Chibougamau Independent Mines Inc.

INTERIM REPORT
THREE MONTHS ENDED
MARCH 31, 2014
(UNAUDITED)

86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1 CANADA
Telephone: (819) 797-5242 Fax: (819) 797-1470
info@chibougamaumines.com www.chibougamaumines.com

STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed financial report as of March 31, 2014 and 2013. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered accountants.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2014

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 May 23, 2014 and should be read in conjunction with the unaudited interim condensed financial statements for the three month period ended March 31, 2014, and the audited annual financial statements and the related notes, for the two years ended December 31, 2013 and December 31, 2012.

Table of contents

HIGHLIGHTS

- As previously reported, the exploration activities for 2013 were very successful and the Corporation has met all of its assessment requirements for 2014 and 2015. Late in 2013, CIM had anticipated completing a financing which would enable it to carry out exploration on the targets which it had identified. Unfortunately, the Corporation was not able to complete a financing, but continues to work on one. During the first quarter of 2014, we incurred exploration expenditures of $26,558 which mainly represented geology and labour costs related to completing the 2013 programs and planning exploration programs for 2014.

- In order to meet its compliance and regulatory requirements, the Corporation incurred administrative and operating expenses of $57,234.

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

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. On January 27, 2014, the legal ownership to 4,860,200 Mag Copper Ltd. shares was completed which finalized the Plan of Arrangement activities.

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

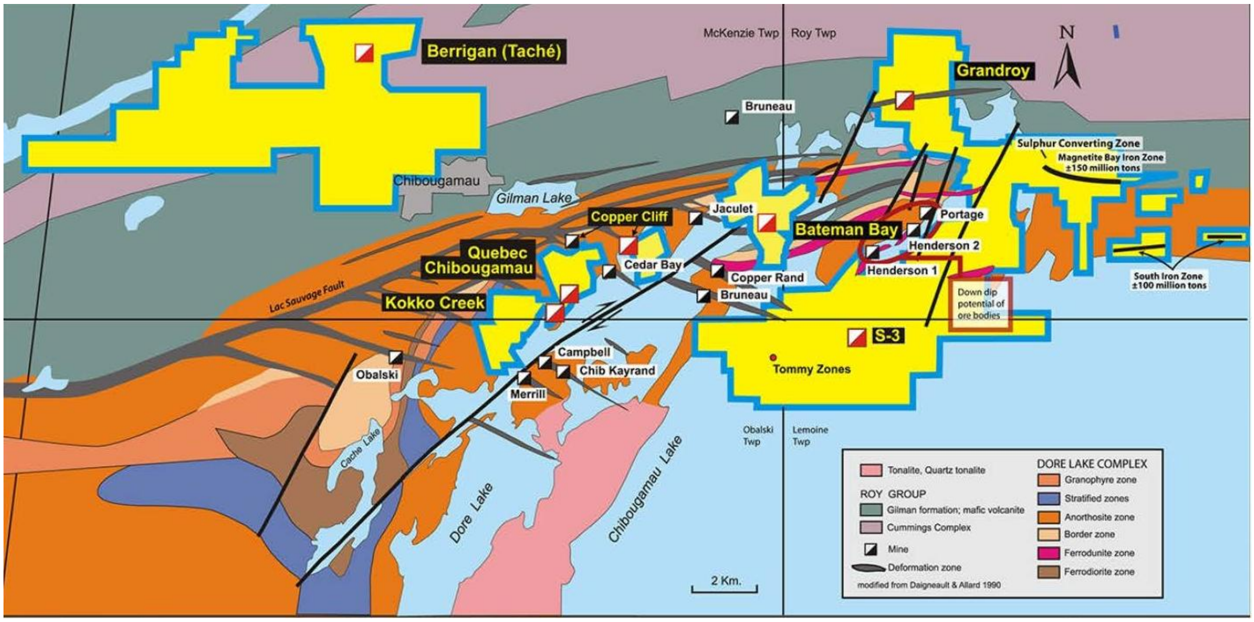

Figure 1

EXPLORATION ACTIVITIES IN 2013 and 2014:

In December 2012, CIM raised $1,417,799 flow-through funds which financed the majority of the 2013 exploration expenditures of $1,434,285 which were incurred on the various properties with the bulk of the expenditures concentrated on Bateman Bay, Berrigan South and Berrigan Mine, Lac Chibougamau, Lac Élaine (Berrigan West) and Mont Sorcier properties.

The 2013 Annual MD&A outlines the objectives and results from the drilling, line cutting, geophysical, mapping, sampling and prospecting work. It also refers to the additional details provided in the press releases which were posted on the Corporation's web-site on February 4, April 17, September 9, September 18, October 3, and December 3, 2013.

Late in 2013, Management had hoped to raise significant exploration funds, but concluded that a financing at time would be too dilutive and therefore not in the best interests of the shareholders. In addition, we have explored various opportunities to Option or Joint Venture a number of properties.

During the three month period ended March 31, 2014, $26,558 was incurred on the various properties which mainly represented geology and labour costs related to completing the 2013 programs and planning exploration programs for 2014.

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.

SUMMARY OF QUARTERLY RESULTS

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

	2014			2013				2012
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	77,530	3,089,518	96,056	199,970	210,247	40,547	22,000	1,360
Other income (expenses)	(97,201)	48,626	121,519	48,621	(48,602)	-	-	-
Income (loss)[1]	(156,198)	(2,948,537)	(41,943)	(167,304)	(321,622)	(40,547)	(22,000)	(1,360)
Income (loss) per share								
- Basic and diluted	$ (0.00)	$ (0.09)	$ (0.00)	$ (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 loss of $156,198 in the first quarter of 2014 was lower than the loss of $2,948,537 in the fourth quarter of 2013 mainly as a result of a reduced impairment provision. In the fourth quarter of 2013, an impairment provision of $2,986,631 was recorded whereas in Q1 2014, the impairment provision was $20,296. The other expense of $97,201 in the first quarter of 2014 compare to other income of $48,626 in the fourth quarter of 2013. The expenses in Q1 2014, reflects the decline in the fair value of equity investments.

The 2013 fourth quarter loss of $2,948,537 was higher than 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 mainly 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 THREE MONTHS ENDED MARCH 31, 2014

Total expenses year ended March 31, 2014 - $77,530; (March 31, 2013 - $210,247)

The total expenses of $77,530 were $132,717 lower than the total expenses of $210,247 in the first quarter of last year mainly as a result of reduced management services.

Administration – March 31, 2014 - $10,223; (March 31, 2013 - $10,255)

- The nature of the administration expenses are further detailed in note 12 to the financial statements. In 2014, the administrative expenses represent minimal levels of activity and whereas in the comparable period, they represented administrative expenses related to the "start-up" of the Corporation as a listed Issuer.

Transfer Agent and filing fees – March 31, 2014 - $13,777; (March 31, 2013 – $41,832)

- During the first quarter of 2014, the transfer agent and filing fees were $13,777 as compared to $41,832 in the comparable period in 2013. The expenses in the current period were lower than the comparable period in 2013 as they included one-time initial account set up, share issuance costs and fees paid to security commissions of $39,335.

Legal – March 31, 2014 - $3,234; (March 31, 2013 - $41,290)

- In Q1 2014, the legal costs were $3,234 as compared to $41,290 in 2013. In 2014, the legal expenses represent general corporate matters whereas in 2013 the expenses included one-time legal expenses of $41,290 related to securing the Corporation's TSXV listing, Court Proceedings in connection with the Plan of Arrangement and the Private Placements.

Audit and accounting - March 31, 2014 - $6,000; (March 31, 2013 - $3,500)

- In the first quarter of 2014, the audit and accounting expense of $6,000 represent an accrual for annual audit fees whereas the $3,500 in the comparable period in 2013 represents expenses related to finalizing the TSXV listing.

Management services – March 31, 2014 - $24,000; (March 31, 2013 - $126,000)

- The Management Services fees of $24,000 in the three month period ended March 31, 2014 represent the charges under the Management Services Agreement with Globex. The charges have been reduced as the activity levels were very limited in the current period whereas in the first quarter of 2013, a number of management processes were being developed to support the "start-up" of the Corporation as a listed Issuer.

Other Professional – March 31, 2014 - $Nil; (March 31, 2013 - $(12,630))

- In Q1 2014, no other professional expenses were incurred whereas in the same period in 2013, accrued expenses of $12,630 related to the share issuance in 2012 were reversed.

Impairment of mineral properties and deferred exploration expenses March 31, 2014 - $20,296 (March 31, 2013 - Nil)

- For the three months ended March 31, 2014, the general exploration expenditures of $20,296 were written off in accordance with the Corporation's accounting policy. No comparable expenses were incurred in the first quarter of 2013.

Other income (expenses) expenses March 31, 2014 - ($97,201); (March 31, 2013 - ($48,602)

- During Q1 2014, the Corporation received interest income of $3 and recorded a decrease in the fair value of the 4,860,000 Mag Copper Ltd shares of $97,204 (Q1 2013 - $48,602).

Income and mining taxes provision (recovery) March 31, 2014 - ($18,533); (March 31, 2013 – Provision $62,773.

- During the three month period ended March 31, 2014, a recovery of deferred taxes of $18,533 related to the change in the carrying value of equity investments and deferred exploration expenditures was recorded. In the first quarter of 2013, a provision of $62,773 was recorded reflecting exploration expenditures renounced to subscribers and the sale of tax benefits.

FINANCIAL POSITION – March 31, 2014

Total assets

At March 31, 2014, the total assets were $5,491,754 which reflects a decrease of $206,618 from $5,698,372 at December 31, 2013. The change mainly reflects the impact of the loss in the period.

Liabilities

At March 31, 2014, CIM had total current liabilities of $24,601 (December 31, 2013 - $56,488). The reduction is mainly a result of the settlement of trade payables.

Deferred tax liabilities

Deferred tax liabilities were reported at $362,430 as compared to $380,963 at December 31, 2013. 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 11 to the financial statements.

Owners' equity

Owners' equity of the Corporation, consists of Common Shares, Contributed Surplus, and the Deficit which totaled $5,104,723 at March 31, 2014 (December 31, 2013 - $5,260,921). The reduction reflects the loss of $156,198 in the first quarter of 2014.

Common Shares

At March 31, 2014, the Corporation had 32,477,248 common shares outstanding which is unchanged from December 31, 2013.

Liquidity, working capital and cash flow

At March 31, 2014, the Corporation had cash and cash equivalents of $75,435 (December 31, 2013 - $170,798).

The Corporation had working capital (based on current assets minus current liabilities) of $231,075 at March 31, 2014 (December 31, 2013 - $412,410).

During the first quarter of 2014, $20,165 (March 31, 2013 - $335,793) was used in operating activities and $11,232 was used in changes in non-cash operating working capital items (March 31, 2013 - $284,858). During the current quarter, $26,900 (March 31, 2013 - $499,300) was invested in the acquisition of properties and deferred exploration expenses.

These operating and investing activities resulted in a net decrease in the cash and cash equivalents of $58,297 in the first quarter of 2014 compared to a decrease of $1,119,951 in the comparable period in 2013.

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 of $75,435 at March 31, 2014 (December 31, 2013 - $170,798). 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:

		March 31, 2014		December 31, 2013
Cash and cash equivalents	$	**75,435**	$	170,798
Investments		**145,806**		
Taxes receivable [1]		**26,246**		45,683
Distribution receivable		**-**		243,010
	$	**247,487**	$	459,491

1) Taxes receivable of $26,246 (December 31, 2013 - $45,683) 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 $145,806 at March 31, 2014, a 10% increase or decrease would impact Income and Loss by $14,581.

(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).

March 31, 2014		Level 1		Level 2		Level 3		Total Financial Assets at fair value
Financial assets								
Distribution receivable (Equity investments)	$	-	$	145,806	$	-	$	145,806
	$	-	$	145,806	$	-	$	145,806

The fair value of the equity investments has been measured using the quoted price of the related shares on the market which has been determined non-active.

March 31, 2014		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

OUTSTANDING SHARE DATA

At March 31, 2014 and December 31, 2013, the Corporation had 32,477,248 common shares outstanding. In addition at March 31, 2014, the Corporation had 1,785,400 stock options (December 31, 2013 -1,810,400) for fully diluted common share capital of 34,262,648. Under the 2012 Stock Option Plan, at March 31, 2014 and May 23, 2014, in addition to the 1,785,400 options outstanding, 1,421,070 (December 31, 2013 - 1,396,070) options were available to be granted. As at May 23, 2014, 32,477,248 commons shares outstanding for fully diluted common share capital of 34,262,648.

RISKS AND UNCERTAINTIES

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks related to the very nature of its activities. It is also subject to risks related to other factors, such as metal prices and financial market conditions. Further details with respect to the following risks were outlined in the Corporation's December 31, 2013 Annual MD&A.

(a) Financing Risk
(b) Cash Flow
(c) Permits and licences
(d) Government Regulations
(e) Environmental Risks
(f) Exploration and Development Risks
(g) Title Matters

In 2013, the Quebec Government introduced significant proposed changes to Quebec Mining Duties. Bill 43 was introduced in May 6, 2013 and reintroduced as Bill 55 in November 12, 2013. The Bill did not pass in 2013. However, it may be reintroduced by the new Quebec Government. The Corporation is monitoring the situation, but is not in a position to evaluate the potential impacts.

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 $24,000 during the three month period ended March 31, 2014 (March 31, 2013 - $126,000) 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 costs are dramatically reduced in 2014 as the activity levels were significantly reduced due to the lack of exploration funds.

Director and Management Compensation

None of the Directors or Management received any remuneration or benefits in these roles during either of the three month periods ended March 31, 2014 or March 31, 2013.

During the three month period year ended March 31, 2014, Ray Zalnieriunas an independent director, provided geological consulting services to the Corporation and earned fees totalling $17,152 (March 31, 2013 - $6,554). These charges represented the fair market value for similar services.

Due to Globex Mining Enterprises Inc.

	March 31, 2014	December 31, 2013
	$ -	$ -

OUTLOOK

As previously reported, 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. These options reflect the current economic uncertainties and market challenges which may impede the speed at which plans can be executed. In addition to exploring these properties, the Corporation is considering optioning some properties to third parties.

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, 2013 and the year ended December 31, 2012 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 2013 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 May 23, 2014.

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unuadited - In Canadian dollars)

	Notes		Three months ended March 31, 2014		2013
Continuing operations					
Expenses					
Administration	12	**$**	**10,223**	$	10,255
Transfer agent and filing fees			**13,777**		41,832
Legal			**3,234**		41,290
Audit and accounting			**6,000**		3,500
Management services	15		**24,000**		126,000
Other professional			**-**		(12,630)
Impairment of mineral properties and deferred exploration expenses	7, 8		**20,296**		-
			77,530		210,247
Loss from operations			**(77,530)**		(210,247)
Other income					
Interest income			**3**		-
Increase (decrease) in fair value of financial assets			**(97,204)**		(48,602)
			(97,201)		(48,602)
Loss before taxes			**(174,731)**		(258,849)
Income and mining taxes					
Deferred	11		**(18,533)**		62,773
Income and mining taxes expense (recovery)			**(18,533)**		62,773
Loss and comprehensive loss for the period		**$**	**(156,198)**	$	(321,622)
Loss per common share					
Basic and diluted	13	**$**	**(0.00)**	$	(0.01)
Weighted average number of common shares outstanding			**32,477,248**		32,477,248
Shares outstanding at end of period			**32,477,248**		32,477,248

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Cash Flows

(Unuadited - In Canadian dollars)

	Notes		Three months ended March 31, 2014		2013
Operating activities					
Loss and comprehensive loss for the period		**$**	**(156,198)**	$	(321,622)
Adjustments for:					
Increase in fair value of financial assets			**97,204**		48,602
Impairment of mineral properties and deferred exploration expenses	7, 8		**20,296**		-
Deferred income and mining taxes			**18,533**		(62,773)
			(20,165)		(335,793)
Changes in non-cash operating working capital items	16		**(11,232)**		(284,858)
			(31,397)		(620,651)
Investing activities					
Acquisition of mineral properties	7		**(342)**		-
Deferred exploration expenses	8		**(26,558)**		(499,300)
			(26,900)		(499,300)
Net increase (decrease) in cash and cash equivalents			**(58,297)**		(1,119,951)
Cash and cash equivalents, beginning of period			**170,798**		2,532,054
Cash and cash equivalents, end of period		**$**	**112,501**	$	1,412,103
Cash and cash equivalents		**$**	**75,435**	$	618,242
Cash reserved for exploration			**-**		919,407
		$	**75,435**	$	1,537,649

Supplementary cash flow information (note 16)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Financial Position

(Unuadited - In Canadian dollars)

	Notes		**March 31, 2014**		December 31, 2013
Assets					
Current assets					
Cash and cash equivalents	4	**$**	**75,435**	$	170,798
Investments	5		**145,806**		-
Taxes receivable			**26,246**		45,683
Distribution receivable	6		**-**		243,010
Prepaid expenses			**8,189**		9,407
			255,676		468,898
Mineral properties	7		**3,882,162**		3,881,820
Deferred exploration expenses	8		**1,353,916**		1,347,654
		$	**5,491,754**	$	5,698,372
Liabilities					
Current liabilities					
Payables and accruals	9	**$**	**24,601**	$	56,488
			24,601		56,488
Deferred income tax	11		**362,430**		380,963
Owners' equity					
Common shares	14		**8,554,690**		8,554,690
Deficit			**(3,700,057)**		(3,543,859)
Contributed surplus - equity settled reserve			**250,090**		250,090
			5,104,723		5,260,921
		$	**5,491,754**	$	5,698,372

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.

Interim Condensed Statements of Equity

(Unuadited - In Canadian dollars)

	Notes	Three months ended March 31, 2014	March 31, 2013	Year ended December 31, 2013
Common shares		**$ 8,554,690**	$ 8,554,690	$ 8,554,690
Warrants				
Beginning of period		**$ -**	$ 183,249	$ 183,249
Expired warrants	14	**-**	-	(183,249)
End of period		**$ -**	$ 183,249	$ -
Contributed surplus - equity settled reserve				
Beginning of period		**$ 250,090**	$ -	$ -
Share-based compensation and payments		**-**	-	66,841
Expired warrants		**-**	-	183,249
End of period		**$ 250,090**	$ -	$ 250,090
Deficit				
Beginning of period		**$ (3,543,859)**	$ (64,453)	$ (64,453)
Loss and comprehensive loss for the period		**(156,198)**	(321,622)	(3,479,406)
End of period		**$ (3,700,057)**	$ (386,075)	$ (3,543,859)
Total Equity		**$ 5,104,723**	$ 8,351,864	$ 5,260,921

The accompanying notes are an integral part of these financial statements

Notes to the Interim Condensed Financial Statements
Periods ended March 31, 2014 and 2013
(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.

CIM is a natural resources exploration and development corporation, with properties, located in the area of Chibougmau, Quebec. It holds exploration properties that were transferred from Globex as of December 29, 2012.

The CIM shares trade on the TSX Venture Exchange under the symbol CBG. 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

Basis of Presentation

These interim condensed 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.

Statement of Compliance

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

The Corporation’s Board of Directors approved these interim condensed financial statements for the periods ended March 31, 2014 and March 31, 2013 on May 23, 2014.

3. Summary of significant accounting policies

(a) New and revised International Financial Reporting Standards isued, adopted

These interim condensed financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements (Note 4) of the Corporation for the year ended December 31, 2013 with the exception that the Corporation has adopted the following standards which are effective for annual periods on or after January 1, 2014:

3. Summary of significant accounting policies (continued)

Amendments to IAS 36, Impairment of Assets:

In May 2013, the IASB adopted amendments that more accurately reflect the IASB's previous decision to require:

- the disclosure of the recoverable amount of impaired assets; and
- additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments are effective for annual periods on or after January 1, 2014. This amendment did not have an impact on the Corporation's interim condensed financial statements.

IFRIC 21 - Levies:

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.*

The main features of IFRIC 21 are as follows:

- defines a levy as an outflow of resources or economic benefits that is imposed by governments in accordance with laws and/or regulations, other than (a) those within the scope of *IAS 12 Income Taxes* and (b) fines or other penalties that are imposed for breaches of the legislation.
- the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

This interpretation is effective for annual periods on or after January 1, 2014. This interpretation did not have an impact on the Corporation's interim condensed financial statements.

(b) New and revised International Financial Reporting Standards issued, but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective, and have not been applied in preparing these interim condensed financial 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 instrument and its related classification and measurement. In February 2014, the IASB tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018. Management is evaluating the potential impact of this standard.

4. Cash and cash equivalents

		March 31, 2014		December 31, 2013
Bank balances	**$**	**75,435**	$	170,798

5. Investments

		March 31, 2014		December 31, 2013
Equity investments (i)	**$**	**145,806**	$	-

(i) Represents the fair market value of 4,860,200 Mag Copper Ltd. shares received under the Plan of arrangement.

6. Distribution receivable

		March 31, 2014		December 31, 2013
Investments	**$**	**-**	$	243,010

In accordance with the Plan of Arrangement, during the first quarter of 2013, Globex designated 4,860,200 Mag Copper Ltd. Shares to be transferred to CIM which had an aggregate fair market value of $72,903. During 2013, the fair value increased by $170,107 which has been reflected in the $243,010 distribution receivable at December 31, 2013.

The transfer of the legal ownership was completed on January 27, 2014.

7. Mineral Properties

		December 31, 2013		**Additions 2014**		**Impairment and write-offs 2014**		**March 31, 2014**
Bateman Bay	$	647,058	**$**	-	**$**	-	**$**	**647,058**
Berrigan South and Berrigan Mine		1,081,962		-		-		**1,081,962**
Lac Chibougamau		1,657,935		-		-		**1,657,935**
Copper Cliff Extension		18,375		-		-		**18,375**
Grandroy		69,675		-		-		**69,675**
Kokko Creek		64,650		-		-		**64,650**
Lac Élaine (Berrigan West)		141,377		**123**		-		**141,500**
Lac Antoinette		81,297		-		-		**81,297**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)		52,091		**219**		-		**52,310**
Québec Chibougamau Goldfields		63,500		-		-		**63,500**
Virginia Property		3,900		-		-		**3,900**
	$	3,881,820	**$**	**342**	**$**	-	**$**	**3,882,162**

8. Deferred exploration expenses

	December 31, 2013	Additions 2014	Impairment and write-offs 2014	March 31, 2014
Bateman Bay	$ 256,042	$ 352	$ -	$ 256,394
Berrigan South and Berrigan Mine	329,948	-	-	329,948
Lac Chibougamau	270,910	3,330	-	274,240
Copper Cliff Extension	25,211	-	-	25,211
Grandroy	67,340	29	-	67,369
Kokko Creek	86,677	-	-	86,677
Lac Élaine (Berrigan West)	119,522	585	-	120,107
Lac Antoinette	-	242	-	242
Mont Sorcier	190,931	1,724	-	192,655
Québec Chibougamau Goldfields	800	-	-	800
Virginia Property	-	-	-	-
Buckell Lake	111	-	-	111
Lac Simon	162	-	-	162
General exploration and others	-	20,296	(20,296)	-
	$ 1,347,654	$ 26,558	$ (20,296)	$ 1,353,916

The $20,296 write-off represents general exploration expenses which have been expensed in accordance with the Corporation's exploration accounting policy.

Deferred exploration expenses by expenditure type

	March 31, 2014	December 31, 2013
Balance, beginning of period	$ 1,347,654	$ -
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
Geology	14,681	236,604
Geophysics	-	356,729
Laboratory analysis and sampling	28	87,539
Labour	7,264	94,502
Line cutting	-	58,001
Mining property tax and permits	1,574	5,965
Permit - Forestry	-	2,726
Prospecting and surveying	-	8,652
Reports, maps and supplies	1,265	52,220
Transport and road access	1,746	7,497
Total current exploration expenses	26,558	1,434,285
Impairment and write-offs	(20,296)	(86,631)
Balance, end of period	$ 1,353,916	$ 1,347,654

9. Payable and accruals

		March 31, 2014		December 31, 2013
Trade payables and accrued liabilities	$	23,340	$	56,488
Sundry liabilities		1,261		-
	$	24,601	$	56,488

10. Other liabilities

		March 31, 2014		December 31, 2013
Balance, beginning of period	$	-	$	327,184
Reduction related to the incurrence of qualified exploration expenditures		-		(327,184)
Balance, end of period	$	-	$	-

11. Income taxes

Income and mining tax expense (recovery)

		Three months ended March 31, 2014		March 31, 2013
Current tax expense				
Tax expense for the current period	$	-	$	-
Deferred tax provision for income tax		(18,533)		177,787
Recovery of income and mining taxes as a result of the sale of tax benefits (flow-through shares)		-		(115,014)
	$	(18,533)	$	62,773

Deferred tax balances

		December 31, 2013		Recognized in income or loss		Other		March 31, 2014
Temporary differences								
Deferred tax assets								
Non-capital losses carry forward	$	223,221	$	22,897	$	-	$	246,118
Share issue expenses		90,022		(7,501)		-		82,521
		313,243		15,396		-		328,639
Less valuation allowance		(313,243)		(15,396)		-		(328,639)
Deferred tax assets		-		-		-		-
Financial assets at FVTPL		22,879		(13,074)		-		9,805
Mining properties and deferred exploration expenses		358,084		(5,459)		-		352,625
Deferred tax liabilities	$	380,963	$	(18,533)	$	-	$	362,430

12. Expenses by nature

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

		Three months ended		
		March 31,		March 31,
		2014		2013
Administration				
Office supplies & maintenance	**$**	**3,076**	$	2,150
Shareholder information		**-**		1,168
Information technology		**1,761**		4,566
Advertising & Promotion		**-**		2,276
Insurance & other administrative expenses		**5,386**		95
	$	**10,223**	$	10,255

13. 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 period. 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 period, 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:

		Three months ended		
		March 31,		March 31,
		2014		2013
Numerator				
Loss for the period	**$**	**(156,198)**	$	(321,622)
Denominator				-
Weighted average number of common shares - basic and diluted (1)		**32,477,248**		32,477,248
Loss per share				
Basic and diluted	**$**	**(0.00)**	$	(0.01)

(1) At March 31, 2014, stock options have not been included in the diluted loss per share as they are anti-dilutive.

14. 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.

(a) Issued: Common shares

	March 31, 2014		December 31, 2013	
	Number of shares	**Capital Stock**	Number of shares	Capital Stock
Fully paid common shares	**32,477,248**	**$ 8,554,690**	32,477,248	$ 8,554,690

(b) Warrants

	March 31, 2014		December 31, 2013	
	Number of warrants	**Fair Value**	Number of warrants	Fair Value
Balance, beginning of period	**-**	**$ -**	2,290,615	$ 183,249
Issued in connection with private placement [1]	**-**	**-**	-	-
Expired warrants - ascribed value [1]	**-**	**-**	(2,290,615)	(183,249)
Balance, end of period	**-**	**$ -**	-	$ -

(c) 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.

14. Share capital (continued)

(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.

At March 31, 2014, 1,785,400 (December 31, 2013 - 1,810,400) options were issued with a weighted average exercise price of $0.20 per share and a weighted average remaining contractual life of 2.58 years. At that date, in addition to the 1,785,400 options outstanding, 1,421,070 (December 31, 2013 – 1,396,070) options were available to be granted.

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

		March 31, 2014		December 31, 2013
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance - beginning of period	**1,810,400**	**$ 0.20**	1,137,900	$ 0.27
Expired	**(25,000)**	**0.22**	(52,500)	0.41
Granted - Directors and employees	-	-	725,000	0.10
Balance - end of period	**1,785,400**	**$ 0.20**	1,810,400	$ 0.20
Options exercisable	**1,785,400**	**$ 0.20**	1,810,400	$ 0.20

The following table summarizes information regarding the stock options outstanding and exercisable at March 31, 2014:

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	4.36	$0.10
0.17 - 0.22	425,000	425,000	1.70	0.17
0.23 - 0.32	450,000	450,000	0.81	0.25
0.33 - 0.38	54,200	54,200	1.74	0.35
0.58 - 0.68	131,200	131,200	2.01	0.59
	1,785,400	1,785,400	2.58	$0.20

Share-based compensation

The Corporation 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.

15. 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.

The Management Service fees of $24,000 during the three month period ended March 31, 2014 (March 31, 2013 - $126,000) represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

Transactions with Key Management Personnel

None of the key management personnel received any remuneration or other benefits during the three month period ended March 31, 2014 or March 31, 2013.

16. Supplementary cash flow information

Change in non-cash working capital items

		March 31, 2014		March 31, 2013
Taxes receivable	**$**	**19,437**	$	(151,280)
Distribution receivable		**-**		219,415
Prepaid expenses		**1,218**		-
Payables and accruals		**(31,887)**		131,211
Due to Globex Mining Enterprises Inc.		**-**		(484,204)
	$	**(11,232)**	$	(284,858)

17. 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.

17. Financial instruments (continued)

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 for $75,435 at March 31, 2014 (December 31, 2013 - $170,798). 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:

		March 31, 2014		December 31, 2013
Cash and cash equivalents	**$**	**75,435**	$	170,798
Investments		**145,806**		-
Taxes receivable (1)		**26,246**		45,683
Distribution receivable		**-**		243,010
	$	**247,487**	$	459,491

(1) Taxes receivable of $26,246 (December 31, 2013 - $45,683) 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 $145,806 at March 31, 2014, a 10% increase or decrease would impact Income and Loss by $14,581.

(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

17. Financial instruments (continued)

- 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).

March 31, 2014	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Equity investments	$ -	$ 145,806	$ -	$ 145,806
Total financial assets	$ -	$ 145,806	$ -	$ 145,806

The fair value of the equity investments has been measured using the quoted price of the related shares on the market which has been determined non-active.

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

18. 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.

19. Commitments and Contingencies

(a) At the period end, the Corporation had no outstanding commitments other than in the normal course of business.

(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 March 31, 2014, 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.