitomo; and
 - Inomin will be reimbursed by Sumitomo for exploration and related expenditures the Company incurred at the Project during the term sheet exclusivity period up to \$100,000 (\$90,333 received), which expenditures will count towards Sumitomo's expenditure requirement under the initial option.
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