Chibougamau Independent Mines Inc.

ANNUAL REPORT 2013

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President's Message to Shareholders

Following the completion of the "Spin-Out" from Globex on December 29, 2012, we started 2013 with tremendous optimism. We believed that the combination of the management team and the technical information that we had assembled on the ten properties in the Chibougamau Mining Camp would allow us in short order to undertake exploration on targeted areas and generate results which would support a longer-term exploration strategy. Our goal was in an initial exploration phase to explore these gold and base metal properties in order to confirm pre-existing data and to prioritize assets for future exploration. As a result of the private placement completed at the end of 2012, we had cash and cash equivalents as well as cash reserved for exploration totalling $2,532,054. On January 25, 2013, the Corporation's listing on TSXV was completed which represented a significant milestone.

During 2013, the Corporation incurred exploration expenditures of $1,434,285 consisting of a combination of drilling, geophysical and related activities. Further details are provided in various press releases and 2013 Management Discussion and Analysis. The expenditures were incurred in the following main areas:

- As outlined in our February 4, 2013 and April 17, 2013 press releases, we initiated diamond drilling on February 1, 2013 on the Berrigan zinc-gold-silver zone and subsequently completed eight drill holes in the area of the deposit's ramp portal. This drilling confirmed the presence of higher grade mineralization and which supported the concept that an open pitable, larger tonnage, polymetallic deposit may be present. Intersections such as 48.8m (158.8 ft) grading 1.30g/t Au, 20.81g/t Ag, 1.91% Zn and 15.4m (50.5ft) grading 1.86g/t Au, 13.79g/t Ag, 2.73% Zn were reported to shareholders.

- Line cutting combined with geophysics including magnetometer, electromagnetic and various induced polarization and resistivity surveys was carried out on high priority areas including Lac Chibougamau and Lac Dore. This work generated high priority anomalies in areas of known mineralization, which will be drilled.

- Shallow, surface drilling, on the Bateman Bay project's Jaculet No. 3 Zone, successfully intersected copper mineralization with accessory silver and gold values as masses and stringers of chalcopyrite and pyrite. Intersections of up to 5.23%Cu, 50.0g/t Ag and 0.97g/t Au were reported to shareholders.

- Diamond drilling also tested projected copper-gold structures, by drilling a single hole each, on the Copper Cliff Extension, the Hematite Bay and the Île Marguerite areas of the Lac Chibougamau project. Low grade copper-gold mineralization was intersected on the Copper Cliff Extension claims consisting of 4848ppm Cu and 383ppb Au over 31.25m (102.5ft) on a significant shear structure.

- The titanium and vanadium bearing North and South iron deposits of the Mont Sorcier project were also tested by drill holes. The holes returned the following true widths on the North and South zones respectively: 220.8m (724.4ft) grading 43.19% Fe_2O_3, 0.96% TiO_2, 0.22% V_2O_5 and 54m (177ft) grading 45.5% Fe_2O_3, 0.75% TiO_2, 0.44% V_2O_5 as reported in a press release dated December 2, 2013.

We were very pleased with the exploration work completed in 2013 and we believe that it has provided significant additional technical data which will assist in advancing our exploration strategy in the Chibougamau Mining Camp.

In 2013, we continued to see Investors being extremely risk averse. The share value of most large mining companies declined significantly while at the same time junior mining companies share prices were decimated. Despite our exploration successes, the financial markets did not reward us for our accomplishments.

Our achievements would not have been possible without the contributions of our directors, employees, consultants, professional advisors, contractors and suppliers. I would also like to thank our shareholders for their continued support and appreciation of our efforts during these exceptionally difficult times.

We have the combination of first-class assets and human resources needed to explore and develop the Chibougamau Mining Camp Properties. Currently, we are evaluating the choices available to us given the new market reality for financing including partnering with companies that have expressed an interest in certain of our assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR-ENDED DECEMBER 31, 2013

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Chibougamau Independent Mines Inc's. ("CIM", the "Corporation" and "we") results of operations, financial performance and current business environment. This MD&A, which has been prepared as of March 1, 2014 and should be read in conjunction with the audited annual financial statements and the related notes, for the two years ended December 31, 2013 and December 31, 2012.

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HIGHLIGHTS

- On December 31, 2012, a private placement was completed under which (i) 2,181,230 "flow-through" shares were issued at a price of $0.65 per share (gross proceeds - $1,417,799); and (ii) 2,400,000 common shares were issued at a price of $0.50 per share (gross proceeds - $1,200,000). One-half warrant was issued with each "flow-through" and common share issued under the private placement (Warrants - 2,290,615). On January 22, 2013, the Corporation completed its TSXV Form 2B Listing Application and the shares commenced trading on the TSXV on January 25, 2013 under the symbol CBG.

- During 2013, the Corporation spent $1,434,285 on drilling, geophysics surveys and other exploration expenditures on the Chibougamau Properties (Bateman Bay - $256,042; Berrigan South and Berrigan Mine - $329,948; Copper Cliff Extension- $25,211; Grandroy - $67,340; Kokko Creek - $86,677; Lac Chibougamau - $270,910; Lac Élaine (Berrigan West) - $119,522; Mont Sorcier (Sulphur Converting Property and Magnetite Bay - $190,931; Other - $87,704). As a result of these expenditures, the Corporation met its exploration commitments for flow-through funds raised in 2012 as well as for assessment requirements for 2014 and 2015.

- An impairment provision of $2,986,631 was recorded against properties and deferred exploration expenses. The provision represents management's estimate of the decline in the carrying value of the properties reflecting; recent changes in gold and copper prices, the financing challenges for junior exploration companies, external benchmark prices for properties with similar characteristics, as well as CIM's short-term exploration plans.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including any information as to the Corporation's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements." The words "expect", "will", "intend", "estimate", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

This document may contain forward-looking statements reflecting the management's expectations with respect to future events. Actual results may differ from those expected. The Corporation's management does not assume any obligation to update or revise these forward-looking statements as a result of new information or future events except as required by law.

EXPLORATION ACTIVITIES AND MINING PROPERTIES

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument (NI) 43-101 standards. On all projects, diamond drill core is marked by a geologist and subsequently split, with one-half of the core analyzed, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference, except in the case when a duplicate sample is collected for "quality assurance and quality control" (QA/QC) purposes. In that case, the duplicate sample is collected as a sawn, quartered-core sample taken from the second-half of the retained sample, and only a quarter of the core remains in the core tray for that particular interval. Other elements may also be determined in an industry acceptable manner, for either geochemical trace signatures or high grade metal content.

When discussing historical resource calculations available in the public domain regarding CIM's properties, CIM will include source, author and date, and cautionary language stating that:

- A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves;
- CIM is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

OVERVIEW – CHIBOUGAMAU MINING CAMP

In 2010, Globex Mining Enterprises Inc. ("Globex") acquired a significant number of properties in the Chibougamau Mining Camp which includes five former copper/gold mines, the interpreted down dip extension of three former copper/gold mines, one unmined historical copper/gold deposit, one historical zinc/gold/silver deposit in respect of which two technical reports compliant with NI 43-101 regulations were prepared, a new historical iron-titanium deposit and a large package of partially-outlined gold/copper zones and isolated gold intersections as well as volcanogenic massive sulphide targets.

In 2012, Globex management concluded that the best way to “unlock” the value of the Chibougamau assets and to position Globex shareholders to participate directly in future growth opportunities as these properties were explored and advanced towards production, was to establish a separate Corporation and “spin out” the assets. This approach would also position the Corporation for future financing.

On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation’s capital and would result in the transfer of cash and cash equivalents, investments, as well as the transfer of ten properties from Globex to CIM subject to a 3% “gross metal royalty” in favor of Globex.

On December 29, 2012, (the “Effective Date”), Globex completed the reorganization by way of a Plan of Arrangement which resulted in the transfer of cash of $503,006, investments with a fair market value of $72,903 and ten mining properties with a fair market value of $6,429,175. At that date, each Globex shareholder was eligible to redeem one old Globex share for one New Globex Common Share and one common share of CIM which resulted in the issuance of 27,896,018 CIM common shares. The CIM shares began trading on the TSX Venture Exchange on January 25, 2013, under the symbol CBG.

PROPERTY OVERVIEW:

The Illustration which follows provides an overview of the various properties in the Chibougamau Mining Camp. As properties are acquired and subdivided, the overview as presented on the Corporation’s web-site (www.chibougamaumines.com,) is updated.

Property Overview

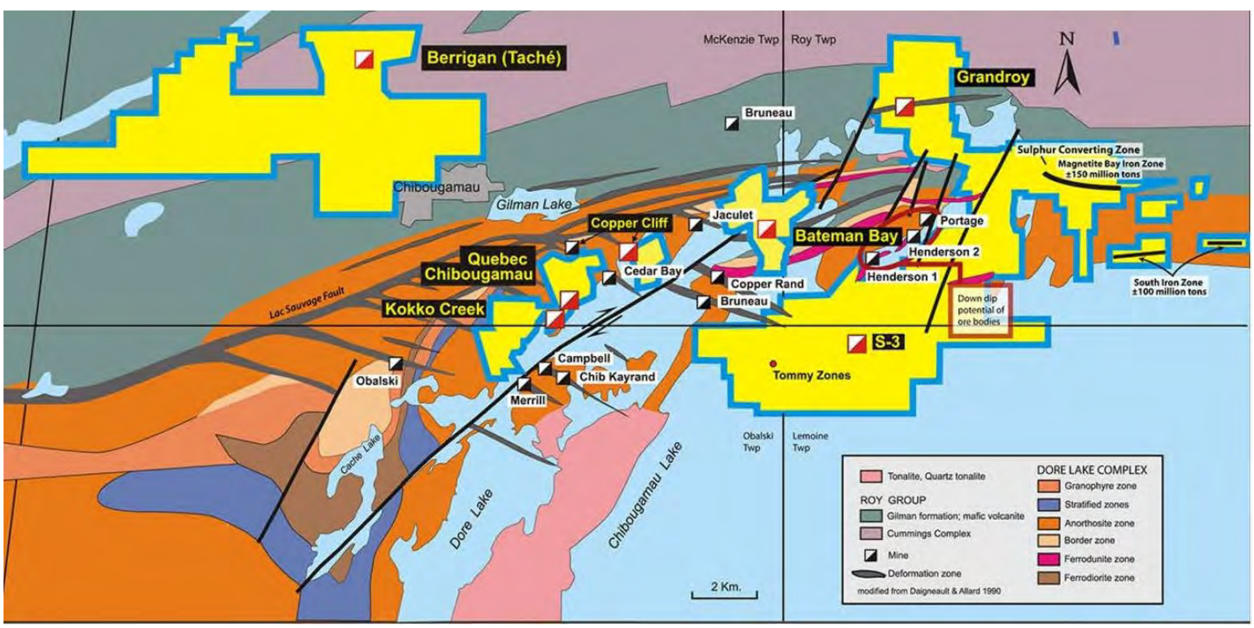

Figure 1

EXPLORATION ACTIVITIES IN 2013:

As outlined in our February 4 and April 17, 2013 press releases to shareholders, we initiated diamond drilling on February 1, 2013 on the Berrigan zinc-gold-silver zone and subsequently completed eight drill holes in the area of the deposit's ramp portal.

This drilling confirmed the presence of wide zones of disseminated pyrite with localized pyrrhotite and stringer sphalerite. Assaying of this drill core indicated that while numerous short to intermediate length intersections of higher grade mineralization were intersected, the more interesting economic model of a lower cost, open pitable, larger tonnage polymetallic deposit may be a better target. It was observed that the distribution of gold seems to be tied to the presence of sphalerite and that the silver content forms an extensive halo around the principal gold/zinc mineralized sections. The result of this work confirms the presence of a significant body of gold and zinc mineralization that has historically been commented upon by various companies. Another round of diamond drilling was planned for later in the year to expand the Berrigan Mine of mineralization, but has been deferred until new financing is completed. Drilling results were reviewed in conjunction with the Corporation's compilation of historical data of the property.

A program of line cutting and combined geophysics was started on selected, high priority areas on a number of other Chibougamau area properties. Most of this work was carried out on portions of Lac Chibougamau and Lac Dore and consisted of magnetometer, electromagnetic, various induced polarization and resistivity surveys. The Corporation is very pleased with the quality and number of anomalies which have been generated and contemplates diamond drilling some of these targets in 2014 depending upon completing a successful financing.

During the 2013 summer exploration period, we focused on further defining exploration targets of merit by conducting "boots on the ground" mapping, bedrock sampling and prospecting in addition to re-assessing the drilling and exploration results of previous operators. To that end, a second campaign of line cutting and induced polarization surveys in the western half of the mining camp were completed to search for bulk mineralization to depth and under cover. A diamond drill rig was mobilized on select project areas in mid-August.

The objectives of this work were to:

- test a new interpreted orientation to a high grade copper zone (Jaculet No. 3 Zone) on the Bateman Bay project,
- explore the potential of the vanadium bearing magnetite horizon on the Mount Sorcier project as well as conducting the mineral assessment of several other targets throughout the Chibougamau mining camp.

Shallow, surface drilling, on the Bateman Bay project's Jaculet No. 3 Zone, successfully intersected copper mineralization with accessory silver and gold values as masses and stringers of chalcopyrite with possible true thicknesses of up to 10 meters or more. Drilling and assaying results were reported in press releases on September 9th, 18th and October 3rd, 2013 which are available on CIM's web site as well as SEDAR. In total, six bore holes were completed on this structure (termed BJ-13-09 to BJ-13-14).

During the year, diamond drilling activities had also tested projected copper-gold structures, by drilling a single hole each, on the following properties: Copper Cliff Extension (ddh CCE-13-15); the Hematite Bay area (ddh HB-13-16) and the Île Marguerite (ddh ILM-13-18) of the Lac Chibougamau project.

In addition, the titanium vanadium-bearing North and South iron deposits of the Mont Sorcier project were tested by drill holes MS-13-17 and 19 (see press release December 3, 2013).

During the year, the total exploration expenditures of $1,434,285 were incurred as follows by quarter:

- Q1 - $499,300
- Q2 - $125,764
- Q3 - $539,609
- Q4 - $269,612

The 2013 Deferred exploration expenses by expenditure type and by property are shown in note 10 to the Audited Financial Statements for the year-ended December 31, 2013.

QUALIFIED PERSON

All scientific and technical information contained in this MD&A was prepared by the Corporation's geological staff under the supervision of R.V. Zalnieriunas, P. Geo., who is a qualified Person under NI 43-101.

RESULTS OF OPERATIONS

Selected Annual Information

		2013		2012		2011
Other income	**$**	**170,164**	$	**-**	$	**-**
Administration expenses		**(609,160)**		**(63,907)**		(546)
Impairment of mineral properties and deferred exploration expenses		**(2,986,631)**		**-**		**-**
Total expenses		**(3,595,791)**		**(63,907)**		**(546)**
Loss before taxes		**(3,425,627)**		**(63,907)**		**(546)**
Income and mining taxes		**53,779**		**-**		**-**
Income (loss) and comprehensive income (loss) for the year		**(3,479,406)**		**(63,907)**		**(546)**
Income (loss) per common share - Basic and Diluted	**$**	**(0.11)**	$	**(0.71)**	$	**(0.55)**
Total Assets	**$**	**5,698,372**	$	**9,538,763**	$	**10**
Other Liabilities	**$**	**-**	$	**327,184**	$	**-**

Variation in results

In 2011, CIM was inactive and late in 2012, the Corporation was involved in finalizing documents needed to apply for a TSXV listing. The increase in the expenses from $546 in 2012 to $63,907 in 2012 mainly reflects the audit expenses of $42,000 covering the audits for 2012, 2011 and 2010. The other administration expenses represent insurance and outside services.

In 2013, the Corporation incurred total administrative expenses of $609,160 including Management services of $342,716 which represented administrative, compliance, corporate secretarial, risk management support and advisory services.

FOURTH QUARTER TRANSACTIONS

In 2013, there were no fourth quarter transactions whereas in October 23, 2012, CIM entered into an agreement with Marquest Asset Management Inc., as co-lead agent with Casimir Capital Ltd., for a private placement.

On December 31, 2012, CIM closed the private placement by issuing 2,181,230 “flow-through” units at a price of $0.65 per unit and 2,400,000 “hard dollar” units at a price of $0.50 per unit at which time, it issued an aggregate of 4,581,230 common shares for gross proceeds of $2,617,799 and net proceeds of $2,532,284 after deducting Agency and Legal fees of $85,515.

During the fourth quarter of 2013, CIM, attempted to complete a financing, but due to a number of factors, did not complete that process. As a result of current equity market conditions and anticipated exploration options, Management undertook a review of the carrying value of its exploration properties and recorded an impairment provision of $2,986,631 which represents management’s estimate of the decline in the carrying value of the properties reflecting current equity market sentiments towards Junior Exploration Companies, changes in gold and copper prices during 2013 as well as CIM’s short-term exploration plans.

SUMMARY OF QUARTERLY RESULTS

The following table shows selected results by quarter for the last eight quarters:

	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	3,089,518	96,056	199,970	210,247	40,547	22,000	1,360	-
Other income (expenses)	48,626	121,519	48,621	(48,602)	-	-	-	-
Income (loss)[(1)]	(2,948,537)	(41,943)	(167,304)	(321,622)	(40,547)	(22,000)	(1,360)	-
Income (loss) per share								
- Basic and diluted	$ (0.09)	$ -	$ (0.01)	$ (0.01)	$ (0.46)	$ (0.24)	$ (0.01)	$ -

Note:

(1) On September 24, 2012, the 1,000 shares which had been issued in December 2010 were cancelled as part of the implementation of the Plan of Arrangement. On December 29, 2012, 27,896,018 CIM shares were issued in connection with the Globex Plan of Arrangement and on December 31, 2012, 4,581,230 shares were issued in connection with the private placement. The income (loss) per share has been calculated on the basis of the weighted average shares outstanding in the respective periods.

The 2013 fourth quarter loss of $2,948,537 was higher the loss of $41,943 in the third quarter of 2013. In the fourth quarter, the expenses of $3,089,518 were $2,993,462 higher than the third quarter expenses of $96,056 mainly as a result of an impairment provision of $2,986,631. The other income in the fourth quarter of $48,626 as compared to $121,519 in the third quarter reflects the change in the fair value of equity investments.

The loss of $41,943 in the third quarter ended is lower than the loss of $167,304 in the second quarter of 2013 mainly because of an increase of the fair value of financial assets in the third quarter of $121,519 compared to an increase of $48,602 in the second quarter. In addition, the total expenses in the third quarter were lower than the second quarter as a result of a reduction in the year to date charges for management services provided by Globex of $120,961.

The 2013 second quarter loss of $167,304 was lower than the loss of $321,622 in the first quarter of 2013 mainly because of an increase in the fair value of financial assets of $48,621 as compared to a decrease in the fair value of the financial assets which was recorded in the first quarter.

The loss of $321,622 in the first quarter of 2013 was greater than the loss of $40,547 in the fourth quarter of 2012 as the Corporation incurred administration expenses of $210,247 compared to $40,547 in the fourth quarter. The expenses in the first quarter of 2013 included the costs associated with the completion of the TSXV listing which was completed on January 25, 2013. In the first quarter of 2013, a provision for income and mining taxes of $62,773 was recorded related to flow through shares as a result of exploration activities.

In the fourth quarter of 2012, the total expenses were $40,547 as compared to $22,000 in the third quarter. The increase of $18,547 reflects Officers and Directors insurance of $11,950 as well as other administrative expenses.

The losses of $22,000 and $1,360 in the third and second quarter of 2012 represent expenses related to the preparation of the Corporation to be "Spun-Out" by Globex.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2013

Total expenses year ended December 31, 2013 - $3,595,791 (December 31, 2012 - $63,907)

The total expenses of $3,595,791 were $3,531,884 higher than last year's total of $63,907 as 2013 represented the first year of operations as a TSXV listed public company.

Administration – December 31, 2013 - $51,642 (December 31, 2012 - $11,986)

- In 2013 the Administration expenses were $51,642 as compared to $11,986 in 2012. In 2012 the activities of the Corporation were limited and as a result, the expenses were limited to insurance and other expenses.

- The nature of the administration expenses are further detailed in note 20 to the financial statements. The administration expenses consist of office supplies and administration, shareholder information, information technology, advertising & promotion, part Xii.6 tax related to flow-through shares as well as insurance and other.

Transfer Agent and filing fees –December 31, 2013 - $61,267 (December 31, 2012 – Nil)

- During the year ended December 31, 2013, the transfer agent and filing fees totaled $61,267 (December 31, 2012 - Nil) which represents transfer agent costs of $48,348 and filing fees of $12,919. The transfer agent fees include initial account set up and share issuance costs of $30,559, annual meeting costs of $9,735 and other ongoing costs of $8,054.

Legal – December 31, 2013 -$58,974 (December 31, 2012 – $1,360)

- During 2013, the legal expenses totaled $58,974 as compared to $1,360 in the comparable period in 2012. In 2012, the Corporation was inactive. The 2013 expenses include final expenses of $50,964 related to securing the Corporation's TSXV listing, as well as $6,920 related to the Corporation's Annual Meeting and other corporate matters of $1,090.

Audit and accounting – December 31, 2013 - $27,720 (December 31, 2012 - $42,000)

- For the year ended December 31, 2013, the audit and accounting expenses $27,720 as compared to $42,000 in the comparable period in 2012. The audit and accounting expenses in 2012 included the audit of financial statements for 2011 and 2010 which were required for the plan of arrangement and TSXV listing application.

Management services – December 31, 2013 - $342,716 (December 31, 2012 – Nil)

- On December 29, 2012, CIM entered into a Management Services Agreement with Globex under which the Corporation would receive management services including administrative, compliance, corporate secretarial, risk management support and advisory services during 2013.

- The Management Services charges of $342,716 for the year-ended December 31, 2013 (December 31, 2012 - Nil) represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement. The services were provided by senior Globex Management and included charges for the use of Globex's facilities and technology infrastructure. The costs will likely be reduced in future periods based on activity levels and processes that were developed in the current year.

Other professional - December 31, 2013 - Nil (December 31, 2012 - $8,561)

- In the year ended December 31, 2013, the Corporation did not incur any other professional fees whereas in 2012, the Corporation incurred $8,561 of geological consulting in connection with the corporate setup and TSXV listing application.

Share-based compensation December 31, 2013 -$66,841 (December 31, 2012 - Nil)

- For the year ended December 31, 2013, the shared based compensation expense was $66,841 (2012 - Nil) which represented the fair market value of $0.092 per share for the 725,000 options issued to Directors and Employees of the Corporation on August 9, 2013.

Impairment of mineral properties and deferred exploration expenses December 31, 2013 -$2,986,631 (December 31, 2012 – Nil)

- For the year ended December 31, 2013, the Corporation has recorded an impairment provision of $2,986,631 with $2,900,000 against mineral properties and $86,631 as a write-off of general exploration. The $2,900,000 provision represents management's estimate of the decline in the carrying value of the properties reflecting; recent changes in gold and copper prices, the financing challenges for junior exploration companies, external benchmark prices for properties with similar characteristics, as well as CIM's short-term exploration plans. The $86,631 write-off against deferred exploration represents general exploration expenses which have been expensed in accordance with the Corporation's exploration accounting policy.

- These provisions are reviewed on a periodic basis and could be reversed where this is justified by a change if circumstances.

Other income (expenses) December 31, 2013 - $170,164 (December 31, 2012 - Nil)

- Under the distribution receivable, CIM was entitled to receive 4,860,000 Mag Copper Limited shares. During 2013, the fair market value of these shares increased by $170,107. In addition, the Corporation recorded interest income of $57. The Corporation had no investment assets during 2012 and therefore recorded no income.

Income and mining taxes December 31, 2013 - $53,779 (December 31, 2012 - Nil).

- During 2013, a provision for deferred income taxes of $53,779 (December 31, 2012 - Nil) was recorded. The provision relates to qualified Canadian exploration expenditures renounced to subscribers.

FINANCIAL POSITION – December 31, 2013

Total assets

At December 31, 2013, the total assets were $5,698,372 which reflected a decrease of $3,840,391 from $9,538,763 at December 31, 2012. The change mainly reflects the impact of the loss in the period.

Liabilities

At December 31, 2013, CIM had total current liabilities of $56,488 (December 31, 2012 - $538,093). The reduction is mainly a result of the settlement of a liability to Globex of $484,204 at December 31, 2012.

The Other Liabilities of $327,184 at December 31, 2012 which represent the excess of funds over the fair market value of "flow-through" shares issued in the December 31, 2012 was fully discharged by December 31, 2013 as a result of the incurrence of qualified exploration expenditures.

Deferred tax liabilities

Deferred tax liabilities were reported at $380,963 compared to Nil at December 31, 2012. These liabilities represents management's best estimate of future taxes that will be payable if income is earned, based on substantially enacted legislation as well as current operating plans and tax strategies.

The components of the liability are reflected in Note 13 to the financial statements. It reflects, the Canadian eligible exploration expenditures which have been renounced to shareholders under flow-through share arrangements and therefore not available as a reduction in taxable income.

Owners' equity

Owners' equity of the Corporation, consists of Common Shares, Contributed Surplus, and the Deficit which totaled $5,260,921 at December 31, 2013 (December 31, 2012 - $8,673,486). The reduction mainly reflects the loss of $3,479,406 in the year ended December 31, 2013.

Common Shares

At December 31, 2013, the Corporation had 32,477,248 common shares outstanding which is unchanged from December 31, 2012.

Warrants

At December 31, 2013, there were no warrants outstanding as compared to 2,290,615 warrants outstanding at December 31, 2012. The warrants had been issued in connection with the December 31, 2012 private placement at a conversion price of $0.80 per share and expired on December 31, 3013.

Liquidity, working capital and cash flow

At December 31, 2013, the Corporation had cash and cash equivalents as well as a cash reserved for exploration which totaled $170,798 (December 31, 2012 - $2,532,054).

The Corporation had working capital (based on current assets minus current liabilities) of $412,410 at December 31, 2013 (December 31, 2012 - $2,571,495).

During the year ended December 31, 2013, $542,262 (December 31, 2012 - $63,907) was used in operating activities and $32,064 was used in changes in non-cash operating working capital items (December 31, 2012 - receipts of $535,912). During the year, $352,645 (December 31, 2012 - Nil) was invested in the acquisition of properties and $1,434,285 (December 31, 2012 - Nil) was invested in deferred exploration expenses.

These operating and investing activities resulted in a net decrease in the cash and cash equivalents of $2,361,256 in the year ended December 31, 2013 as compared to a net increase of $2,532,044 in the previous year.

CIM does not have any long-term debt or similar contractual commitments.

FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its common shares, stock options, warrants retained earnings (deficit) as capital. Its principal source of cash is from the issuance of common shares. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of evaluating, enhancing the value and acquiring additional properties or business assets.

The Corporation manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, CIM may attempt to issue new shares. In order to maximize ongoing exploration efforts, CIM does not pay dividends.

The Corporation's investment policy is to invest its short-term excess cash in highly-liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures related to continuing operations.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and interest rate risk.

(a) Credit Risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled $170,798 at December 31, 2013 (December 31, 2012 - $2,532,054). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation.

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and Cash equivalents are in place with major financial institutions.

The maximum exposure to credit risk was:

		December 31, 2013		December 31, 2012
Cash and cash equivalents	**$**	**170,798**	$	1,114,255
Cash reserved for exploration		**-**		1,417,799
Taxes receivable [1]		**45,683**		1,625
Distribution receivable		**243,010**		575,909
	$	**459,491**	$	3,109,588

1) Taxes receivable of $45,683 (December 31, 2012 - $1,625) represent G.S.T. and Q.S.T. recoverable and therefore are not subject to credit risks.

(b) Liquidity Risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transaction out of the ordinary course of business.

(c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken.

The Corporation currently holds investments which were transferred from Globex under the Plan of Arrangement. Based on the fair market value of the investments of $243,010 at December 31, 2013, (included in Distribution receivable), a 10% increase or decrease would impact Income and Loss by $24,301.

(d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 -fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 -fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (unobservable inputs).

December 31, 2013		Level 1		Level 2		Level 3		Total Financial Assets at fair value
Financial assets								
Distribution receivable (Equity investments)	$	-	$	243,010	$	-	$	243,010
	$	-	$	243,010	$	-	$	243,010

SIGNIFICANT ACCOUNTING ASSUMPTIONS, JUDGMENTS AND ESTIMATES

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

(a) Estimate of fair value of transferred assets

In order to determine the fair value of the Mining Properties transferred under the Plan of Arrangement, management engaged an independent consultant who identified comparable transactions within the last twenty eight months, as near as possible for properties within the same geographical area and a similar geological setting. The values for the Bateman Bay, Berrigan (Lac Taché) and Berrigan South Properties as well as the Lac Chibougamau Property were developed based on independent third party input. The remaining values were developed by management applying a consistent, industry standard, valuation approach.

While management believes that these are reasonable estimates, future results may vary.

(b) Fair value of investments

Under the plan or arrangement, CIM received common shares of a Junior Mining Company which is in the development stage. CIM attempts to determine the fair value of these shares based on published price quotations in an active market. However, as a result of the strategic nature or volume of trading in the market, the quoted price may not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

(c) Impairment of mineral properties and deferred exploration expenses

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties as well as deferred exploration and development expenses. If the Corporation determines that there has been impairment then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

(d) Estimate of share-based compensation

The estimate of share-based compensation requires the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation.

(e) Deferred tax balances

The Corporation uses the asset and liability method in accounting for deferred income taxes. Under this method, deferred income taxes are recognized for future income tax in preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate plans which may impact taxable income in future periods.

(f) Estimate of fair value of Warrants:

The estimate of the fair value of warrants requires the Corporation to select an appropriate valuation model and consideration of inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares and interest rates. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the warrants.

OUTSTANDING SHARE DATA

At December 31, 2013 and December 31, 2012, the Corporation had 32,477,248 common shares outstanding. In addition at December 31, 2013 the Corporation had 1,810,400 stock options (December 31, 2012 -1,137,900) for fully diluted common share capital of 34,287,648. On January 5, 2014, 25,000 options expired which resulted in 1,785,400 options outstanding as at March 1, 2014, with 32,477,248 commons shares outstanding for fully diluted common share capital of 34,262,648.

RISKS AND UNCERTAINTIES

(a) Financing Risk

The development of the Corporation's properties is dependent upon its ability to obtain financing through private placement financing, public financing or other means. There is no assurance that the Corporation will be successful in obtaining the necessary financing.

The Corporation will be partly financed by the issuance of flow-through shares. Management will undertake its best efforts to ensure that eligible expenditures are incurred; however, there are no guarantees that the funds spent by CIM will qualify as Canadian Eligible Exploration Expenses as defined in the Income Tax Act, even if CIM takes all of the necessary measures to mitigate this risk.

(b) Cash Flow

The Corporation's properties are currently being assessed for exploration and as a result, the Corporation has no source of operating cash flow. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties. The Corporation will require new capital to continue to operate its business and to continue exploration on its mineral properties, and there is no assurance that capital will be available when needed.

(c) Permits and licences

The Corporation's operations may require permits and licenses from different governmental authorities. There cannot be any assurance that the Corporation will obtain all the required permits and licences in order to continue the exploration and development of its properties.

(d) Government Regulations

The majority of the Company's exploration projects is located in Québec and have been affected by revisions to Québec's Mining Act. After several months of deliberations and uncertainty, on December 10, 2013, the Québec Assembly adopted the proposed new Mining Act, Bill 70 (Québec) ("Bill 70"). Bill 70 is seen as the replacement for the existing Mining Act, 1987 (Québec) and retains many of the rules in relation to rights and ownership contained within it. There are; however, a number of significant changes proposed in Bill 70, including:

1) changes with respect to the rights of municipalities and surface rights owners to oversee mining activities;
2) increased financial and disclosure obligations for mining rights holders in a bid to create further responsibility and transparency;
3) further environmental and economic obligations;
4) further consultation requirements with Aboriginal groups; and
5) increased powers of the Minister, and
6) significant increased costs.

It is too early to know precisely the impact of these changes, CIM does believe that these changes will adversely impact the efficiency and effectiveness of our exploration activities and we will continue to monitor their overall affect.

(e) Environmental Risks

The Corporation's operations are and will be subject to provincial and local environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards, land use standards, land reclamation and labour standards. They also set forth limitations on the generation, transportation, storage and disposal of liquid and waste materials.

Environmental legislation is evolving in a way which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increased responsibility for companies and their officers, directors and employees. At this time, it is not certain that these changes will not adversely affect the Corporation's operations. Compliance costs are expected to rise.

Environmental hazards may exist on the Corporation's properties which are unknown to management at the present time and which have been caused by previous owners or operators of the properties.

(f) Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Corporation's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing its mineral deposits, the Corporation will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Corporation. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Corporation has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Corporation has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Corporation may determine that it is impractical to commence or continue commercial production

(g) Title Matters

Most of the Corporations mineral rights are in the form of map designated cells and thus are not subject to dispute with respect to their exact boundaries. Land staked mining claims, in which the Corporation has an interest have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Other parties may dispute the Corporation's title to its staked mining claims. While the Corporation has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. All cells and claims are subject to biannual payment of taxes and submission of assessment work.

RELATED PARTY INFORMATION

The Corporation is considered a related party with Globex Mining Enterprises Inc. as Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations and therefore can significantly influence the operations of both entities.

Currently, CIM is dependent upon management services provided by Globex as described below.

Management Services

On December 29, 2012, CIM entered into a Management Services Agreement with Globex under which the Corporation would receive management services including administrative, compliance, corporate secretarial, risk management support and advisory services during 2013.

The Management services charges of $342,716 (2012 – Nil) represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

Berrigan Property Acquisitions

On May 9, 2013, the Corporation acquired three major blocks of claims from Globex for a cash payment of $350,000 and a 2% Gross Metal Royalty. The claim blocks are located in the Chibougamau Mining Camp ((a) Grandroy Mine property and (b) Berrigan deposit). These claims were acquired by Globex after the spin-out and therefore had not been included in the Plan of Arrangement. These properties were acquired based on the fair market value derived from properties of similar size and exploration stage and therefore were made on terms equivalent to those that would prevail in an arm's length transaction. The transaction was approved by CIM's Independent Directors.

Director and Management Compensation

None of the Directors or Management received any remuneration or benefits during either the years ended December 31, 2012 or December 31, 2013 other than 100,000 stock options which were issued to the Chief Financial Officer on August 9, 2013 which are further described in note 17 to the financial statements. These options had a fair value of $9,000 at issuance.

During the year ended December 31, 2013, Ray Zalnieriunas an independent director, provided geological consulting services to the Corporation and earned fees totalling $74,955 (December 31, 2012 - $8,561) and Sam Bosum, an independent director, through his corporation, Native Exploration Services earned $38,181 for line cutting services and Sam Bosum earned $56,471 (September 30, 2012 – Nil). These charges represented the fair market value for similar services.

Due to Globex Mining Enterprises Inc.

	December 31, 2013	December 31, 2012
	$ -	$ 484,204

In order to implement the Plan of Arrangement, restructure the capital of the Corporation secure a TSXV listing and complete a private placement, Globex paid on CIM's behalf various legal, accounting and auditing, tax advisory services and listing fees. Globex was reimbursed for these costs in 2013.

OUTLOOK

As outlined earlier in this report, the exploration activities for 2013 were very successful and the Corporation has met all of its assessment requirements for 2014 and 2015.

With respect to 2014, the Corporation has developed a range of exploration strategies and options, ranging between: (a) limited activities with no drilling, (b) limited drilling and (c) a variety of activities including some drilling on all of the properties. The ultimate program will be dependent upon completing a financing at a reasonable price. These options reflect the current economic uncertainties and market challenges and therefore may impede the speed at which these plans can be executed. In addition to exploring these properties, the Corporation has also considered the possibility of optioning some of these properties to a third party.

Despite the current challenges, CIM believes that it is positioned with a combination of first-class assets as well as the human and corporate resources necessary to continue the exploration and development of the Chibougamau Mining Camp Properties.

ADDITIONAL INFORMATION

This analysis should be read in conjunction with the comparative financial statements for the year ended December 31, 2012 and the year ended December 31, 2011 and additional information about the Corporation which is available on SEDAR at www.sedar.com. Further, the Corporation posts all publicly filed documents, including this MD&A on its website, www.chibougamaumines.com, in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2012 MD&A, then please send your request to:

Chibougamau Independent Mines Inc.
86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1
Telephone: 819.797.5242 Fax: 819.797.1470
Email: info@chibougamaumines.com

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information contained in this MD&A are the responsibility of CIM's management and have been approved by the Board of Directors on March 1, 2014.

Responsibilities for Financial Statements

The management of the Corporation is responsible for the preparation of the financial statements and the financial information contained in the Annual Report. The accompanying financial statements of Chibougamau Independent Mines Inc. have been prepared by management and approved by the Board of Directors of the Corporation. Financial information contained elsewhere in this report is consistent with the financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards and where appropriate reflect management's best estimates and judgments based on currently available information.

Chibougamau Independent Mines Inc. maintains adequate accounting systems and administrative controls to produce reliable financial statements and provide reasonable assurance that assets are properly safeguarded.

Deloitte LLP, have been appointed by the shareholders to conduct an independent audit of the Corporation's financial statements. Their report outlines the nature of their audit and expresses their opinion of the financial statements of the Corporation.

The Board of Directors of the Corporation is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board of Directors carries out this responsibility through its Audit Committee, which is composed solely of independent directors. The Audit Committee is also responsible for making recommendations with respect to the appointment, the remuneration and the terms of engagement of the Corporation's auditors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the financial statements, management's discussion and analysis, the external auditor's report, and examines the fees and expenses for audit services, and considers the engagement of reappointment of the external auditors. Deloitte LLP, the external auditors, have full and free access to the Audit Committee. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to shareholders.

"Jack Stoch"
Jack Stoch
President and Chief Executive Officer

"James Wilson"
James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

Deloitte.

Deloitte LLP
155 Dallaire Avenue
Rouyn-Noranda QC J9X 4T3
Canada

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Independent Auditor's Report

To the Shareholders of
Chibougamau Independent Mines Inc.

We have audited the accompanying financial statements of Chibougamau Independent Mines Inc., which comprise the statements of financial position as at December 31, 2013 and December 31, 2012, and the statements of loss and comprehensive loss, statements of equity and statements of cash flows for the years ended December 31, 2013 and December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chibougamau Independent mines Inc. as at December 31, 2013 and December 31, 2012 and its financial performance and its cash flows for the years ended December 31, 2013 and December 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Deloitte LLP [1]

March 1, 2014

[1] CPA auditor, CA, public accountancy permit No. A116207

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Loss and Comprehensive Loss

(In Canadian dollars)

	Notes	**December 31, 2013**	December 31, 2012
Continuing operations			
Expenses			
Administration	20	**$ 51,642**	$ 11,986
Transfer agent and filing fees		**61,267**	-
Legal		**58,974**	1,360
Audit and accounting		**27,720**	42,000
Management services	14	**342,716**	-
Other professional		**-**	8,561
Share-based compensation		**66,841**	-
Impairment of mineral properties and deferred exploration expenses	9, 10	**2,986,631**	-
		3,595,791	63,907
Loss from operations		**(3,595,791)**	(63,907)
Other income			
Interest income		**57**	-
Increase in fair value of financial assets		**170,107**	-
		170,164	-
Loss before taxes		**(3,425,627)**	(63,907)
Income and mining taxes			
Deferred	13	**53,779**	-
Income and mining taxes		**53,779**	-
Loss and comprehensive loss for the year		**$ (3,479,406)**	$ (63,907)
Loss per common share			
Basic and diluted	15	**$ (0.11)**	$ (0.71)
Weighted average number of common shares outstanding		**32,477,248**	89,465
Shares outstanding at end of year		**32,477,248**	32,477,248

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Cash Flows

(In Canadian dollars)

	Notes	**December 31, 2013**	December 31, 2012
Operating activities			
Loss and comprehensive loss for the year		**$ (3,479,406)**	$ (63,907)
Adjustments for:			
Share-based compensation		**66,841**	-
Increase in fair value of financial assets		**(170,107)**	-
Impairment of mineral properties and deferred exploration expenses	9, 10	**2,986,631**	-
Deferred income and mining taxes		**53,779**	-
		(542,262)	(63,907)
Changes in non-cash operating working capital items	16	**(32,064)**	535,912
		(574,326)	472,005
Financing activities			
Proceeds from a Private Placement		**-**	2,617,799
Share issuance and re-organization costs		**-**	(557,760)
		-	2,060,039
Investing activities			
Acquisition of mineral properties	9	**(352,645)**	-
Deferred exploration expenses	10	**(1,434,285)**	-
		(1,786,930)	-
Net increase (decrease) in cash and cash equivalents		**(2,361,256)**	2,532,044
Cash and cash equivalents, beginning of year		**2,532,054**	10
Cash and cash equivalents, end of year		**$ 170,798**	$ 2,532,054
Cash and cash equivalents		**$ 170,798**	$ 1,114,255
Cash reserved for exploration		**-**	1,417,799
		$ 170,798	$ 2,532,054

Supplementary cash flow information (note 16)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Financial Position

(In Canadian dollars)

	Notes		**December 31, 2013**		December 31, 2012
Assets					
Current assets					
Cash and cash equivalents	6	**$**	**170,798**	$	1,114,255
Cash reserved for exploration	7		**-**		1,417,799
Taxes receivable			**45,683**		1,625
Distribution receivable	8		**243,010**		575,909
Prepaid expenses			**9,407**		-
			468,898		3,109,588
Mineral properties	9		**3,881,820**		6,429,175
Deferred exploration expenses	10		**1,347,654**		-
		$	**5,698,372**	$	9,538,763
Liabilities					
Current liabilities					
Payables and accruals	11	**$**	**56,488**	$	53,889
Due to Globex Mining Enterprises Inc.	14		**-**		484,204
			56,488		538,093
Other liabilities	12		**-**		327,184
Deferred income tax	13		**380,963**		-
Owners' equity					
Common shares	17		**8,554,690**		8,554,690
Warrants	17		**-**		183,249
Deficit			**(3,543,859)**		(64,453)
Contributed surplus - equity settled reserve			**250,090**		-
			5,260,921		8,673,486
		$	**5,698,372**	$	9,538,763

The accompanying notes are an integral part of these financial statements

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Equity

(In Canadian dollars)

	Notes	**December 31, 2013**	December 31, 2012
Common shares			
Beginning of year		**$ 8,554,690**	$ 10
Shares cancelled		**-**	(10)
Fair value of shares issued under private placements		**-**	2,290,615
Shares issued for Globex Butterfly Shares		**-**	7,005,084
Fair value of warrants		**-**	(183,249)
Share issuance and re-organization costs		**-**	(557,760)
End of year		**$ 8,554,690**	$ 8,554,690
Warrants			
Beginning of year		**$ 183,249**	$ -
Issued under private placement		**-**	183,249
Expired warrants	17	**(183,249)**	-
End of year		**$ -**	$ 183,249
Contributed surplus - equity settled reserve			
Beginning of year		**$ -**	$ -
Share-based compensation and payments		**66,841**	-
Expired warrants		**183,249**	-
End of year		**$ 250,090**	$ -
Deficit			
Beginning of year		**$ (64,453)**	$ (546)
Loss for the year		**(3,479,406)**	(63,907)
End of year		**$ (3,543,859)**	$ (64,453)
Total Equity		**$ 5,260,921**	**$ 8,673,486**

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements
Years ended December 31, 2013 and 2012
(in Canadian dollars)

1. General business description

Chibougamau Independent Mines Inc. (the “Corporation”, “CIM”) was incorporated under the Canada Business Corporations Act on December 13, 2010, as a wholly-owned subsidiary of Globex Mining Enterprises Inc. (“Globex”) with the intention of acquiring and developing all of the exploration activities carried out by Globex in the Chibougamau Mining District of Québec.

On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation’s capital and the receipt of cash and cash equivalents, certain investments held by Globex as well as the transfer of ten properties from Globex to CIM subject to a 3% “gross metal royalty” in favour of Globex.

On December 29, 2012, (the “Effective Date”), Globex completed the reorganization by way of a Plan of Arrangement under the Business Corporations Act (Québec) which resulted in the transfer of cash of $503,006, investments with a fair market value of $72,903 and ten mining properties with a fair market value of $6,429,175.

Under the Arrangement, each Globex shareholder at the Effective Date was entitled to receive one New Globex Common Share and one common share of CIM which resulted in the issuance of 27,896,018 common shares. The CIM shares began trading on the TSX Venture Exchange on January 25, 2013, under the symbol CBG.

CIM is a natural resources exploration and development corporation, with properties, located in Chibougmau, Quebec. It holds ten exploration properties that were transferred from Globex as of December 29, 2012. It is focused on reviving production in the Chibougamau gold-copper mining camp. It has established short-term objectives of defining NI 43-101- compliant resources and reserves on selected target properties beginning with the Berrigan Au, Ag, and Zn mine and advancing high quality target areas for drilling.

The Corporation’s head office and principal business offices are located at 86, 14th Street, Rouyn-Noranda, Québec, J9X 2J1.

2. Basis of presentation and going concern

(a) Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the ""IASB").

(b) Basis of Presentation

These financial statements were prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through the statement of loss. All financial information is presented in Canadian dollars.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

2. Basis of presentation and going concern (continued)

Since its incorporation, the Corporation has accumulated a deficit in the amount of $3,543,859 and during the year ended December 31, 2013, the Company recorded a net loss of $3,479,406.

The Corporation's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The application of International Financial Reporting Standards (IFRS) on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumptions.

CIM is in the development stage and is subject to the risks and challenges particular to companies at this stage. There is no assurance that CIM's projects will be successful. As a result, there is substantial doubt regarding CIM's ability to continue to operate as a going concern. The Corporation's continuing operations are dependent on the ability to secure adequate financing, the discovery of economically-recoverable mineral reserves, securing and maintaining title or beneficial interests in the mining properties and on future profitable production or proceeds from the disposition of mineral property interests. While CIM is expending its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for continued operations.

(c) Approval of Financial Statements

The Corporation's Board of Directors approved these annual financial statements for the years ended December 31, 2013 and December 31, 2012 on March 1, 2014.

3. New and Revised International Financial Reporting Standards

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective and have not been applied in preparing these statements.

IFRS 9 - Financial Instruments - The amendments to IFRS 9 is the first of multi-phase project to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. It simplifies the measurement and classification for financial assets by reducing the number of measurement categories and removing complex rule-driven embedded derivative guidance in IAS 39, Financial Instruments: Recognition and Measurement. The new standard also provides for a fair value option in the designation of a non-derivative financial instruments and its related classification and measurement. IFRS 9 is effective from periods beginning January 1, 2015, but the date has been deferred indefinitely. The Corporation is evaluating the impact that this new guidance may have on the Corporation's financial statements and therefore the Corporation has not early adopted this standard.

IFRIC 21 - Levies - In May 2013, the IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The Corporation is currently evaluating the impact the final interpretation is expected to have on its financial statements.

3. New and Revised International Financial Reporting Standards (continued)

In 2013, the following standards became effective as described below:

IFRS 10 - *Consolidated Financial Statements* - In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements which replaces all of the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purposes Entities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. This standard is not applicable to the Corporation.

IFRS 11 - *Joint Arrangements* - In May 2011, the IASB issued IFRS 11 Joint Arrangements which replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. This standard is not applicable to the Corporation.

IFRS 12 - *Disclosure of Involvement with Other Entities* - In May 2011, the IASB issued IFRS 12 which sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11 and has the same effective date as those standards. This standard is not applicable to the Corporation.

IFRS 13 - Fair Value Measurement, defines fair value, sets out a single framework for measuring fair value which is applicable to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 requires that when using a valuation technique to measure fair value, the use of relevant observable inputs should be maximized while unobservable inputs should be minimized. The Corporation has applied IFRS 13 on a prospective basis, commencing January 1, 2013. The adoption of IFRS 13 did not have an impact on the Corporation's financial statements, other than the additional disclosures required.

4. Summary of significant accounting policies

(a) Functional and Presentation Currency

The financial statements are presented in Canadian dollars, which is CIM's functional currency and presentation currency.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

(c) Cash reserved for exploration

The cash reserve for exploration consists of cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. These funds are earmarked for funding prescribed resource expenditures.

(d) Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4. Summary of significant accounting policies (continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking ; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The Corporation has designated all of its investments as at FVTPL upon initial recognition.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in income or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables and refundable tax credit and mining duties) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest rate method

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Corporation has transferred substantially all the risk and rewards of ownership of the financial assets.

4. Summary of significant accounting policies (continued)

Classification of financial assets

The table below illustrates the classification and measurement of the financial assets under IAS 39

Financial assets	Measurement category under IAS 39
Cash and cash equivalents	Loans and receivables
Cash reserved for exploration	Loans and receivables
Taxes receivable	Loans and receivables
Distribution receivable (Investments)	Financial assets at FVTPL

(e) Mineral properties

All direct costs related to the acquisition of mineral properties are capitalized, at their cost at the date of acquisition, by property.

(f) Deferred exploration and evaluation expenses

All costs incurred prior to obtaining the legal rights to undertake exploration and evaluation activities are recognized in the statements of loss as incurred. Exploration and evaluation expenses arising following the acquisition of the right to explore are capitalized on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical costs and deferred exploration costs, and are carried at historical cost less any impairment losses recognized. The Corporation classifies exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired.

General exploration costs not related to specific properties and general exploration administrative expenses are charged to the Statement of Loss and Comprehensive Loss in the year in which they are incurred.

If an exploration project is successful, then the related expenditures are transferred to mining assets and amortized over the estimated life of the ore reserves on a unit of production basis.

The recoverability of deferred exploration and evaluation expenses is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to complete the development of ore reserves and future profitable production or proceeds from the disposal thereof.

(g) Impairment of non-financial assets

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less cost to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for mineral properties, deferred exploration and evaluation expenses are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances applies:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;

4. Summary of significant accounting policies (continued)

- no further exploration or evaluation expenditures in the area are planned or budgeted; the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Reversals of impairment losses are recognized in respect of mineral properties, exploration and evaluation expenditures where this is justified by a change of circumstances.

(h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(i) Current and deferred taxes

Taxes, comprising both income and resource taxes accounted for as income taxes, are recognized in the statement of loss, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity. Taxes on income are recorded using the tax rate that would be applicable to expected annual income.

The current income tax charge is based on taxable income for the period. Taxable income differs from net income (loss) as reported in the statement of loss and comprehensive loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

Deferred tax is recognized, using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. **Summary of significant accounting policies (continued)**

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, CIM reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will enable the deferred tax asset to be recovered. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to the extent that it is no longer probable that sufficient taxable income will be available to ensure that all or part of the asset will be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and CIM intends to settle its current tax assets and liabilities on a net basis.

(j) Share-based compensation

The Corporation uses the fair value method to record stock options. The fair value of all share purchase options is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Corporation uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, do not necessarily provide a reliable single measure of the fair value of CIM's share purchase options.

(k) Flow-Through Shares

The Corporation raises funds through the issuance of "flow-through" shares which entitle investors to prescribed resource tax benefits and credits once CIM has renounced these benefits to the investors in accordance with applicable tax legislation. The Corporation considers the issuance of flow-through shares in substance: (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method.

At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as an Other Liability. When CIM fulfills its obligation; the Other Liability is reduced; the sale of tax deductions is recognized in the statement of loss and comprehensive loss as a reduction of the deferred tax expense; and a deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

(l) Loss per share

Basic income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options (if dilutive).

4. Summary of significant accounting policies (continued)

The number of additional shares is calculated by assuming that outstanding dilutive stock options were exercised and the proceeds from such exercise were used to acquire common stock at the average market price during the reporting periods.

(m) Share Capital

The Corporation's common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(n) Warrants

Warrants are classified as equity as they are derivatives over the Corporation's own equity that will be settled only by the Corporation exchanging a fixed amount of cash for a fixed number of the Corporation's own equity instruments.

When shares and warrants are issued at the same time, the proceeds are allocated first to warrants, based on an estimate of the fair value using the Black-Scholes pricing model, and the residual is allocated to the common shares.

When warrants expire, the ascribed value is transferred to Contributed Surplus of the Corporation.

5. Significant accounting assumptions, judgments and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

(a) Estimates of the fair value of transferred assets

In order to determine the fair value of the Mining Properties transferred under the Plan of Arrangement, management engaged an independent consultant who identified comparable transactions within the last twenty eight months, as near as possible for properties within the same geographical area and a similar geological setting. The values for the Bateman Bay, Berrigan Lake and Berrigan South Properties as well as the Chibougamau Lake Property were developed based on independent third party input. The remaining values were developed by management applying a consistent approach.

While management believes that these are reasonable estimates, future results may vary.

5. Significant accounting assumptions, judgments and estimates (continued)

(b) Fair value of investments

Under the Plan of Arrangement, CIM received common shares of a Junior Mining Company which is in the development stage. CIM attempts to determine the fair value of these shares based on published price quotations in an active market. However, as a result of the strategic nature or volume of trading in the market, the quoted price may not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

(c) Impairment of mineral properties and deferred exploration expenses

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties as well as deferred exploration and development expenses. If the Corporation determines that there has been impairment then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount.

(d) Estimate of share-based compensation

The estimate of share-based compensation requires the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation.

(e) Deferred tax balances

The Corporation uses the asset and liability method in accounting for deferred income taxes. Under this method, deferred income taxes are recognized for the future income tax. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate plans which may impact taxable income in future periods.

(f) Estimate of fair value of warrants

The estimate of the air value of warrants, requires the Corporation requires the selection of an appropriate valuation model and consideration of inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares and interest rates. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the warrants.

6. Cash and cash equivalents

	December 31, 2013	December 31, 2012
	$ 170,798	$ 1,114,255

7. Cash reserved for exploration

	December 31, 2013	December 31, 2012
	$ -	$ 1,417,799

The Corporation raises flow-through funds for exploration under subscription agreements which require the Corporation to incur prescribed resource expenditures. The Corporation must use these funds for exploration of mining properties in accordance with restrictions imposed by the financing. If the Corporation does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

8. Distribution receivable

	December 31, 2013	December 31, 2012
Cash and near cash	**$ -**	$ 503,006
Investments	**243,010**	72,903
	$ 243,010	$ 575,909

At December 31, 2012, cash and near cash receivable represented amounts receivable under the Plan of Arrangement as described in note 1.

In accordance with the Plan of Arrangement, during the first quarter of 2013, Globex designated 4,860,200 Mag Copper Limited shares to be transferred to CIM which had an aggregate fair market value of $72,903. At December 31, 2013, the transfer of the legal ownership was in process and completed on January 27, 2014. The increase in the fair market value of $170,107 has been reflected in the statement of loss for the year ended December 31, 2013.

9. Mineral Properties

	December 31, 2012	**Additions 2013**	**Impairment and write-offs 2013**	**December 31, 2013**
Bateman Bay	$ 1,220,000	**$ -**	**$ (572,942)**	**$ 647,058**
Berrigan South and Berrigan Mine	1,885,150	**82,124**	**(885,312)**	**1,081,962**
Lac Chibougamau	3,070,000	**29,681**	**(1,441,746)**	**1,657,935**
Copper Cliff Extension	18,375	**-**	**-**	**18,375**
Grandroy	53,250	**16,425**	**-**	**69,675**
Kokko Creek	63,000	**1,650**	**-**	**64,650**
Lac Élaine (Berrigan West)	-	**141,377**	**-**	**141,377**
Lac Antoinette	-	**81,297**	**-**	**81,297**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	52,000	**91**	**-**	**52,091**
Québec Chibougamau Goldfields	63,500	**-**	**-**	**63,500**
Virginia Option	3,900	**-**	**-**	**3,900**
	$ 6,429,175	**$ 352,645**	**$ (2,900,000)**	**$ 3,881,820**

9. Mineral Properties (continued)

Pursuant to the Arrangement, on December 29, 2012, the properties were transferred from Globex based on the fair market value in the total amount of $6,429,175.

Berrigan Property Acquisition

On May 9, 2013, the Corporation acquired three major blocks of claims from Globex for a cash payment of $350,000 and a 2% Gross Metal Royalty (see note 14).

The claim blocks are located in the Chibougamau Mining Camp ((a) Grandroy ore body and (b) Berrigan deposit). These claims were acquired by Globex after the spin-out and therefore had not been included in the Plan of Arrangement. These properties were acquired based on the fair market value derived from properties of similar size and exploration stage.

Impairment and write-off

The $2,900,000 provision represents management's estimate of the decline in the carrying value of the properties reflecting; recent changes in gold and copper prices, the financing challenges for junior exploration companies, external benchmark prices for properties with similar characteristics, as well as CIM's short-term exploration plans.

10. Deferred exploration expenses

	December 31, 2012	**Additions 2013**	**Impairment and write-offs 2013**	**December 31, 2013**
Bateman Bay	$ -	**$ 256,042**	**$ -**	**$ 256,042**
Berrigan South and Berrigan Mine	-	**329,948**	**-**	**329,948**
Lac Chibougamau	-	**270,910**	**-**	**270,910**
Copper Cliff Extension	-	**25,211**	**-**	**25,211**
Grandroy	-	**67,340**	**-**	**67,340**
Kokko Creek	-	**86,677**	**-**	**86,677**
Lac Élaine (Berrigan West)	-	**119,522**	**-**	**119,522**
Lac Antoinette	-	**-**	**-**	**-**
Mont Sorcier	-	**190,931**	**-**	**190,931**
Québec Chibougamau Goldfields	-	**800**	**-**	**800**
Virginia Option	-	**-**	**-**	**-**
Buckell Lake	-	**111**	**-**	**111**
Lac Simon	-	**162**	**-**	**162**
General exploration and others	-	**86,631**	**(86,631)**	**-**
	$ -	**$ 1,434,285**	**$ (86,631)**	**$ 1,347,654**

The $86,631 write-off represents general exploration expenses which have been expensed in accordance with the Corporation's accounting policy.

10. Deferred exploration expenses (continued)

Deferred exploration expenses by expenditure type

	December 31, 2013	December 31, 2012
Balance, beginning of year	$ -	$ -
Current exploration expenses		
Claim staking	3,250	-
Consulting	101,955	-
Core shack, storage and equipment rental	15,220	-
Drilling	384,649	-
Equipment rental	18,776	-
Geophysics	356,729	-
Laboratory analysis and sampling	87,539	-
Labour	94,502	-
Line cutting	58,001	-
Mining property tax and permits	5,965	-
Permit - Forestry	2,726	-
Prospecting and surveying	8,652	-
Reports, maps and supplies	52,220	-
Transport and road access	7,497	-
Total current exploration expenses	1,434,285	$ -
Impairment and write-offs	(86,631)	-
Balance, end of year	$ 1,347,654	$ -

11. Payable and accruals

	December 31, 2013	December 31, 2012
Trade payables and accrued liabilities	$ 56,488	$ 53,889
	$ 56,488	$ 53,889

12. Other liabilities

	December 31, 2013	December 31, 2012
Balance, beginning of year	$ 327,184	$ -
Additions during the year (i)	-	327,184
Reduction related to the incurrence of qualified exploration expenditures	(327,184)	
Balance, end of year	$ -	$ 327,184

(i) On December 31, 2012, 2,181,230 “flow-through” shares were issued at $0.65 per share and 2,400,000 “hard dollar” common shares were issued at $0.50 per share. The additions of $327,184 represent the premium on the “flow-through” shares of $0.15 per share.

13. Deferred income tax

Income tax expense (recovery)

		December 31, 2013		December 31, 2012
Current tax expense (recovery)				
Tax expense for the current period	**$**	**-**	$	-
Deferred tax provision (recovery) for income tax		**380,963**		-
Recovery of income and mining taxes as a result of the sale of tax benefits (flow-through shares)		**(327,184)**		-
		53,779		-
	$	**53,779**	$	-

Tax expense reconciliation

The reconciliation of the income tax expense, calculated using the statutory income tax rates of the Federal Government and the Province of Quebec, to the income tax expense as per the financial statements, is as follows:

		December 31, 2013		December 31, 2012
Loss before income taxes	**$**	**(3,425,627)**	$	(63,907)
Combined tax rates		**26.9%**		26.9%
Income tax provisions calculated at combined rates		**(921,494)**		(17,191)
Adjustments for share-based compensation		**17,980**		-
Impairment of mineral properties		**780,100**		-
Taxable income at different rates		**(22,879)**		-
Deferred tax expense related to flow-through shares		**381,388**		-
Income tax provision		**235,095**		(17,191)
Unrecognized tax asset		**145,868**		17,191
Other liabilities (sale of tax benefits (flow-through shares))		**(327,184)**		-
Income tax provisions (recovery)	**$**	**53,779**	$	-

At December 31, 2013, the Corporation has non-capital loss carry forwards of $829,819 available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

2031	$	546
2032		175,459
2033		653,814
	$	829,819

13. Deferred tax balances (continued)

		December 31, 2012		**Recognized in income or loss**		Other		**December 31, 2013**
Temporary differences								
Deferred tax assets								
Non-capital losses carry forward	$	47,345	**$**	**175,876**	**$**	**-**	**$**	**223,221**
Share issue expenses		120,030		**(30,008)**		**-**		**90,022**
		167,375		**145,868**		**-**		**313,243**
Less valuation allowance		(167,375)		**(145,868)**		**-**		**(313,243)**
Deferred tax assets		-		**-**		**-**		**-**
Financial assets at FVTPL		-		**22,879**		**-**		**22,879**
Mining properties and deferred exploration expenses		-		**358,084**		**-**		**358,084**
Deferred tax liabilities	$	-	**$**	**380,963**	**$**	**-**	**$**	**380,963**

		January 1, 2012		Recognized in income or loss		Other		December 31, 2012
Temporary differences								
Deferred tax assets								
Non-capital losses carry forward	$	30,154	$	17,191	$	-	$	47,345
Share issue expenses		-		120,030		-		120,030
Financial assets at FVTPL		-		-		-		-
		30,154		137,221		-		167,375
Less valuation allowance		(30,154)		(137,221)		-		(167,375)
Deferred tax assets		-		-		-		-
Deferred tax liabilities								
Mining properties and deferred exploration expenses		-		-		-		-
Deferred tax liabilities	$	-	$	-	$	-	$	-

14. Related parties

The Corporation is considered a related party with Globex as Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations and therefore can significantly influence the operations of both entities. Currently, CIM is dependent upon management services provided by Globex as described below.

Management Services

On December 29, 2012, CIM entered into a Management Services Agreement with Globex under which the Corporation would receive management services including administrative, compliance, corporate secretarial, risk management support and advisory services during 2013.

14. Related parties (continued)

The Management Services charges of $342,716 (2012 - Nil) for the year-ended December 31, 2013 represents Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

		December 31, 2013		December 31, 2012
Management services	**$**	**342,716**	$	-

Berrigan Property Acquisition

On May 9, 2013, the Corporation acquired three major blocks of claims from Globex for a cash payment of $350,000 and a 2% Gross Metal Royalty. The claim blocks are located in the Chibougamau Mining Camp ((a) Grandroy ore body and (b) Berrigan deposit). These claims were acquired by Globex after the spin-out and therefore had not been included in the Plan of Arrangement. These properties were acquired based on the fair market value derived from properties of similar size and exploration stage and therefore were made on terms equivalent to those that would prevail in an arm's length transaction. The transaction was approved by CIM's Independent Directors.

Transactions with Key Management Personnel

None of the key management personnel received any remuneration or other benefits during the years ended December 31, 2013 other than 100,000 stock options which were issued to the Chief Financial Officer on August 9, 2013 which are further described in note 18. These options had a fair value of $9,000 at issuance.

Due to Globex Mining Enterprises Inc.

		December 31, 2013		December 31, 2012
	$	**-**	$	484,204

In order to implement the Plan of Arrangement, restructure the capital of the Corporation secure a TSXV listing, and complete a private placement, Globex paid on CIM's behalf various legal, accounting and auditing, tax advisory services and listing fees. Globex was reimbursed for these costs in 2013.

15. Loss per share

The loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the year, plus the effects of dilutive common share equivalents such as stock options. Diluted net loss per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

		2013		2012
Numerator				
Loss for the period	**$**	**(3,479,406)**	$	(63,907)
Denominator				-
Weighted average number of common shares - basic and diluted [(1)]		**32,477,248**		89,465
Loss per share				
Basic and diluted	**$**	**(0.11)**	$	(0.71)

(1) Stock options have not been included in the diluted loss per share as they are anti-dilutive.

16. Supplementary cash flow information

Change in non-cash working capital items

		December 31, 2013		December 31, 2012
Taxes receivable	**$**	**(44,058)**	$	(1,625)
Distribution receivable		**503,006**		-
Prepaid expenses		**(9,407)**		-
Payables and accruals		**2,599**		53,889
Due to Globex Mining Enterprises Inc.		**(484,204)**		483,648
	$	**(32,064)**	$	535,912

Non-cash financing and investing activities

		December 31, 2013		December 31, 2012
Fair value of warrants issued	**$**	**-**	$	183,249

16. Supplementary cash flow information (continued)

See note 17, Plan of Arrangement, Asset Transfer and Capital Reorganization Transactions for details related to non-cash transactions including:

- Issue of CIM Redemption Shares;
- Conversion of the CIM Redemption Shares to the CIM Redemption Note;
- Issue of Globex Butterfly Shares;
- Redemption of Globex Butterfly Shares for Globex Redemption Note;
- Offset of CIM Redemption Note and the Globex Redemption Note.

17. Share capital

Authorized:

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

Common: Voting

Preferred: Issuable in series, non-voting, conditions to be determined by the Board of Directors.

Redemption Shares:

Under the Plan of Arrangement, the Articles of the Corporation were amended to create CIM Redemption Shares which are; (a) redeemable at the option of CIM at a redemption amount equal to the CIM Redemption Share, and (b) retractable at the option of the holder at a retraction amount equal to the CIM Redemption Share Redemption Amount. The holders of the CIM Redemption Shares are not entitled to any dividends and they are not entitled to vote at meetings of CIM Shareholders, other than as provided by the *Canada Business Corporation Act* .

The amount specified in respect of each CIM Redemption Share to be redeemed, acquired or cancelled, is the amount specified by a director or officer of CIM in a certificate that is made; (i) effective concurrently with the issuance of such CIM Redemption Share, such amount will not be subject to change and such amount to be equal to the fair market value of the consideration for which such Redemption Share is issued.

Plan of Arrangement, Asset Transfer and Capital Reorganization Transactions

The CIM Redemption Share, redemption amount is the aggregate fair market value of all of the Transferred Assets transferred by Globex to CIM pursuant to the distribution, less the aggregate fair market value as at the effective date of the CIM Stock Options and divided by the number of CIM Redemption Shares issued as consideration therefore. The total fair value of the Transferred Assets transferred was $7,005,084 (Cash - $503,006; Investments - $72,903; and Mining Properties - $6,429,175) or $0.25 per share. The Transferred Assets were transferred to CIM in return for CIM Redemption Shares equal to the fair value of the assets transferred. The Redemption Shares were subsequently exchanged for a CIM Redemption Note of equal value.

17. Share capital (continued)

At December 31, 2012, Globex had 27,896,018 common shares outstanding and under the Plan of Arrangement, each Globex Shareholder was entitled to receive one New Globex Common Share and one Globex Butterfly Share for each of their Globex Shares. Each Globex Butterfly Shareholder transferred their Butterfly Shares to CIM and received one CIM Common Share as consideration which resulted in the issuance of 27,896,018 CIM common shares with an aggregate fair value of $7,005,084.

The Globex Butterfly Shares became an asset of CIM and were subsequently redeemed in exchange for a Globex Redemption Note of equal value.

Ultimately, CIM satisfied its obligations under the CIM Redemption Note by transferring the Globex Redemption Note to Globex, and Globex accepting the Globex Redemption Note in full satisfaction of CIM's obligations under the CIM Redemption Note. Similarly, Globex's obligations under the Globex Redemption Note were satisfied by transferring the CIM Redemption Note to CIM, and CIM accepting the CIM Redemption Note in full satisfaction of Globex's obligations under the Globex Redemption Note.

(a) Issued: Common shares

		December 31, 2013		December 31, 2012
	Number of shares	**Capital Stock**	Number of shares	Capital Stock
Fully paid common shares				
Balance, beginning of year	**32,477,248**	**$ 8,554,690**	1,000	$ 10
Cancellation (1)	**-**	**-**	(1,000)	(10)
Issued for Globex Butterfly Shares	**-**	**-**	27,896,018	7,005,084
Private placement (2)	**-**	**-**	4,581,230	2,290,615
Fair value of warrants (3)	**-**	**-**	-	(183,249)
Share issuance and re-organization (4)	**-**	**-**	-	(557,760)
Balance, end of year	**32,477,248**	**$ 8,554,690**	32,477,248	$ 8,554,690

(1) Shares cancelled September 24, 2012 in connection with the implementation of the Plan of Arrangement.

(2) Under a private placement which closed on December 31, 2012, (i) 2,181,230 "flow-through" shares were issued at $0.65 per share (gross proceeds - $1,417,799); and (ii) 2,400,000 common shares were issued at $0.50 per share (gross proceeds - $1,200,000). The $0.15 per share excess of the proceeds on the "flow-through" shares over the fair market value per share which amounts to $327,184 has been reflected as Other Liabilities.

(3) One-half warrant has been issued with each "flow-through" and common share which was issued under the private placement (Warrants - 2,290,615). Warrants have been valued using the Black-Scholes Model and the fair value has been estimated at $0.08 per warrant which results in a fair value for the 2,290,615 warrants of $183,249. Further details regarding the warrants and fair value estimates follow below.

(4) In connection with the Private Placement, the Corporation paid Agency fees of $70,890 representing 5% of the gross proceeds of the "flow-through" proceeds and legal and consulting costs of $14,625. The remaining $472,245 represents legal, accounting, auditing, tax advisory services, mailing costs for a shareholder meeting, transfer agent costs, costs of a "fairness opinion" on the transaction, and TSXV listing fees. These costs are incremental to the reorganization of the share capital of CIM and the issuance of the shares under the private placement and therefore have been deducted against the share capital of the Corporation. No tax affect was recorded on the share issuance costs.

17. Share capital (continued)

(b) Redemption Shares

	Number of shares		**Capital Stock**	Number of shares		Capital Stock
			December 31, 2013			December 31, 2012
Issued: Redemption Shares						
Balance, beginning of year	-	$	-	-	$	-
Issued for Transferred Assets [(1)]	-		-	5,000,000		7,005,084
Redemption of Redemption Shares and replacement with CIM	-		-	-		-
Redemption Note	-		-	(5,000,000)		(7,005,084)
Balance, end of year	-	$	-	-	$	-

(1) Redemption shares equal to the fair value of the assets transferred from Globex of $7,005,084 were issued (Cash - $503,006; Investments - $72,903; and Mining Properties - $6,429,175). These shares were redeemed and replaced with a CIM Redemption Note with an equivalent fair value.

(c) Warrants

	Number of warrants		**Fair Value**	Number of warrants		Fair Value
			December 31, 2013			December 31, 2012
Balance, beginning of year	**2,290,615**	**$**	**183,249**	-	$	-
Issued in connection with private placement [(1)]	-		-	2,290,615		183,249
Expired warrants - ascribed value [(1)]	**(2,290,615)**		**(183,249)**	-		-
Balance, end of year	-	$	-	2,290,615	$	183,249

(1) Under the private placement which closed on December 31, 2012, 2,181,230 "flow-through" units at a price of $0.65 per unit and 2,400,000 "hard dollar" units at a price of $0.50 per unit were issued which resulted in an aggregate of 4,581,230 common shares being issued.

Each of the "flow-through" units and "hard-dollar" units consisted of one common share of CIM and one-half of a common share purchase warrant. Each of the full warrants entitles the holder thereof to acquire one additional common share of CIM at a price of $0.80 prior to December 31, 2013.

The warrants have been valued using the Black-Scholes Model with the following assumptions:

- Stock Price - $0.50 per share
- Exercise Price - $0.80 per share
- Expected life 12 months
- Annualized volatility - 77%
- Annual rate of dividends - Nil.
- Interest rate - 3.8%.

The fair value of each warrant has been estimated at $0.08 per warrant which results in a fair value for the 2,290,615 warrants of $183,249.

17. Share capital (continued)

(d) Stock Options

On September 7, 2012, the CIM Directors approved the adoption of the 2012 Stock Option Plan for directors, officers, employees and consultants who share primary responsibility for the management, growth and protection of the business of the Corporation. The maximum number of shares that can be issued pursuant to the plan is a fixed number of 3,206,470.

The key terms of the plan are as follows:

(i) The maximum number of shares that can be issued pursuant to the plan is a fixed number of 3,206,470.

(ii) The maximum number of shares that can be reserved for issuance during any 12 month period is limited to a certain percentage, as follows, of issued and outstanding shares:

  (a) 5% for any one optionee,

  (b) 2% for any one consultant,

  (c) 2% for persons conducting investor-relations.

(iii) The option exercise price shall be fixed by the Board of Directors at the time of granting the options and shall not be less than the Market Price of the Shares, less the maximum discount permitted under the policies of the TSX Venture Exchange.

(iv) The options are not transferable and the term cannot exceed ten (10) years.

In accordance with the Arrangement, all of the holders of Globex Stock Options at the Effective Date (December 29, 2012), disposed of their options in consideration of a Globex New Stock Option and a CIM stock option where the Optionee was qualified (Officer, Employee, Consultant, or Director) of the CIM stock option plan. All of the terms with the exception of the strike price remained unchanged.

The strike prices for the CIM stock options reflect the original price per share adjusted by the volume-weighted average trading price of the CIM shares during the first five days following listing on the TSXV (January 25, 2013 to January 31, 2013) and the volume weighted average trading price of the Globex New Common shares during the same period.

At December 31, 2013, 1,810,400 (December 31, 2012 - 1,137,900) options were issued with a weighted average exercise price of $0.20 per share and a weighted average remaining contractual life of 2.79 years. At that date, in addition to the 1,810,400 options outstanding, 1,396,070 (December 31, 2012 – 2,068,570) options were available to be granted.

17. Share capital (continued)

The following is a summary of option transactions under the Plan for the relevant year:

	December 31, 2013			December 31, 2012		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance - beginning of year	**1,137,900**	**$**	**0.27**	-		-
Issued under Plan of Arrangement	**-**		**-**	1,137,900	$	0.27
Expired	**(52,500)**		**0.41**	-		-
Granted - Directors and employees	**725,000**		**0.10**	-		-
Balance - end of year	**1,810,400**	**$**	**0.20**	1,137,900	$	0.27
Options exercisable	**1,810,400**	**$**	**0.20**	1,137,900	$	0.27

The following table summarizes information regarding the stock options outstanding and exercisable at December 31, 2013:

Range of prices	Number of Options Outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
0.10 - 0.12	725,000	725,000	4.61	$0.10
0.17 - 0.22	450,000	450,000	1.84	0.18
0.23 - 0.32	450,000	450,000	1.05	0.25
0.33 - 0.38	54,200	54,200	1.99	0.35
0.58 - 0.68	131,200	131,200	2.26	0.59
	1,810,400	1,810,400	2.79	$0.20

Share-based compensation

The Company uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 3 years). If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

17. Share capital (continued)

Under the Plan of Arrangement, 1,137,900 options were issued to Directors, Officers, Employees and Service Provides. On August 9, 2013, 725,000 options were issued to Directors and Employees of the Corporation. CIM used the Black-Scholes model to estimate the fair value using the following weighted average assumptions:

	December 31, 2013	December 31, 2012
Expected dividend yield	**Nil**	-
Expected stock price volatility	**155.5%**	-
Risk free interest rate	**1.57%**	-
Expected life	**5.32 years**	-
Weighted average fair value of granted options	**$0.09**	-

During the year-ended December 31, 2013, the total expense related to share-based compensation amounting to $66,841 has been recorded and presented separately in the Statements of Loss and Comprehensive Loss (December 31, 2012 - Nil).

18. Financial instruments

Capital risk management

The Corporation manages its common shares, stock options, warrants and retained earnings (deficit) as capital. Its principal source of cash is from the issuance of common shares. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of evaluating, enhancing the value and acquiring additional properties or business assets. The Corporation manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, CIM may attempt to issue new shares. In order to maximize ongoing exploration efforts, CIM does not pay dividends.

The Corporation's investment policy is to invest its short-term excess cash in highly-liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures related to continuing operations.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and interest rate risk.

(a) Credit Risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled $170,798 at December 31, 2013 (December 31, 2012 - $2,532,054). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation.

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and Cash equivalents are in place with major financial institutions.

18. Financial instruments (continued)

The maximum exposure to credit risk was:

		December 31, 2013		December 31, 2012
Cash and cash equivalents	**$**	**170,798**	$	1,114,255
Cash reserved for exploration		**-**		1,417,799
Investments		**-**		-
Taxes receivable [(1)]		**45,683**		1,625
Distribution receivable		**243,010**		575,909
	$	**459,491**	$	3,109,588

(1) Taxes receivable of $45,683 (December 31, 2012 - $1,625) represent G.S.T. and Q.S.T. recoverable and therefore are not subject to credit risks.

(b) Liquidity Risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transaction out of the ordinary course of business.

(c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken.

The Corporation currently holds investments which were transferred from Globex under the Plan of Arrangement. Based on the fair market value of the investments of $243,010 at December 31, 2013, a 10% increase or decrease would impact Income and Loss by $24,301.

(d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (unobservable inputs).

18. Financial instruments (continued)

December 31, 2013		Level 1		Level 2		Level 3		Total Financial Assets at fair value
Financial assets								
Distribution receivable (Investments)	$	-	$	243,010	$	-	$	243,010
	$	-	$	243,010	$	-	$	243,010

The fair value of the distribution receivable has been measured using the quoted price of the related shares on the market which has been determined non-active (also see note 8). For all other financial assets and liabilities, the fair value is equal to the carrying value.

19. Risk Management

The Corporation is engaged primarily in mineral exploration and manages related industry risk issues directly. The Corporation may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

20. Expenses by nature

The following is a breakdown of the nature of expenses included in administration expenses.

		December 31, 2013		December 31, 2012
Administration				
Office supplies & maintenance	**$**	**15,645**	$	-
Shareholder information		**4,144**		-
Information technology		**5,757**		-
Advertising & Promotion		**2,276**		-
Part XII.6 Tax related to Flow-through shares		**10,721**		-
Insurance & other administrative expenses		**13,099**		11,896
	$	**51,642**	$	11,896

21. Commitments and Contingencies

(a) At the year-end, the Corporation had no outstanding commitments other than in the normal course of business. The Corporation had fully discharged its obligations related to "flow-through" funds that it had raised in 2012.

(b) The Corporation's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are difficult to identify and it is also a challenge to anticipate the impacts of deadlines. At December 31, 2013, management believes to the best of its knowledge that CIM is in conformity with applicable laws and regulations. Restoration costs, if any, will be accrued in the financial statements and reflected in the statement of income and loss, if and when they can be reasonably estimated at that time.

CORPORATE INFORMATION

Board of Directors

Jack Stoch
Director
Toronto, Ontario Canada

Dianne Stoch
Director
Toronto, Ontario Canada

Independent Directors

Samuel R. Bosum (1)(2)
Director
Oujé-Bougoumou, Quebec Canada

David LeClaire (1)(2)
Director
Aurora, Ontario Canada

Rimant (Ray) Zalnieriunas (1)(2)
Director
Larder Lake, Ontario Canada

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

Stock Exchange Listings

Canada - Trading Symbol: **CBG**
Toronto Stock Exchange Venture

Germany - Trading Symbol: **CLL**
Stuttgart Stock Exchange

CUSIP No. 167101 10 4

Officers

Jack Stoch
President and Chief Executive Officer

James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

Dianne Stoch
Executive Vice President

Auditors

Deloitte LLP
Rouyn-Noranda, Quebec Canada

Legal Counsel

Fasken Martineau DuMoulin s.e.n.c.r.l.
Montreal, Quebec Canada

Transfer Agent & Registrar

Computershare Trust Company of Canada
Montreal, Quebec Canada

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Annual Meeting of Shareholders

June 12, 2014 at 11:00 a.m.
The Offices of the Company
86, 14th Street
Rouyn-Noranda, Quebec Canada