



ANNUAL REPORT 2017

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President's Message to Shareholders

As we outlined in last year's report, despite the challenging financial markets, Management and the Board of Directors believe that CIM holds first class assets as reflected in our dominant land package in Chibougamau, significant exploration targets, five former copper-gold mines, the down dip of three other mines, two unmined deposits (gold, silver, zinc (Berrigan) and copper, gold (Bateman Bay)), as well as our under option to Vanadium One, large vanadium/iron/titanium/deposit. We believe that our exploration programs in 2017 reconfirmed our commitment to these properties.

From the beginning of 2017, we have seen economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times, we have seen volatility but generally higher metal prices reflecting political inputs in producer countries as well as increased consumer demand and short-term trader activities. There has been a decline in many LME metal stocks especially zinc. At this time, there appears to be consensus that the commodity prices will increase over the near-term forecast period as a result of the lack of new production capacity coming on stream.

CIM explored a number of business opportunities, all of which were designed to revitalize the Corporation with a targeted exploration program building upon previous exploration successes.

On September 29, 2016, CIM agreed to an option agreement with Vendome Resources Corp (name changed on January 16, 2017, to Vanadium One Energy Corp), which resulted in the disposition of the Mont Sorcier vanadium, iron, titanium property. On November 21, 2016, we received 2,750,000 Vendome common shares and on March 1, 2017 received \$150,000. Further details of the arrangement are outlined in the MD&A. These funds along with the funds from financing supported exploration activities in 2017 will in part sustain exploration activities in 2018.

In the third quarter of 2016, our exploration team reviewed the results of recent field work and the exploration completed in previous years. This review resulted in the identification of new structural features and mineralization on the Berrigan Property and potential extensions of copper/gold mineralization encountered in the previous drill programs on the Bateman-Jaculet property (Zone C3). As outlined in our MD&A, our current exploration targeting considers many of our properties as copper/gold properties rather than just copper projects reflecting the significant value that gold represents of the gross and net metal value per tonne.

In the fourth quarter of 2016, drilling was undertaken on the Bateman Bay (C3 Zone) and Berrigan properties. We were very pleased with the results from these programs as described in our MD&A and detailed in respective press releases dated January 18, 2017, February 1, 2017, and March 21, 2017. We have now developed an exploration program, focused on three CIM assets, which will be undertaken by two very senior geologists including a structural geologist during this spring and summer.

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.

We believe that the Corporation continues to hold first-class properties and we are optimistic that our 2018 exploration programs will further demonstrate the potential realizable value of our Chibougamau Mining Camp properties.

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the year-ended December 31, 2017

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 April 20, 2018, and should be read in conjunction with the audited annual financial statements and the related notes, for the two years ended December 31, 2017 and December 31, 2016.

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Overview - Chibougamau Mining Camp

CIM is a natural resources exploration and development corporation, with properties, located in the area of Chibougamau, Québec. It currently holds twelve exploration properties.

In 2010, Globex Mining Enterprises Inc. (“Globex”) acquired a significant number of properties in the 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 the receipt of cash and cash equivalents, certain investments held by Globex as well as the transfer of ten properties from Globex to CIM. Under a Plan of Arrangement, effective December 29, 2012, ten properties were transferred from Globex to CIM subject to a 3% “Gross Metal Royalty” in favour of Globex.

On October 3, 2016, Globex announced that the 3% Gross Metal Royalty (“GMR”) on a number of claims related to the Mont Sorcier project had been reduced to 1%, but extended to claims acquired by CIM in 2016 and therefore applicable to the entire historical mineral deposit.

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

CIM is focused on finding economic mineral deposits and reviving production in the Chibougamau mining camp. It has established a short-term objective of defining NI 43-101 compliant resources on selected target properties.

The CIM shares trade on the TSX Venture Exchange (“TSXV”) under the symbol CBG, on the Stuttgart and Frankfurt exchanges under the symbol CLL1, as well as on the OTC Markets (USA) under the symbol CMAUF.

The overview which follows highlights 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.

Geological Map of Chibougamau Area

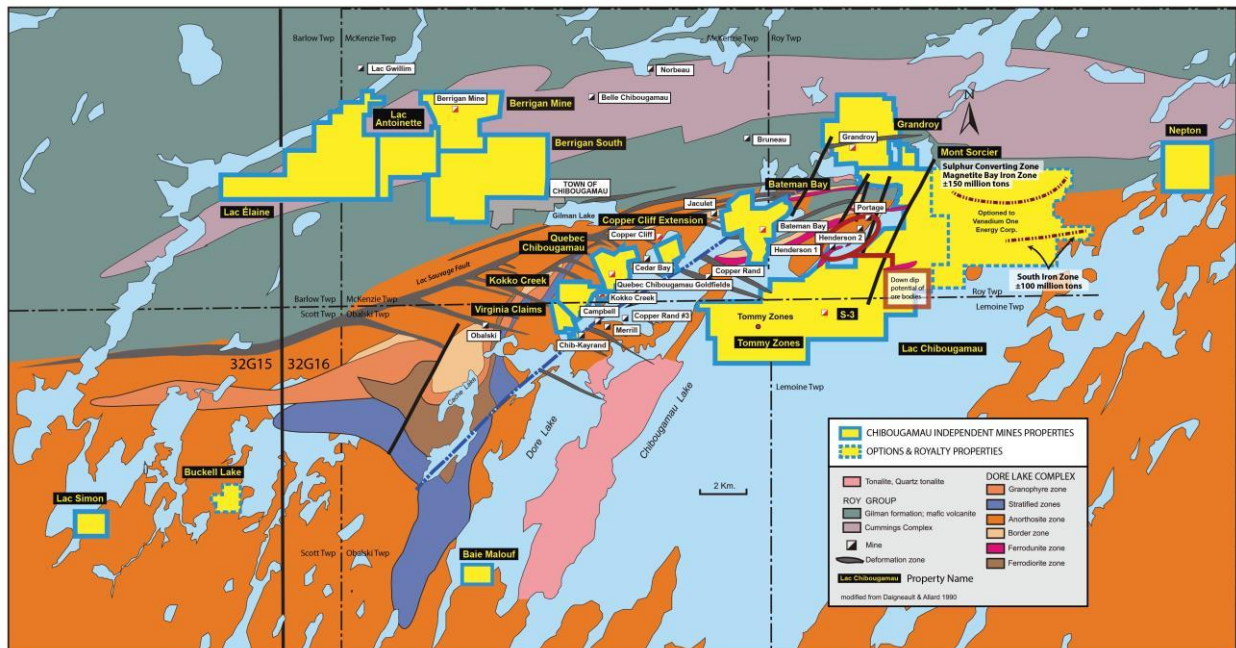


Figure 1

CIM owns half of the Chibougamau mining camp (10,349 hectares (25,572 acres)), which is one of the major mining camps in Quebec. It is principally a copper/gold camp which was explored in the past for copper while most of the gold was ignored when gold was in the US \$35 to US \$60 per ounce range. As a result, CIM believes that there is significant potential.

The CIM assets include:

- Five former producing copper/gold mines,
- Down/dip of three of the largest copper/gold deposits in the camp,
- Two unmined historical deposits (Berrigan (Au, Ag, Zn) and Bateman Bay (Cu, Au)),

- An unmined historical quarter billion tonne iron/titanium/vanadium body, as well as
- Numerous drill-ready copper/gold zones (known mineralization from historical drilling supported by deep penetration geophysics and indicates potential at depth along strike and identified as a drill target by CIM).

CIM began operations in 2013 and spent \$1,434,285 on deferred exploration expenses. In 2014 and 2015, limited exploration expenditures were incurred as sufficient funding was not available.

On June 24, 2016, the Corporation issued 15,690,000 Units (“units”) under a private placement which generated gross proceeds of \$784,500. On the same date, the Corporation issued 5,000,000 flow-through shares (“FT shares”) at a price of \$0.05 per FT share which generated gross proceeds of \$250,000. As a result of completing this financing, in 2016, \$291,620 of exploration expenses were incurred including drilling costs of \$155,644. These expenditures were mainly directed towards gaining a further understanding of the Bateman Bay and Berrigan South and Berrigan Mine properties.

The optioning of Mont Sorcier Property generated enough funds in the last quarter of 2016 and in the first quarter of 2017 to support exploration activities in 2017 and 2018 (more details in pages 9).

Highlights and summary

- In 2017, \$269,559 of exploration expenditures were incurred with \$108,369 being spent on Berrigan South and Berrigan Mine, \$87,480 on Bateman Bay, \$21,170 on Grandroy, \$14,772 on Nepton, \$13,662 on Lac Chibougamau, \$8,917 on Kokko Creek, and the remaining \$15,189 on the other properties.
- In 2016, CIM announced the sale of the Buckell Lake property and optioning of the Mont Sorcier Property. In the fourth quarter of 2016, CIM received 2,750,000 Vendome Resources Corp. (name changed to Vanadium One Energy Corp. on January 13, 2017, “Vanadium”) common shares under an option agreement. On March 1, 2017, CIM received a further \$150,000. These transactions are reflected in the option income reported for the year-ended December 31, 2017 of \$150,000.
- In 2017, a loss on the sale of investments of \$117,150 was reported. This loss reflects a loss of \$63,693 on the sale of 1,300,500 Vanadium shares (gross proceeds - \$163,895) and a loss of \$53,457 on the sale of 333,608 Mag Copper Limited shares (gross proceeds - \$19,446). See Note 8 to the financial statements for further details.
- In 2017, total expenses were \$456,053 as compared to \$580,013 in the comparable period in 2016 with the decreased mainly representing a reduction in share-based compensation and payments of \$98,030, increase in Quebec tax credits on exploration expenditures of \$75,477 and a reduction in the amortization of financing costs and interest expenses on long-term debt of \$18,625 as well as an increase in professional fees and outside services of \$62,126.
- At December 31, 2017, CIM had cash and cash equivalents of \$264,774 (December 31, 2016 -\$388,912).

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.

Economic environment and strategy

Early in 2016, we saw both significant volatility in the world financial markets and downward pressures on all commodity prices much of which was a result of the declines in economic growth in a number of important world economies. During the latter part of 2016, there was also a recognition of the rebalancing between supply and demand for a number of commodities including copper and zinc. Following the U.S. election, the stock markets and commodities prices reflected an anticipation of global growth fuelled by solid growth in China and an improved outlook in Europe as well as anticipated tax cuts and infrastructure spending plans in the U.S.

During 2017, we have seen modest economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times, we have seen volatility in the nickel and zinc prices reflecting political inputs in producer countries as well as short-term trader activities. There has been a decline in the LME Zinc stocks. At this time, there appears to be consensus that the commodity prices will increase over the near-term forecast period as a result of the lack of new production capacity coming on stream.

In the past seven months, gold prices have moved within a 6.0 percent range which is partly following a trend in other markets, with assets supported by low interest rates, but reflects other factors unique to the metal. It is currently trading in the USD\$ 1,325 per ounce range.

While these trends are generally positive, a number of factors including political risks, potential interest rate hikes in a number of countries and the U.S. President's governing approach and lack of detailed policy direction represent possible uncertainties which could impact growth targets and near-term metal prices.

During the last three years, many junior mining companies were unable to successfully complete equity financings. However, since February of 2016, we have seen some increased interest in reorganizations and financings in this sector. This market trend is reflected in CIM's October 3, 2016, press release announcing that it had optioned its Mont Sorcier Vanadium-Iron-Titanium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau to Vanadium One Energy Corp.

Qualified Person

All scientific and technical information contained in this MD&A was prepared by the Corporation's geological staff under the supervision of Jack Stoch, P. Geo, who is a qualified Person under National Instrument ("NI") 43-101.

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 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.

Past exploration and future plans

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

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

Following the completion of the June 2016, financing, in the third quarter, an exploration team reviewed the results of the exploration work completed in 2013 and undertook a site investigation. This review resulted in the identification of several new structural features and mineralization on the Berrigan Property and the new interpretation extended the potential copper mineralization encountered in the 2013 drill program on the Bateman-Jaculet property.

During the subsequent fiscal periods, the exploration expenditures, excluding Quebec tax credits, have been as follows:

- Twelve-month period ended, December 31, 2014 - \$43,314,
- Twelve-month period ended, December 31, 2015 - \$4,795,
- Twelve-month period ended, December 31, 2016 - \$291,620.

In the fourth quarter of 2016, CIM spent \$234,412 on exploration with \$64,786 being spent on Bateman Bay (including drilling of \$47,637) and \$163,543 on the Berrigan South and Berrigan mine (including drilling of \$108,007) with the remainder of \$6,083 being spent on the other properties.

On January 18, 2017, CIM issued a press release indicating that the recent drilling on the Bateman Bay property had intersected the C3 mineralized zone and the Corporation planned a down-hole electromagnetic survey to better define the strike and depth potential of the copper-gold zone followed by step-out drilling.

Hole BJ-16-15 at a vertical depth of 170 m intersected 3.65 % Cu, 0.88 gpt Au over 6.33 meters and Hole BJ-16-16 at a vertical depth of 260 m, 90 meters below hole BJ-16-15, intersected 3.61 % Cu, 1.72 gpt Au over 12.5 meters. True width is thought to be approximatively 60% of the core length.

On February 1, 2017, CIM issued a press release indicating that all five drill holes completed in the 4th quarter of 2016 on the Berrigan property intersected multiple zinc-gold silver zones at shallow vertical depths of between 51 and 250 meters. Among others, hole BT-16-009 intersected 2.22 % Zn, 7.58 gpt Ag, 1.13 gpt Au over 13.94 m from 194.51 to 208.45 meters and hole BT-16-011 intersected 2.22 % Zn, 6.31 gpt Ag, 0.72 gpt Au over 19.25m from 237.00 to 256.25 meters. True width is thought to be approximatively 70% of the core length.

During the year ended December 31, 2017, \$269,559 of exploration expenditures were incurred, excluding Quebec tax credits, with \$108,369 being spent on Berrigan South and Berrigan Mine, \$87,480 being spend on Bateman Bay, \$21,170 being spent on Grandroy, \$14,772 being spent on Nepton, \$13,662 being spent on Lac Chibougamau and the remaining \$24,106 was spent on the other properties.

During the year ended December 31, 2016, exploration expenditures of \$291,620 were incurred on the various properties which mainly represented drilling costs, geology, laboratory analysis and labour costs which are further detailed in Note 14 to the financial statements. The expenses represent “hard dollars” of \$41,620 and flow-through funds of \$250,000.

The exploration expenditures by quarter were as follow (excluding Quebec tax credits):

	December 31, 2017	December 31, 2016 <i>(Restated Note 1)</i>
	\$	\$
Q1	63,280	1,105
Q2	91,579	8,391
Q3	69,889	47,712
Q4	44,811	234,412
	269,559	291,620

Table 1

Note:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See note 6 to the Financial Statements for further details.

Further details related to the exploration expenditures for each of the properties are outlined in Note 14 to the financial statements for the year-ended December 31, 2017.

Berrigan: Activities during the first quarter of 2017 included finalizing logs for drilling done in November 2016, completing descriptions of core and compiling assays received. During this period, we continued our compilations by verifying all data in the database and ensuring that the location of drill collars are accurate. In addition, we created cross-sections, plan views and longitudinal sections to help conduct structural analysis of the property.

During the second quarter of 2017, we continued our compilations and created cross-sections, plan views and longitudinal sections to support our proposed exploration program for later this summer. The proposed work includes; geological mapping, structural analysis, channel and grab sampling. Two drill holes totaling 700 meters are proposed on Berrigan main zone.

During the third quarter of 2017, geological mapping, structural analysis, channel and grab sampling were completed on the main zone.

On September 6, 2017 and October 2, 2017, CIM issued two press releases indicating results of channel sampling which returned up to 19.71 g/t Au, 289.2 g/t Ag, 16.79% Zn and 17.75% Pb over a channel length of 1.1 metre (sample E25070).

The East Zone was mapped to a 1/50 scale and was sampled (15 grab samples). The outcrop is comprised of a semi-massive mineralized horizon (Sphalerite-Pyrite-Pyrrhotite-Galena) with an average width of 1.5 m in a serpentinized-carbonatized-pyroxenite, containing fair amounts of pyrite-pyrrhotite and sphalerite within the sheared areas.

This mineralized horizon is dislocated in metric blocks along a shear corridor oriented N 250-260° and dip 60 to 70° N. The mineralized horizon as well as the shear zone were sampled (14 grabs), six samples yielded values greater than 1.9% Zn and up to 7% Zn and the samples were also anomalous in gold (> 150 ppb) up to 8.14 g / t Au (sample E25010). On South Berrigan showing, several historic trenches were excavated on mineralized shears on the northern edge of Berrigan Lake.

Some of these trenches were visited and sampled (10 grab samples). The type of mineralization is identical to the one observed on the Eastern Zone, disseminated to semi-massive pyrrhotite-pyrite-chalcopyrite-galena within shear zones oriented N070-N080° to N040°. Five samples returned values between 1% Zn and 8.24% Zn and 50% of the samples returned gold values >100 ppb, with sample #E25020 being 1.1 g/t Au.

The two showings are embodied within ENE-WSW shear zones located in a corridor exhibiting an average width of 60 m and a lateral extension of at least 750 m. Within this corridor, several mineralized showings are exposed by historical trenches. A 4 kilometers Induced Polarization survey is proposed on this shear corridor.

During the fourth quarter of 2017 most of work done consisted of digitalizing the geological-channel sampling map and writing the report for the fall 2016 drilling that was conducted on Berrigan's Main Zone.

Bateman Bay: In February 2017, a PULSE-EM downhole survey was conducted in drill hole BJ-13-012. Drill hole BJ-16-016 was primarily selected to do the survey since it was the deepest mineralized intersection from the 2013 and 2016 drilling and had returned 3.6% Cu, 11.9 g/t Ag, 1.72 g/t Au over a core length of 12.5 meters. Unfortunately drill hole BJ-16-016 was clogged at a depth of 110 metres; this is the reason why drill hole BJ-13-012 is the one that was surveyed. The survey revealed the presence of two weak anomalies. The first one located at a downhole depth of 160 meters (100 meters vertical depth) seems to reflect the mineralization intersected in the 2013 drill holes (50 meters vertical depth), where the best intersection returned 3.1% Cu, 41.5 g/t Ag, and 0.72 g/t Au over a core length of 40.5 meters (BJ-13-010).

The second anomaly (weaker) located at a downhole depth of 240 metres (150 metres vertical depth) does not appear to correlate with the known mineralization.

Activities in the second quarter of 2017 included completing the database; geology, assays, mineralization, as well as deviation tests. We plan on continuing the structural analysis of the property in order to better define drill targets.

In order to test the southeast extension of the C-3 mineralized zone, we propose to drill 3 holes (BJ-18-A, BJ-18-B and BJ-18-C) which are located respectively some 50, 100 and 150 meters east-southeast of drill hole BJ-16-016. The proposed holes would be drilled from the shore and not on Doré Lake and would total approximately 1,300 meters.

We also propose 5 drill holes totalling 1,615 metres: two of 715 metres for testing Aeroquest anomalies (Chibougamau Independent Mines Inc., 2008 survey), deep IP anomalous axis (Chibougamau Independent Mines Inc., 2013 survey) and deep extensions of the best auriferous historical intercepts and three holes of 900 metres to complete resources estimations of the west Bateman Bay extension. All of the proposal drill holes are collared on Doré Lake.

In September 2017, CIM stripped the surface extension of the mineralized zone intercepted by the drill holes. This stripped area of approximately 1000 m² was mapped and channels sampled. 33 samples were collected.

A first composite returned 422 ppb Au, 31.0 g/t Ag and 3.61% Cu over a channel length of 3.90 meters, a second zone returned 396 ppb Au, 11.0 g/t Ag and 2.53% Cu over a composite channel length of 3.05 meters. A grab sample returned 2.64 g/t Au, 0.2 g/t Ag and 24.0% Cu in a strongly oxidised zone (gossan).

The northern part of the stripped area shows a siderite shear zone of an average width of 2 m, continuous over about 40 m with mineralized quartz veins (up to 3% disseminated pyrite). This shear zone affects also the pillowed basalts which are rich in pyrrhotite (up to 20-25%), pyrite (up to 10-15%) and chalcopyrite (up to 30%) stringers and veins (width up to 5 cm).

During the fourth quarter, the work performed on the Bateman Bay property consisted of finalizing the mapping: sample description, drafting a final version of a map using a mapping software and preparing tables of assays for press releases. During this period the technical report for the drilling that was done in the fall of 2016 was written and submitted as assessment work.

Grandroy: During the first and the second quarter of 2017, we continued our compilation by verifying IP results (Chibougamau Independent Mines Inc., 2013 survey) which led us to suggest 3 drill holes totalling 650 meters.

On August 5, 2017, structural analysis of the Grandroy open pit walls showed that mineralization is controlled by NE-SW conjugate fault corridors. A borehole of 350 m is proposed to verify the depth extension of these fault corridors under the open pit and, also to verify the lateral extension (65 m to the NE) of the intercept (0.88 g / t Au; 2.66% Cu over 11.73 m) returned in the historical hole S-001.

Nepton: On August 10th, the Chevette showing was mapped and grab sampled. The northeastern portion of the stripped outcrop is occupied by a strongly oxidized-mineralized zone (gossan) measuring 50 m in length and 4 m in width. The zone is oriented northeast to southwest and is located within the Doré Lake anorthosite that is weakly sheared in the southwest portion of the outcrop, but increases in strength in the northeastern portion of the outcrop, in the vicinity of mineralized zone. 17 grab samples were collected and the best results were obtained in the gossan area of the mineralized zone and returned anomalous values of well over 100 ppb Au and between 1.66% Cu and 8.36% Cu.

On October 2nd and 3rd geological mapping was conducted on the Twin Zone showing. 19 grab samples were collected within sheared and mineralized zones located in the Doré Lake anorthosite. The best results returned 1.16 g/t Au and 4.87% Cu within a strongly sheared-oxidized-gossan zone. The shear is oriented N225° (SW) and dips 63° to the northwest. The sample contains approximately 20% of malachite (sample # E25224). Further work is required on this property starting with a thorough-in depth compilation of all historical available data.

The exploration expenditures for each of the properties are outlined in Note 14 to the financial statements for the year ended December 31, 2017.

Optioned and royalty property - Mont Sorcier Property

On October 3, 2016, CIM announced that it had optioned its Mont Sorcier Vanadium-Iron-Titanium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau to Vanadium One Corp. (Vanadium). On October 14, 2016, a final agreement was concluded. Under the agreement, Vanadium agreed to:

- issue 2,750,000 Vanadium common shares to CIM (shares issued on November 21, 2016 at a deemed price of \$0.175 per share),
- pay \$150,000 in cash after completing a financing for minimum gross proceeds of \$500,000 (payment was made on March 1, 2017),
- incur exploration expenses of \$1 million within 24 months, as well as
- accept a 2% GMR on all mineral production from the Mont Sorcier property.

On the same time, Globex also announced that the 3% Gross Metal Royalty on a number of claims related to the Mont Sorcier project had been reduced to 1%, but extended to claims acquired by CIM in 2016 and therefore applicable to the entire historical mineral deposit.

During the first six months of 2017, Vanadium completed a private placement on February 27, 2017 which raised aggregate proceeds of \$1,010,000, and added two new Directors with experience specifically related to developing projects of this size and type as well as specific experience gained from working on various iron-titanium-vanadium projects. Further details are provided in various press releases issued by Vanadium.

On July 27, 2017, Vanadium announced in a press release that it had commenced its phase 1 drilling campaign on the Mont Sorcier Property which consists of a minimum of 1,000 meters for 10 short drill holes. The press release further outlines plans for phase 2 drilling on the property.

On November 14, 2017, Vanadium announced the results from seven drill holes on the South Zone. Wide zones of iron and vanadium values were intersected.

New and revised International Financial Reporting Standards

International Financial Reporting Standards adopted

In preparing these audited financial statements for the year ended December 31, 2017, the Corporation has adopted the following new standards or amendments.

IAS 7 Statement of Cash Flows:

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments were adopted on January 1, 2017 and had not resulted in any material changes in these financial statements or reported results.

IFRS 15 Revenue from Contracts with Customers:

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which establishes the principles that an entity shall apply to report useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

IFRS 15 replaces a number of standards and interpretations including IAS 18 Revenue which provides the guidance that the Corporation currently employs in recording Option revenue and Net Metal Royalty Revenues.

The Corporation early adopted IFRS 15 and realized no significant changes regarding the revenue recognized in relation to the option agreement income. Additional disclosure was included in Note 17 to comply with this standard.

IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). IFRS 16 revises the definition of leases and requires companies to bring most leases on-balance sheet, recognizing new assets and liabilities. The objective of this change is to increase the transparency and comparability of a company’s financial statements.

As the Corporation has no material lease contracts that fall under IFRS 16, the adoption of this standard has not resulted in any material changes in the financial statements.

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

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which were not yet effective and which the Corporation has not early adopted. However, the Corporation is currently assessing what impact the application of these standards or amendments will have on the financial statements.

IFRS 2 Share based payment (amendments published in June 2016):

On June 20, 2016, the IASB published final amendments to IFRS 2 (“IFRS 2”) that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

These changes are effective for annual periods beginning on or after January 1, 2018. Management is in the process of evaluating the impacts of these changes on the Corporation.

IFRS 9 Financial Instruments (replacement of IAS 39):

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.

The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation and does not anticipate any material impact from adopting this standard due to the nature of its financial instruments.

IAS 28 Investments in Associates and Joint Ventures ("IAS 28"):

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The amendments to IAS 28 clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRIC 22 Foreign Currency Transactions and Advance Consideration:

Issued by the IASB in December 2016 and provides guidance on the issue of the "date of the transaction" for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, *Effects of Changes in Foreign Exchange Rates*, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018. Management does not anticipate any material impact of this IFRIC due to the limited nature of its foreign currency transactions.

IFRIC 23 Uncertainty Over Income Tax Treatments:

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption this IFRIC.

Change in accounting policy

During the year ended December 31, 2017, the Corporation changed its accounting policy for mineral properties and deferred exploration expenses to recognize these costs in the statements of loss and comprehensive loss in the period incurred, as permitted under *IFRS 6, Exploration for and Evaluation of Mineral Resources*. Management believes that the change in accounting policy will result in clearer and more relevant financial information.

The previous accounting policy was that the mineral properties and the deferred exploration expenses were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource demonstrated.

The impact of this change on the statement of financial position as at January 1, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	171,949	(171,949)	-
Total assets	266,864	(171,949)	94,915
Deficit	(8,740,964)	(171,949)	(8,912,913)
Total equity	108,483	(171,949)	(63,466)
Total equity and liabilities	266,864	(171,949)	94,915

The impact of this change on the financial statement as at and for the year ended December 31, 2016 is as follows:

STATEMENT OF FINANCIAL POSITION			
Mineral properties	173,357	(173,357)	-
Deferred exploration expenses	280,558	(280,558)	-
Total assets	1,252,570	(453,915)	798,655
Deferred tax liability	83,225	(83,225)	-
Deficit	(8,632,145)	(370,690)	(9,002,835)
Total equity	1,101,922	(370,690)	731,232
Total equity and liabilities	1,252,570	(453,915)	798,655
STATEMENT OF LOSS AND COMPREHENSIVE LOSS			
Revenues	477,052	8,198	485,250
Exploration and evaluation expenses	-	291,620	291,620
Impairment of mineral properties and deferred exploration expenses	1,456	(1,456)	-
Recovery of income taxes	(66,775)	(83,225)	(150,000)
Income (loss) and comprehensive income (loss) for the year	108,819	(198,741)	(89,922)
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)
STATEMENT OF CASH FLOWS			
Income (loss) and comprehensive income (loss) for the year	108,819	(198,741)	(89,922)
Impairment of mineral properties and deferred exploration expenses	1,456	(1,456)	-
Recovery of income taxes	(66,775)	(83,225)	(150,000)
Net cash used by operating activities	(174,959)	(283,422)	(458,381)
Deferred exploration expenses	(289,310)	289,310	-
Quebec refundable tax credit	2,868	(2,868)	-
Mineral properties acquisitions	(5,178)	5,178	-
Proceed on mineral properties optioned	8,198	(8,198)	-
Net cash generated (used) by investing activities	(283,422)	283,422	-

Results of Operations - Selected Annual Information

	2017 \$	2016 \$	2015 \$
		<i>(Restated, Note 1)</i>	<i>(Restated, Note 1)</i>
Sale and net option income	150,000	485,250	-
Other income (expenses)	(59,693)	(145,159)	(43,703)
Administrative and compliance expenses	(174,471)	(146,738)	(86,639)
Share-based compensation	-	(98,030)	-
Project finder's fees	(15,000)	(25,000)	-
Interest and financing costs	-	(18,625)	(19,618)
Exploration and evaluation recovery (expenses)	(194,082)	(291,620)	7,249
Total expenses	(456,053)	(580,013)	(99,008)
Loss before taxes	(365,746)	(239,922)	(142,711)
Recovery of Income taxes	-	(150,000)	-
Loss and comprehensive loss for the year	(365,746)	(89,922)	(142,711)
Loss per common share			
- Basic and Diluted ⁽²⁾	(0.01)	(0.00)	(0.01)
Weighted average number of shares outstanding	38,236,219	27,189,881	16,238,542
Total Assets	477,419	798,655	94,915

Notes:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See Note 6 to the Financial Statements for further details.
2. The basic and diluted loss per share for each of year 2016 and 2015 have been adjusted to reflect the impact of the share consolidation on a one (1) post-share for two (2) pre-share basis which was effective June 9, 2016.

Variation in results

In 2017, CIM reported a loss of \$365,746 as compared to a loss of \$89,922 in 2016. The loss in the current year reflects the proceeds from the optioning of properties (2017 - \$150,000; 2016 - \$485,250).

In 2016, CIM reported a loss of \$89,922 as compared to a loss of \$142,711 in 2015. The loss in 2016 reflects the proceeds from the sale and optioning of properties (2016 - \$485,250; 2015 - \$Nil).

The decrease in the assets from \$798,655 at December 31, 2016 to \$477,419 at December 31, 2017 mainly represents the exploration and evaluation expenses of \$194,082 as well as administration and compliances of \$174,471 incurred during the year.

The increase in the assets from \$94,915 at December 31, 2015 to \$798,655 at December 31, 2016 mainly represents the proceeds of \$1,034,500 generated from June 2016 financing and the exploration and evaluation expenses of \$291,620 incurred during the year.

Summary of quarterly results

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

	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
	(Restated, Note 1)							
Total revenues	-	-	-	150,000	481,250	4,000	-	-
Total expenses	11,658	112,196	175,218	156,981	270,316	118,356	167,840	23,501
Other income (expenses)	15,337	(64,400)	(28,548)	17,918	(127,301)	1,582	(9,720)	(9,720)
Income (loss) ⁽²⁾	15,117	(175,286)	(203,668)	(1,909)	205,907	(85,048)	(177,560)	(33,221)
Income (loss) per share								
- Basic and diluted	(0.00)	(0.00)	(0.01)	(0.00)	0.01	(0.00)	(0.01)	(0.00)

Notes:

1. Restated as a result of a change in Accounting Policy related to IFRS 6. See Note 6 to the Financial Statements for further details.
2. The basic and diluted loss per share for each of year 2016 and 2015 have been adjusted to reflect the impact of the share consolidation on a one (1) post-share for two (2) pre-share basis which was effective June 9, 2016.

CIM is an exploration and development Corporation and generally does not generate revenues. However, in the third quarter of 2016, it generated \$4,000 from the sale of the Buckell Lake property while retaining a royalty and in the fourth quarter it optioned its Mont Sorcier property to Vanadium and on November 21, 2016 received 2,750,000 shares in that Corporation which had a fair market value on receipt of \$481,250 (\$0.175 per share). On March 1, 2017, a cash payment of \$150,000 from Vanadium was received.

During 2016 and 2015, the total expenses were generally limited to administrative, legal, transfer agent and filing fees as well as audit and accounting fees which are required to maintain the Corporation and meet the TSXV listing requirements.

In the second and third quarters of 2016, the expenses also include share-based compensation and payments of \$62,382 (700,000 options were issued in Q2 - 2016) and \$35,648 (300,000 options were issued in Q3 - 2016).

In the first quarter of 2017, the expenses decreased from \$270,316 in the fourth quarter of 2016 to \$156,981 mainly as a result of a decrease of \$171,132 in exploration and evaluation expenses and offset by increases in project finder's fees of \$15,000, investor relations expenses of \$26,666 and management services of \$24,696.

In the second quarter of 2017, the total expenses were \$175,218 as compared to \$156,981 in the first quarter mainly as a result of an increase in exploration and evaluation expenditures of \$28,299 and offset by project finder's fees of \$15,000, which did not repeat in the second and third quarters of 2017.

In the third quarter of 2017, the total expenses were \$112,196 as compared to \$175,218 in the second quarter of 2017 with the reduction mainly related to a decrease of \$31,690 in exploration and evaluation expenses, \$9,166 in investor relations, \$7,471 in transfer agents and filing fees as well as \$6,665 in legal fees.

In the fourth quarter of 2017, the total expenses were \$11,658 as compared to \$112,196 in the third quarter of 2017 with the reduction mainly related to a decrease of \$13,078 in exploration and evaluation expenses and \$18,334 in investor relations as well as Quebec tax credits on exploration expenditures of \$75,477 (2017 - \$Nil).

The variations in the other income (expenses) mainly represent the increase or decrease in the fair value of investments and the loss on sale of investments.

Results of operations for year ended December 31, 2017.

Revenues

During the year ended December 31, 2017, revenues totaled \$150,000 as compared to \$485,250 in 2016. In both years, the revenue was mainly related to the Vanadium option agreement signed in 2016.

Under the amended option agreement negotiated in October 2016 related to the Mont Sorcier property, on March 1, 2017, CIM received a cash payment of \$150,000 from Vanadium (more details on page 9).

Total expenses for the year ended December 31, 2017 - \$456,053 (December 31, 2016 - \$580,013)

During the year ended December 31, 2017, the total expenses were \$456,053 as compared to \$580,013 in 2016. The decrease of \$123,960 in the expenses is mainly a result of a decrease in:

- Share-based compensation and payments - \$98,030,
- Exploration and evaluation expenses - \$97,538,
- Interest expenses and amortization of financing costs - \$18,625,
- Transfer agents and filing fees - \$18,444,
- Project finders fees - \$10,000,

and increases in:

- Investor relations - \$72,500,
- Management services - \$44,331,
- Audit and accounting fees - \$2,220.

The following paragraphs provide an overview of the nature of the expense incurred in the year ended December 31, 2017:

Administration

- The nature of the administration expenses is further detailed in Note 13 to the financial statements. The administration expenses consist of office supplies and maintenance, shareholder information, information technology, advertising and promotion as well as insurance and other.
- During 2017, the administration expenses totaled \$18,559 as compared to \$16,339, which represents an increase of \$2,220 mainly related to the increase in information technology of \$2,585.

Professional fees and outside services

- The professional fees and outside services represent a combination of services as detailed in Note 13 to the financial statements. They consist of legal fees, audit and accounting fees, investor relations and other professional fees.
- During 2017, professional fees and outside services totaled \$132,955 as compared to \$70,829 in 2016. The increase of \$62,126 is mainly related to the additional investor relations efforts reflected in additional expense of \$72,500 as well as a decrease in project finders fees of \$10,000.
- During 2017, the total project finder's fees were \$15,000 as compared to \$25,000 in the comparable period in 2016. In 2017, the project finder's fees relate to finalizing the Mont Sorcier option arrangement and identifying potential projects whereas in 2016, the expenses related to the identification of an appropriate financing organization.

Transfer agent and filing fees

- During 2017, the transfer agent and filing fees totaled \$24,086 as compared to \$42,530. The decrease mainly represents the additional costs associated in 2016 with the share consolidation and the TSXV fees associated securing the approval of the increase in the number of stock options available for issuance under the Corporation's share option plan.

Share-based compensation and payments

- During 2017, no expense (2016 - \$98,030) related to share-based compensation and payments were recorded and presented separately in the statement of loss and comprehensive loss.
- No stock options were granted during the year ended December 31, 2017.
- During 2016, 700,000 options which vested immediately were granted at a strike price of \$0.07 per share (fair value per share of \$0.089) on June 27, 2016 and on September 22, 2016, 300,000 options which vested immediately were granted at a strike price of \$0.135 per share (fair value per share of \$0.12). The weighted average fair value of all granted options was \$0.098 per share which is reflected in the share-based compensation of \$98,030 for year ended December 31, 2016.

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 2017, management service fees of \$86,371 (2016 - \$42,040) were incurred. The increase reflects more corporate and year-end reporting as well as exploration activities as a result of the proceeds from the optioning Mont Sorcier properties.

Amortization of financing costs

- During the year ended December 31, 2017, no amortization of financing costs (2016 - \$12,060) were reported as the loan was paid off on June 30, 2016.

Interest expense on long-term loan

- During the year ended December 31, 2017, no interest expense (2016 - \$6,565) was reported as the loan was repaid on June 30, 2016.

Other income (expenses)

- The other income (expenses) consist of interest income, loss on sale of investments and increase (decrease) in fair value of financial assets.
- During 2017, the other expenses totaled \$59,693 as compared to \$145,159 in the comparable period in 2016 with the change mainly related to the loss on the sale of investments which was offset by an increase in the carrying value of equity investments.

Loss on sale of investments

- During 2017, a loss on the sale of investments of \$117,150 (2016 - \$Nil) was reported. A loss of \$63,693 on the sale of 1,300,500 Vanadium shares (gross proceeds - \$163,895) and a loss of \$53,457 on the sale of 333,608 Integra Resources Ltd (previously Mag Copper Limited) shares (gross proceeds - \$19,446). See Note 8 to the financial statements for further details.

Decrease in fair value of financial assets

- During 2017, the increase of \$54,091 (2016 – decrease of \$148,051) relates to an increase in the fair value of the 1,449,500 Vanadium shares held at December 31, 2017. The decrease of \$148,051 during the year ended December 31, 2016 is related to a decline in:
 - the fair value of 972,040 Integra Resources Corp. valued at \$0.005 per share at December 31, 2016 (\$0.03 per share at December 31, 2015),
 - the fair value of 2,750,000 Vanadium shares valued at \$0.13 (\$0.175 per share at November 21, 2016).

Recovery of Income taxes

- During 2017, CIM recorded no expense or recovery of income and mining tax as compared to a recovery of \$150,000 in 2016. The 2016 recovery represented the sale of tax benefits as a result of the eligible CEE incurred in the third quarter of 2016.

Financial position – December 31, 2017

Total assets

At December 31, 2017, the total assets were \$477,419, which represents a decrease of \$321,236 from \$798,655 at December 31, 2016. The change reflects a decrease in:

- investments of \$246,400,
- cash and cash equivalents of \$124,138,
- prepaid and deposits of \$176.

This is offset by an increase in taxes receivable of \$49,478.

At December 31, 2016, the total assets were \$798,655, which represented an increase of \$703,740 from \$94,915 at December 31, 2015. The change mainly reflects:

- the impact of the gross proceeds of \$1,034,500 from the financings which closed in June 2016 less the exploration and administration activities,
- the \$116,887 used to repay the loan and accrued interest owed to Jack Stoch Geoconsultant Services Limited (“GJSL”).

Cash and cash equivalents

At December 31, 2017, CIM had cash and cash equivalents of \$264,774 (December 31, 2016 - \$388,912; December 31, 2015 - \$55,447).

Liabilities

Current liabilities

At December 31, 2017, current liabilities were reported at \$39,938 as compared to \$67,423 at December 31, 2016. The reduced liabilities reflect a lower level of exploration activities during the year ended December 31, 2017 as compared to 2016 and lower accrued liabilities.

At December 31, 2016, CIM had current liabilities of \$67,423 as compared to \$158,381 at December 31, 2015. The December 31, 2015 balance included \$98,262, due to GJSL under a loan arrangement secured in December 2014. This liability was repaid along with accrued interest on June 30, 2016.

Related party payable – Globex Mining Enterprises Inc.

At December 31, 2017, CIM owed Globex \$14,476 (December 31, 2016 - \$17,551; December 31, 2015 - \$30,408) which represented unpaid management services and other exploration expenses paid by Globex.

Deferred tax

At December 31, 2017, at December 31, 2016 and at December 31, 2015, the Corporation had no deferred tax liability or asset.

The deferred tax estimates represent 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.

Owners' equity

Owners' equity of the Corporation consists of common shares, warrants, contributed surplus, and the deficit which totaled \$437,481 at December 31, 2017 (December 31, 2016 - \$731,232). The decrease of \$321,236 reflects the \$240,245 decrease in warrants (as a result of agents' options and warrant exercises or expired), the net loss of \$365,746 offset by the increase of \$144,056 in common shares and \$168,364 in contributed surplus.

At December 31, 2016, owner's equity totaled \$731,232 (December 31, 2015 – deficit of \$63,466). The increase mainly reflects the proceeds from the financing which closed in June 2016.

Common Shares

At December 31, 2016, the Corporation had 37,228,542 common shares outstanding and following the exercise of 979,900 Agents' Options and 230,000 warrants on March 2, 2017, the Corporation had 38,438,442 common shares outstanding at December 31, 2017. The number of shares outstanding at April 20, 2018 has remained unchanged.

At December 31, 2015, the Corporation had 32,477,248 common shares outstanding and following the share consolidation on June 9, 2016, (after giving effect to partially shares) had 16,238,542 shares outstanding. As a result of the private placement which closed on June 24, 2016, 20,690,000 shares were issued. On June 27, 2016, 300,000 shares were issued to a finder which resulted in 37,228,542 shares outstanding at December 31, 2016.

Warrants

At December 31, 2016, 7,845,000 warrants were outstanding (expiry date – December 24, 2017). On March 2, 2017, 230,000 warrants were exercised at \$0.10 per warrant. The balance of 7,615,000 warrants expired on December 24, 2017 as a result that there are no warrants outstanding at December 31, 2017.

At December 31, 2015, there were 1,000,000 warrants outstanding which were issued on December 14, 2014 in connection with the loan from GJSL. As a result of the share consolidation, the number of warrants outstanding was reduced to 500,000. On June 24, 2016, 7,845,000 warrants were issued in connection with the private placement. On December 15, 2016, 500,000 warrants issued in connection with the loan from GJSL expired which resulted in 7,845,000 warrants outstanding at December 31, 2016.

Agents' Options

In connection with the private placement which closed on June 24, 2016, CIM granted Agents' Options to various securities dealers entitling the holders to acquire up to 1,019,400 additional units, each comprised of one common share and one-half of a common share purchase warrant, and up to 364,000 additional common shares of CIM. The Agents' Options may be exercised at a price of \$0.05 per unit or share as the case may be, for a period of two years (expiry date – June 24, 2018). Under these arrangements, 1,893,100 shares could be issued.

On March 2, 2017, 979,900 Agents' Options were exercised at an exercise price of \$0.05 per share which resulted in 913,200 Agent's Options outstanding at December 31, 2017. The number of Agents' Options outstanding at April 20, 2018 has remained unchanged.

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.

At December 31, 2017, 1,525,000 (December 31, 2016 - 1,587,500) stock options were issued with a weighted average exercise price of \$0.12 per share and a weighted average remaining contractual life of 2.66 years. In addition to the 1,525,000 options outstanding, 2,197,850 (December 31, 2016 – 2,135,350) options were available to be granted at December 31, 2017.

At December 31, 2016, 1,587,500 (December 31, 2015 – 667,700) options were issued with a weighted average exercise price of \$0.12 per share and a weighted and a weighted average remaining contractual life of 3.66 years. In addition to the 1,587,500 options outstanding, 2,135,350 (December 31, 2015 – 935,535) options were available to be granted at December 31, 2016.

Outstanding share data

Based on the common shares, warrants, stock options, and agent's options outstanding at December 31, 2017, CIM had fully diluted common shares of 40,876,642 (December 31, 2016 - 48,554,142) which remains the same at April 20, 2018.

Liquidity, working capital, cash flow and capital resources

At December 31, 2017, the Corporation had cash and cash equivalents of \$264,774 (December 31, 2016 - \$388,912).

Working Capital

The Corporation had working capital (based on current assets minus current liabilities) of \$437,481 at December 31, 2017 compared to \$731,232 at December 31, 2016.

Cash Flow

During the year ended December 31, 2017, \$302,687 (December 31, 2016 - \$441,466) was used in operating activities and \$73,712 was used in changes in non-cash operating working capital items (December 31, 2016 - \$16,915 used). In total, the operating activities used \$376,399 (December 31, 2016 - \$458,381).

During the year ended December 31, 2017, financing activities generated \$68,920 (December 31, 2016 - \$791,846).

During the year ended December 31, 2017, investing activities generated \$183,341 (December 31, 2016 - \$Nil) from the sale of investments.

These operating, financing and investing activities resulted in a net decrease in the cash and cash equivalents of \$124,138 during the year ended December 31, 2017 as compared to a net increase of \$333,465 in 2016.

Capital Resources

On June 24, 2016, the Corporation issued 15,690,000 units of the Corporation under a private placement. Each unit was comprised of one (1) common share in the capital stock and one-half (1/2) of a common share purchase warrant of the Corporation at a price of \$0.05 per unit, for gross proceeds of \$784,500. On the same date, the Corporation issued 5,000,000 common shares on a flow-through basis at a price of \$0.05 per FT share which generated gross proceeds of \$250,000.

In connection with the option arrangement with Vanadium as outlined on page 9 of this MD&A, CIM received \$150,000 on March 1, 2017.

In order to retain its existing portfolio of properties, management has estimated that the claims renewal costs for 2018 would be approximately \$5,300 and the exploration work commitments necessary to retain the existing portfolio of properties would be approximately \$3,500 in 2018.

According to the actual capital resources, CIM could sustain its exploration activities in 2018.

Financial instruments

Capital risk management

The Corporation manages its common shares, contributed surplus-equity settled reserve, warrants and 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. The Corporation's overall strategy remains unchanged from 2016.

The Corporation's investment policy is to invest its short-term excess cash in low risk, highly-liquid short-term interest-bearing investments with maturities, selected to match the expected timing of expenditures related to continuing operations. In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors. For capital management purposes, the Corporation has developed two objectives which are as follows:

- Retain cash and cash equivalents, cash reserved for exploration expenditures and accounts receivable which are equal to or greater than the committed exploration expenditures,

- Retain equity investments and debt instruments with a combined fair market value which are greater than twelve months of projected operating and administrative expenditures.

Based on the current cash position and exploration strategy, the Corporation will likely not need additional capital resources to complete or carry out its exploration and development plans for the next twelve months.

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

The fair value of the Corporation's cash and cash equivalents, payable and accruals approximate their carrying value due to the short-term nature. The equity investments have been adjusted to reflect their fair market value at year-end based on market quotes.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including; credit risk, liquidity risk, equity market risk, and fair value measurements recognized in the statement of financial position.

(a) Credit risk

The Corporation had cash and cash equivalents which totaled \$264,774 at December 31, 2017 (December 31, 2016 - \$388,912). 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 Canadian financial institutions.

The maximum exposure to credit risk was:

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Cash and cash equivalents	264,774	388,912	55,447
Investments	115,960	362,360	29,161
Taxes receivable	86,266	36,788	729
	467,000	788,060	85,337

(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 the issuance of units, common shares and flow-through shares, operating cash flows including net option arrangements and sales of properties 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.

Contractual maturities of financial liabilities are as follows: payables and accruals, less than ninety day and related party liabilities, from future free cash flow.

(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 equity investments with a fair market value of \$115,960 at December 31, 2017 (December 31, 2016 - \$362,360) and as a result a 10% increase or decrease would impact income and loss by \$11,596 (2016 - \$36,236).

(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, 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at Fair Value \$
Financial assets				
Investments	115,960	-	-	115,690
Total financial assets	115,960	-	-	115,960

There were no transfers between level 1, level 2 and level 3 during the year.

December 31, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at Fair Value \$
Financial assets				
Investments	362,360	-	-	362,360
Total financial assets	362,360	-	-	362,360

There were no transfers between level 1, level 2 and level 3 during the year.

December 31, 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Investments	29,161	-	-	29,161
Total financial assets	29,161	-	-	29,161

There were no transfers between level 1, level 2 and level 3 during the year.

Investment Strategies and Oversight

We generally acquire and hold investments with a medium to long term view, on the basis of perceived value and growth opportunities and the ability of management teams to effectively execute business plans. We manage our investment portfolio in-house, relying upon the broad industry knowledge and expertise of management to identify and evaluate investment opportunities and monitor the investee companies on an on-going basis.

Investment performance is monitored via available market data (including continuous disclosure made by the investees that are public companies) and contact with investee management. Monitoring may also include involvement on the board of directors of an investee, where the size of the investment or other factors so warrant.

Our exit strategies include mergers or the achievement of other significant milestones for our investee companies, but may also involve otherwise timely dispositions of the securities in the secondary market, if and when warranted, and receipt of third-party bids for the securities which are beneficial to us, in the circumstances.

Notwithstanding the foregoing, we may pursue a particular investment or series of investments that may diverge from these strategies from time to time, where suitable opportunities present themselves.

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 and estimates that have the most significant effect on the amounts recognized in the financial statements are:

Judgments

a) Going concern

The assessment of the Corporation's ability to continue as a going concern involves judgment regarding future funding available for its operations and projected expenditures as discussed in Note 2 to the financial statements.

b) Collectability of option agreements

Collectability of considerations to be received on option agreements entered into third parties on the Corporation's properties, involves judgment regarding the probability that the optionees will be able to meet their spending commitments and pay the considerations specified in the agreement. Since there is significant uncertainty as to whether the optionee will be able to make all the required payments in the contract, the Corporation only recognizes revenue as the option payments are due. The optionee can avoid payments prior to them becoming due, but not after.

Estimates

a) Option Income

Under Option arrangements, CIM is entitled to cash payments and/or shares in the Optionee company, and as a result at each period end, the Corporation must determine the amounts receivable under the agreement as well as consider the collectability of the amounts.

b) Fair value of investments

CIM attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result CIM must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also 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) Share-based compensation and warrants

The estimate of share-based compensation and warrants 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 and warrants granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes option pricing model to calculate the fair value of the share-based compensation.

d) Deferred income 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.

e) Refundable tax credits and mining duties

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation of the treatment of various items which could impact the valuation.

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.

It is also subject to risks related to other factors, such as metal prices and financial market conditions. The main risks which the Corporation is exposed to is as follows:

(a) Financing risk

The Corporation must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

The Corporation believes that the quality of its properties and their geological potential will enable it to obtain the required financing for their continued exploration and potential development.

(b) Financial market risk

Under its current business model as a project generator, CIM acquires properties and attempts to option or sell properties to other junior mining companies or producers. In order for Junior Mining companies to satisfy their obligations with CIM under their option arrangements, in many cases, they must raise funds in the equity markets which currently are very challenging.

(c) Volatility of stock price and limited liquidity

The CIM shares trade on the TSXV under the symbol CBG, on the Stuttgart exchange under the symbol CLL1, as well as on the OTC Markets (USA) under the symbol CMAUF.

CIM's common shares have experienced significant volatility in price and trading volume over the last several years. There can be no assurance of adequate liquidity in the future for CIM's common shares.

(d) 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 licenses in order to continue the exploration and development of its properties.

(e) Government laws and regulations

The Corporation's operations and exploration activities are subject to the laws and regulations of federal, provincial, and local governments in the jurisdictions in which the Corporation operates.

These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters.

Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on the Corporation, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection legislation. This legislation sets high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water.

Compliance with applicable environmental legislation and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies increases the costs of planning, designing, drilling, as well as exploration and operating activities.

Some of the Corporation's operations are subject to reclamation, site restoration and closure requirements. Costs related to ongoing site restoration programs are expensed when incurred. It is possible that the Corporation's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates.

Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

(f) Aboriginal rights and duty to consult

The Corporation operates and does exploration on properties, which are subject to Aboriginal rights or titles. The Corporation, under its Corporate Social Responsibility program, and local laws and regulations, consults with First Nations about any impact of its activities on such rights, titles or claims, which may cause delays in making decisions or project start-ups. Further, there is no assurance of favourable outcomes of these consultations. The Corporation may have to face adverse consequences such as significant expenses on account of lawsuits and loss of reputation.

(g) Environmental risks

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.

(h) Title matters

The 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 compromising the claims may be in doubt. Although, the Corporation has taken all possible measures to ensure proper title to its properties and royalty interests, including filing of necessary documents and payments to local regulatory authorities, there is no guarantee that the title of any of its properties will not be challenged.

The provincial governments are currently working to convert mining claims to a map designated cells which should mitigate this risk.

(i) Metal prices

Even if the exploration programs of the Corporation are successful, some factors out of the Corporation's control may affect the marketing of the minerals found. World-wide supply and demand for metals determines metal prices which are affected by many factors including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption levels, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

(j) Key personnel

The management of the Corporation rests on some key personnel and mostly on its President and Chief Executive Officer ("CEO"). The loss of the President and CEO could have a negative impact on the development and the success of its operations.

Related party information

(a) Related party payables

	December 31, 2017	December 31, 2016
	\$	\$
Globex Mining Enterprises Inc.	14,476	17,551

The loan bears no interest, is without specific terms of repayment and is unsecured.

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

(b) 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.

	December 31, 2017	December 31, 2016
	\$	\$
Globex Management Services ⁽ⁱ⁾	53,028	42,040
Management compensation ⁽ⁱⁱ⁾	33,343	-
	86,371	42,040

(i) Globex Management Services for the respective periods represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. It included the management compensation as well as a proportional departure allowance of the former CFO who resigned from the organization effective September 20, 2017.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the new CFO and the new Corporate Secretary.

No other related party transactions had been incurred during the year ended December 31, 2017. During the year ended December 31, 2016, Sam Bosum, an independent director, through his corporation, Native Exploration Services earned \$4,000 for line cutting services. These charges represented the fair market value for similar services.

(c) Amount due to Jack Stoch Geoconsultant Services Limited

On December 15, 2014, CIM entered into a \$100,000 loan agreement with GJSL with a December 15, 2016 maturity and at an annual interest rate of 12%, compounded and payable on maturity. The loan was secured by a hypothec and security interest on all of CIM's assets. In consideration for the loan, CIM issued 500,000 non-transferrable common share purchase warrants to GJSL each of which entitles GJSL to purchase one common share of CIM at a price of \$0.10 per share until December 15, 2016.

During 2016, accrued interest of \$6,565 was recorded along with the amortization of deferred financing costs of \$6,238 and the write-off of unamortized financing costs of \$5,822. On June 30, 2016, the principal and accrued interest of \$116,887 was repaid.

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Loan balance	-	100,000	100,000
Accrued interest	-	16,887	10,322
	-	116,887	110,322
Deduct: deferred financing costs			
Fair value of 1,000,000 warrants issued	-	21,369	21,369
Fees paid to TSXV	-	500	500
	-	21,869	21,869
Amortization of financing costs	-	(16,047)	(9,809)
Write-off of unamortized financing costs	-	(5,822)	-
	-	-	12,060
Repayment of loan balance plus accrued interests	-	(116,887)	-
Balance, end of year	-	-	98,262

(d) Management and Director compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations as well as current and former CFO, Treasurer and Corporate Secretary) are as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Management compensation		
Management services ⁽ⁱ⁾	65,791	-
Fair value of share-based compensation ⁽ⁱⁱ⁾	-	62,382
	65,791	62,382

(i) It included the salaries and other benefits of the President and CEO, the compensation for the former CFO and Corporate Secretary billed as management services from Globex to CIM as well as the external services provided by the new CFO and the new Corporate Secretary.

(ii) During year ended December 31, 2017, the Directors were not awarded stock options whereas during the year ended December 31, 2016, the Directors were awarded 700,000 stock options, which vested immediately and had a fair value of \$62,382.

Outlook

As we indicated in our 2016 Annual MD&A, we recognized that favourable attitudes towards the successful completion of financings in the junior mining sector emerged in the early part of the year. We were extremely pleased to complete our private placements in June 2016, which provided the funding that was needed to significantly advance our understanding of Berrigan and Bateman Bay properties. Limited exploration activities which have been undertaken confirmed our initial enthusiasm and we expect to continue to gain additional information which will focus our subsequent exploration efforts.

The Optioning of the Mont Sorcier property to Vanadium in the fourth quarter of 2016 represented a significant achievement. As reported in this MD&A, we have sold approximately 50% of the shares received under this arrangement which generated gross proceeds \$163,895 which mainly funded the exploration expenses during the year ended December 31, 2017.

We believe that our current cash and cash equivalents as well as our investments could provide sufficient financial liquidity for the Corporation to achieve its 2018 corporate objectives.

Management believes that the Corporation holds first-class properties and has access to the human and corporate resources necessary to advance the exploration and development of our Chibougamau Mining Camp Properties.

In our forward planning for the 2018, we recognized that economic uncertainties and market challenges are factors that need to be considered.

Additional information

This analysis should be read in conjunction with the comparative financial statements for the year ended December 31, 2017 and the year ended December 31, 2016 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 2017 and/or 2016 MD&A, 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 April 20, 2018.

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.

MNP SENCRL, srl / LLP, "CPA Auditors", 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 or reappointment of the external auditors. MNP SENCRL, srl / 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

"Marie-Josée Audet"

Marie-Josée Audet
Chief Financial Officer

Independent Auditors' Report

To the Shareholders of Chibougamau Independent Mines Inc.:

We have audited the accompanying financial statements of Chibougamau Independent Mines Inc., which comprise the statement of financial position as at December 31, 2017 and the statements of loss and other comprehensive loss, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 audit 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 3 which explains that the Company has early adopted IFRS 15 and IFRS 16 as at January 1, 2017 and that the transition did not have any material impact on the comparative periods.

Furthermore, without modifying our opinion, we draw attention to note 6 which explains that the Company has changed its accounting policy to expense its mineral properties and deferred exploration expenses.

Furthermore, without modifying our opinion we draw attention to note 2 which states that the Company has incurred losses over the years and is yet to generate revenues from operations. These and other conditions explained in note 2 indicate the existence of uncertainty about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may result from the outcome of this uncertainty.

Other Matter

The financial statements as of December 31, 2016 were audited by other auditors whose report dated March 10, 2017 expressed an unqualified opinion on those financial statements.

Montréal, Québec

April 20, 2018



¹ CPA auditor, CA, public accountancy permit No. A122514

CHIBOUGAMAU INDEPENDENT MINES INC.
Statements of Loss and Comprehensive Loss
(In Canadian dollars)

	Notes	December 31, 2017 \$	December 31, 2016 \$ <i>(Restated, Note 6)</i>
Revenues	12	150,000	485,250
Expenses			
Administration	13	18,559	16,339
Professional fees and outside services	13	132,955	70,829
Transfer agent and filing fees		24,086	42,530
Share-based compensation and payments	16	-	98,030
Management services	17 (b)	86,371	42,040
Amortization of financing costs	17 (c)	-	12,060
Interest expense on long-term loan	17 (c)	-	6,565
Exploration and evaluation expenses	14	194,082	291,620
		456,053	580,013
Loss from operations		(306,053)	(94,763)
Other income (expenses)			
Loss on sale of investments		(117,150)	-
Interest income		3,366	2,892
Increase (decrease) in fair value of financial assets		54,091	(148,051)
		(59,693)	(145,159)
Loss before taxes		(365,746)	(239,922)
Income taxes			
Recovery of income taxes	11	-	(150,000)
Loss and comprehensive loss for the year		(365,746)	(89,922)
Loss per common share			
Basic and diluted	15	(0.01)	(0.00)
Weighted average number of common shares outstanding		38,236,219	27,189,881
Shares outstanding at end of year		38,438,442	37,228,542

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, 2017 \$	December 31, 2016 \$
<i>(Restated, Note 6)</i>			
Operating activities			
Loss and comprehensive loss for the year		(365,746)	(89,922)
Adjustments for:			
Disposal of mineral properties for shares	18	-	(481,250)
Decrease (increase) in fair value of financial assets		(54,091)	148,051
Shares issued to a finder	16	-	15,000
Share-based compensation and payments	16	-	98,030
Loss on sale of investments		117,150	-
Amortization of financing costs	17 (c)	-	12,060
Interest expense on long-term loan	17 (c)	-	6,565
Deferred income tax	11	-	(150,000)
		(302,687)	(441,466)
Changes in non-cash operating working capital items	18	(73,712)	(16,915)
		(376,399)	(458,381)
Financing activities			
Related party payable - Globex Mining Enterprises Inc.	17 (a)	(3,075)	(12,857)
Amount due to Jack Stoch Geoconsultant Services Limited	17 (c)	-	(116,887)
Issuance of common shares	16	-	1,034,500
Share issuance costs	16	-	(112,910)
Proceeds from exercised agents' options	16	48,995	-
Proceeds from exercised warrants	16	23,000	-
		68,920	791,846
Investing activities			
Proceeds from sale of investments	8	183,341	-
Net increase (decrease) in cash and cash equivalents		(124,138)	333,465
Cash and cash equivalents, beginning of year		388,912	55,447
Cash and cash equivalents, end of year	7	264,774	388,912

Supplementary cash flow information (note 18)

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, 2017 \$	December 31, 2016 \$ <i>(Restated, Note 6)</i>	January 1, 2016 \$ <i>(Restated, Note 6)</i>
Assets				
Current assets				
Cash and cash equivalents	7	264,774	388,912	55,447
Investments	8	115,960	362,360	29,161
Taxes receivable		86,266	36,788	729
Prepaid and deposits		10,419	10,595	9,578
		477,419	798,655	94,915
Liabilities				
Current liabilities				
Payables and accruals	9	25,462	49,872	29,711
Related party payable - Globex Mining Enterprises Inc.	17 (a)	14,476	17,551	30,408
Amount due to Jack Stoch Geoconsultant Services Limited	17 (c)	-	-	98,262
		39,938	67,423	158,381
Owners' equity (deficiency)				
Common shares	16	9,119,311	8,975,255	8,554,690
Warrants	16	-	240,425	21,369
Contributed surplus - equity settled reserve		686,751	518,387	273,388
Deficit		(9,368,581)	(9,002,835)	(8,912,913)
		437,481	731,232	(63,466)
		477,419	798,655	94,915

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)

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
		<i>(Restated, Note 6)</i>	<i>(Restated, Note 6)</i>
Common shares			
Beginning of year	8,975,255	8,554,690	8,554,690
Fair value of shares issued under private placement	-	784,500	-
Fair value of flow-through shares issued under private placement	-	100,000	-
Fair value of warrants	-	(240,425)	-
Shares issued to a finder	-	15,000	-
Issued on exercised agents' options	114,008	-	-
Issued on exercised warrants	30,048	-	-
Share issuance costs - commissions, legal and other	-	(112,910)	-
Share issuance costs - fair value of agent's options	-	(125,600)	-
End of year	9,119,311	8,975,255	8,554,690
Warrants			
Beginning of year	240,425	21,369	21,369
Issued in connection with private placement	-	240,425	-
Exercised during the year	(7,048)	-	-
Expired warrants	(233,377)	(21,369)	-
End of year	-	240,425	21,369
Contributed surplus - equity settled reserve			
Beginning of year	518,387	273,388	273,388
Share-based compensation and payments	-	98,030	-
Share issuance costs - fair value of agent's options issued (exercised)	(65,013)	125,600	-
Expired warrants	233,377	21,369	-
End of year	686,751	518,387	273,388
Deficit			
Beginning of year	(9,002,835)	(8,912,913)	(7,597,383)
Loss and comprehensive loss for the year	(365,746)	(89,922)	(1,315,530)
End of year	(9,368,581)	(9,002,835)	(8,912,913)
Total Equity (deficiency)	437,481	731,232	(63,466)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.
Notes to the Financial Statements
Years ended December 31, 2017 and 2016
(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 properties located in the Chibougamau Mining District of Québec. It is focused on reviving production in the Chibougamau gold-copper mining camp.

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. Under a Plan of Arrangement, effective December 29, 2012, ten properties were transferred from Globex to CIM subject to a 3% "Gross Metal Royalty" in favour of Globex. On October 3, 2016, Globex announced that the 3% Gross Metal Royalty on a number of claims related to the Mont Sorcier project had been reduced to 1%, but extended to claims acquired by CIM in 2016 and therefore applicable to the entire historical mineral deposit.

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The Corporation's number of outstanding options, options available for grant, and warrants and the accompanying exercise prices were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these financial statements have been retrospectively restated to reflect the share consolidation.

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

The CIM shares trade on the TSX Venture Exchange ("TSXV") under the symbol CBG, on the Stuttgart and Frankfurt exchanges under the symbol CLL1, as well as on the OTC Markets (USA) under the symbol CMAUF.

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 have been prepared on a going concern basis, under the historical cost basis, except for certain assets that are measured at fair value through profit and loss as indicated in note 4. 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 Company'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 of \$9,368,581 (*Restated, Note 6, December 31, 2016 - \$9,002,835*). 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.

CIM is in the exploration 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 uncertainty 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.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Corporation's interest in the underlying mineral claims, the ability of the Corporation to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof.

These financial statements have been prepared on a going-concern basis in accordance with IFRS which contemplates that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. This assumption is based on the current net assets of the Corporation and management's current operating plans.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

c) Approval of Financial Statements

The Corporation's Board of Directors approved these financial statements on April 20, 2018.

3. New and revised International Financial Reporting Standards

a) International Financial Reporting Standards adopted

In preparing these audited financial statements for the year ended December 31, 2017, the Corporation has adopted the following new standards or amendments.

IAS 7 Statement of Cash Flows:

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. These amendments were adopted on January 1, 2017 and had not resulted in any material changes in these financial statements or reported results.

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

IFRS 15 Revenue from Contracts with Customers:

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which establishes the principles that an entity shall apply to report useful information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

IFRS 15 replaces a number of standards and interpretations including IAS 18 Revenue which provides the guidance that the Corporation previously employed in recording Option revenue and Net Metal Royalty Revenues.

The Corporation early adopted IFRS 15 and realized no changes regarding the revenue recognized in relation to the option agreement income. Additional disclosure was included in note 12 to comply with this standard.

IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 revises the definition of leases and requires companies to that act as leasees to bring most leases on-balance sheet, recognizing new assets and liabilities. The objective of this change is to increase the transparency and comparability of a company's financial statements.

As the Corporation has no material lease contracts, the adoption of this standard has not resulted in any material changes in the financial statements.

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

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee (IFRIC) have issued the following new and revised Standards and Interpretations which were not yet effective and which the Corporation has not early adopted. However, the Corporation is currently assessing what impact the application of these standards or amendments will have on the financial statements.

IFRS 2 Share based payment (amendments published in June 2016):

On June 20, 2016, the IASB published final amendments to IFRS 2 ("IFRS 2") that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

These changes are effective for annual periods beginning on or after January 1, 2018. Management is in the process of evaluating the impacts of these changes on the Corporation but does not anticipate any material impact on adoption of these amendments as it does not encounter these circumstances regularly.

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

IFRS 9 Financial Instruments (replacement of IAS 39):

Issued in final form in July 2014 by the IASB and will replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements.

The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation and does not anticipate any material impact from adopting this standard due to the nature of its financial instruments.

IAS 28 Investments in Associates and Joint Ventures (“IAS 28”):

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The amendments to IAS 28 clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRIC 22 Foreign Currency Transactions and Advance Consideration:

Issued by the IASB in December 2016 and provides guidance on the issue of the “date of the transaction” for the purpose of determining the exchange rate at the time of the transaction, to apply to transactions that are within the scope of IAS 21, Effects of Changes in Foreign Exchange Rates, which involve the receipt or payment of an advance consideration in a foreign currency. The interpretation applies for annual reporting periods beginning on or after January 1, 2018. Management does not anticipate any material impact of this IFRIC due to the limited nature of its foreign currency transactions.

IFRIC 23 Uncertainty Over Income Tax Treatments:

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. Management has not yet considered the impact of adoption this IFRIC.

4. Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below.

a) Functional and Presentation Currency

The Corporation's presentation and the functional currency is the Canadian (CAD) dollar as this is the principal currency of the economic environment in which it operates.

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) Refundable tax credits and mining duties

The Corporation is entitled to a refundable tax credit of 28% on qualified exploration expenditures incurred in the province of Quebec. The Corporation is also entitled to a refund of mining duties of the lesser of 16% on 50% of qualified mining exploration expenses or operating losses during the period, net of the refundable tax credit.

The credit or refunds are recorded based on management's best estimates once the necessary information is available and management believes that the amounts are collectible.

e) 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.

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
Investments	Financial assets at FVTPL

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:

4. Summary of significant accounting policies (continued)

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 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. Fair value is determined in the manner described in note 19.

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 cash and cash equivalents) 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 rate 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.

Impairment of financial assets at amortized cost

Financial assets other than those at FVTPL, including loans and receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial asset have been affected. If the impairment loss decreases, then the impairment loss is reversed through income or loss, to the extent that the carrying amount of the investment reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4. Summary of significant accounting policies (continued)

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.

f) Financial liabilities

The Corporation's financial liabilities includes payables and accruals, amount due to Jack Stoch Geoconsultant Services Limited and Related party payable - Globex Mining Enterprises Inc.

Financial liabilities are measured subsequently at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through the profit and loss that are carried subsequently at fair value with gains or losses recognized in profit or loss.

Management has designated all of its financial liabilities as other liabilities.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

g) Mineral properties and exploration expenses

The Corporation expenses all acquisition costs of mineral properties and exploration expenses as incurred. See note 6.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

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 is 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) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or arising from the use by others of the Corporation's assets yielding option income, royalties, interest and dividends. The Corporation recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and when the specific criteria have been met for each of the Corporation's activities as described below.

4. Summary of significant accounting policies (continued)

(i) Sales of mineral properties

The proceeds from the sale of mineral properties are recorded as option income.

(ii) Option income

Option income is recognized on an accrual basis in accordance with the substance of the relevant agreements. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market. If the market for the shares is not active, fair value is established by using a valuation technique.

(iii) Interest and dividend income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably).

j) 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 loss 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.

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.

4. Summary of significant accounting policies (continued)

k) 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.

l) 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 residual 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.

m) Loss per share

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

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

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.

n) 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.

o) Warrants

The Corporation engages in equity financing transactions necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve the issuance of common shares or units. A unit may consist of a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement.

4. Summary of significant accounting policies (continued)

When warrants are issued as part of units, the Corporation uses the residual value method where it first allocates the proceeds received on the units issued to the attached warrants based on their fair value using the Black-Sholes option pricing model and the residual is allocated to the share capital. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

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 and estimates that have the most significant effect on the amounts recognized in the financial statements are:

Judgments

a) Going concern

The assessment of the Corporation's ability to continue as a going concern involves judgment regarding future funding available for its operations and projected expenditures as discussed in Note 2.

b) Collectability of option agreements

Collectability of consideration to be received on option agreements entered into third parties on the Corporation's properties, involves judgment regarding the probability that the optionees will be able to meet their spending commitments and pay the consideration specified in the agreement.

Since there is significant uncertainty as to whether the optionee will be able to make all the required payments in the contract, the Corporation only recognizes revenue as the option payments are due. The optionee can avoid payments prior to them becoming due, but not after.

Estimates

a) Option Income

Under Option arrangements, CIM is entitled to cash payments and/or shares in the Optionee company, and as a result at each period end, the Corporation must determine the amounts receivable under the agreement as well as consider the collectability of the amounts.

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

b) Fair value of equity investments

CIM attempts to determine the fair value of the shares on receipt based on published price quotations in an active market. However, in some cases, when received, the shares may not be traded in an active market and as a result CIM must use a valuation technique to determine the fair market value. In some cases, as a result of the strategic nature or volume of trading in the market, the quoted price may also 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) Share-based compensation and warrants

The estimate of share-based compensation and warrants require 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 and warrants granted, interest rates, and the time of exercise of those options and warrants. The Corporation uses the Black-Scholes option pricing model to calculate the fair value of the share-based compensation and warrants.

d) 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.

e) Refundable tax credits and mining duties

The estimates are based on an interpretation of legislation substantially enacted and management's application of their interpretation of the treatment of various items which could impact the valuation.

6. Change in Accounting Policy

During the year ended December 31, 2017, the Corporation changed its accounting policy for mineral properties and deferred exploration expenses to recognize these costs in the statements of loss and comprehensive loss in the period incurred, as permitted under *IFRS 6, Exploration for and Evaluation of Mineral Resources*. Management believes that the change in accounting policy will result in clearer and more relevant financial information.

The previous accounting policy was that the mineral properties and the deferred exploration expenses were capitalized in respect of each identifiable area of interest, once the legal right to explore had been acquired, until the technical feasibility and commercial viability of extracting a mineral resource demonstrated.

6. Change in Accounting Policy (continued)

The impact of this change on the statement of financial position as at January 1, 2016 is as follows:

	As previously reported \$	Effect of change in accounting policy \$	Restated \$
STATEMENT OF FINANCIAL POSITION			
Minerals properties	171,949	(171,949)	-
Total assets	266,864	(171,949)	94,915
Deficit	(8,740,964)	(171,949)	(8,912,913)
Total equity	108,483	(171,949)	(63,466)
Total equity and liabilities	266,864	(171,949)	94,915

The impact of this change on the financial statement as at and for the year ended December 31, 2016 is as follows:

STATEMENT OF FINANCIAL POSITION			
Mineral properties	173,357	(173,357)	-
Deferred exploration expenses	280,558	(280,558)	-
Total assets	1,252,570	(453,915)	798,655
Deferred tax liability	83,225	(83,225)	-
Deficit	(8,632,145)	(370,690)	(9,002,835)
Total equity	1,101,922	(370,690)	731,232
Total equity and liabilities	1,252,570	(453,915)	798,655
STATEMENT OF LOSS AND COMPREHENSIVE LOSS			
Revenues	477,052	8,198	485,250
Exploration and evaluation expenses	-	291,620	291,620
Impairment of mineral properties and deferred exploration expenses	1,456	(1,456)	-
Recovery of income taxes	(66,775)	(83,225)	(150,000)
Income (loss) and comprehensive income (loss) for the year	108,819	(198,741)	(89,922)
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)
STATEMENT OF CASH FLOWS			
Income (loss) and comprehensive income (loss) for the year	108,819	(198,741)	(89,922)
Impairment of mineral properties and deferred exploration expenses	1,456	(1,456)	-
Recovery of income taxes	(66,775)	(83,225)	(150,000)
Net cash used by operating activities	(174,959)	(283,422)	(458,381)
Deferred exploration expenses	(289,310)	289,310	-
Quebec refundable tax credit	2,868	(2,868)	-
Mineral properties acquisitions	(5,178)	5,178	-
Proceed on mineral properties optioned	8,198	(8,198)	-
Net cash generated (used) by investing activities	(283,422)	283,422	-

7. Cash and cash equivalents

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Bank balances	13,883	38,912	55,447
Short-term deposit	250,891	350,000	-
	264,774	388,912	55,447

8. Investments

December 31, 2017

	Number of Shares	Cost \$	Unrealized (loss)/income \$	Fair Value \$
Vanadium One Energy Corp. ⁽ⁱ⁾	1,449,500	253,662	(137,702)	115,960

December 31, 2016

	Number of Shares	Cost \$	Unrealized (loss)/income \$	Fair Value \$
Vanadium One Energy Corp. ⁽ⁱⁱ⁾	2,750,000	481,250	(123,750)	357,500
Integra Resources Corp. ⁽ⁱⁱⁱ⁾	972,040	72,903	(68,043)	4,860
		554,153	(191,793)	362,360

January 1, 2016

	Number of Shares	Cost \$	Unrealized (loss)/income \$	Fair Value \$
Integra Resources Corp. ^(iv)	972,040	72,903	(43,742)	29,161
		72,903	(43,742)	29,161

(i) On January 16, 2017, Vendome announced that it had changed its name to Vanadium One Energy Corp. During the year ended December 31, 2017, 1,300,500 shares were sold for gross proceeds of \$163,895. These investments represent less than 10% of the outstanding shares of the Issuer.

On January 30, 2017, CIM sold 174,000 Mag Copper shares. Following a five for one share consolidation on February 2, 2017, CIM held 159,608 shares which were sold during the year ended December 31, 2017. On August 25, 2017, Mag Copper Limited changed its name for Integra Resources Corp. During the year ended December 31, 2017, all shares were sold for gross proceeds of \$19,446.

(ii) The Vendome shares were received on November 21, 2016 in connection with a property transaction at which time they were issued at a price of \$0.175 per share, for a total value of \$481,250. As a result of the transaction, CIM held 15.6% of Vendome's outstanding common shares and at December 31, 2016, the 2,750,000 shares which CIM held represented 14.0% of the shares outstanding. CIM does not have Board of Director's membership of Vendome.

(iii) At December 31, 2016, the fair market value of \$362,360 represents 972,040 Mag Copper Limited shares valued at \$4,860 (\$0.005 per share) as well as 2,750,000 Vendome Resources Corp. ("Vendome") shares valued at \$357,500 (\$0.13 per share).

(iv) At December 31, 2015, the fair value of \$29,161 represents 972,040 Integra Resources Corp. shares (previously Mag Copper Limited) valued at \$0.03 per share.

9. Payables and accruals

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Payables and accruals	25,462	49,872	29,711

10. Other liabilities

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Balance, beginning of year	-	-	-
Additions during the year	-	150,000	-
Reduction related to qualified exploration expenditures	-	(150,000)	-
Balance, end of year	-	-	-

The Other Liabilities represents the excess of the proceeds received from flow-through share financings over the fair value of the shares issued.

On June 24, 2016, the Corporation issued 5,000,000 post-consolidation common shares on a flow-through (“FT shares”) basis at a price of \$0.05 per share. The fair market value of the FT shares was based on the closing price of the Units issued in the private placement, minus the value of the warrants which resulted in an ascribed value of \$0.02 per share. The excess of the issue price of the FT shares being the fair value of \$150,000 (\$0.03 per share) represents the increase in the year of the Other Liabilities.

Prior to December 31, 2016, CIM had spent all of the flow-through funds raised in June 2016, and as a result the Other liabilities were derecognized.

11. Deferred taxes

Income tax recovery

	December 31, 2017	December 31, 2016
	\$	\$
Recovery of income tax as a result of the sale of tax benefits (flow-through shares)	-	(150,000)
Recovery of income taxes	-	(150,000)

11. Deferred taxes (continued)

Tax expense reconciliation

The recovery of income taxes attributable to the loss before taxes differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% as a result of the following:

	December 31, 2017 \$	December 31, 2016 \$ <i>(Restated, Note 6)</i>
Loss before income taxes	(365,746)	(239,922)
Combined tax rates	26.8%	26.9%
Recovery of income taxes at combined statutory rate	(98,020)	(64,539)
Adjustments for share-based compensation	-	26,370
Share issuance expenses	-	(30,373)
Deferred tax expense related to flow-through shares	-	67,250
Other	15,554	31,061
Provision (recovery) of income taxes	(82,466)	29,769
Unrecognized tax asset	82,466	(29,769)
Other liabilities (sale of tax benefits (flow-through shares))	-	(150,000)
Recovery of income taxes	-	(150,000)

At December 31, 2017, the Corporation had unrecognized non-capital loss carry forwards of \$1,640,076 available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

	\$
2031	547
2032	175,459
2033	653,814
2034	255,113
2035	208,211
2036	208,788
2037	138,144
	1,640,076

11. Deferred taxes (continued)

Deferred tax balances

	January 1, 2017 \$	Recognized in income or loss \$	December 31, 2017 \$
	<i>(Restated, Note 6)</i>		
Temporary differences			
Deferred tax assets			
Non-capital losses carry forward	398,199	37,355	435,554
Capital losses carry forward	-	15,522	15,522
Share issue expenses	23,937	(5,984)	17,953
Mining properties, exploration and evaluation expenses	38,300	42,740	81,040
Financial asset at FVTPL	25,413	(7,167)	18,246
	485,849	82,466	568,315
Deferred tax assets not recognized	(485,849)	(82,466)	(568,315)
Deferred tax assets	-	-	-

	January 1, 2016 \$	Recognized in income or loss \$	December 31, 2016 \$
	<i>(Restated, Note 6)</i>		
Temporary differences			
Deferred tax assets			
Non-capital losses carry forward	347,856	50,343	398,199
Share issue expenses	30,008	(6,071)	23,937
Mining properties, exploration and evaluation expenses	131,871	(93,571)	38,300
Financial asset at FVTPL	5,883	19,530	25,413
	515,618	(29,769)	485,849
Deferred tax assets not recognized	(515,618)	29,769	(485,849)
Deferred tax assets	-	-	-

12. Revenues

Based on IFRS 15 Revenue from Contracts with Customers, management has concluded that its typical sale/option agreements with a customer (optionee/purchaser) clearly identifies; (a) the rights and obligations of both parties, (b) CIM performance obligations and (c) the overall transaction price.

Under the option arrangements, the control over the mineral properties occurs at the outset of the agreement while the transfer of title may not occur until after all of the option/sale terms have been satisfied.

Within the Option agreements, CIM's performance obligations are:

- (i) provide access to the Mineral Property to allow the Customer the right to explore and assess a mineral property during an option period,
- (ii) transfer the title to the Mineral property after all of the Option/Sale terms have been completed.

12. Revenues (continued)

As a result of the challenges of estimating future payments, CIM believes that it is appropriate to recognize option revenues as received. As a result of the limited number of contracts in place on an ongoing basis, CIM applies the five step model at the individual contract level.

Payment terms are also clearly identified in the Agreement, and usually include the following:

- (i) cash (upfront and pre-determined amounts at milestone dates);
- (ii) shares (upfront and a fixed number of shares at milestone dates). The shares are valued at the stock price on the date of the share certificate.

Once the option term is completed, and all commitments are met, CIM is also entitled to payments (in cash) relating to the GMR. Under our current accounting policies, net metal royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements. The Corporation will continue to apply the same methods and processes in recording this revenue, as the Corporation believe it is appropriate under the new standard.

In summary, the cash, shares, and royalty payments should all be recorded, as they are due from the customer. There are significant disclosure requirements under IFRS 15, particularly regarding judgements made when applying the requirements of the Standard. The revenue recognition policy clearly indicates that the revenue is only recorded as earned.

A summary of the revenues for the respective year-ends follows.

	December 31, 2017	December 31, 2016
	\$	\$
Sale of Buckell Lake property	-	4,000
Option income - Mont Sorcier property	150,000	481,250
	150,000	485,250

On August 22, 2016, two claims representing the Buckell Property were sold for \$4,000.

On September 29, 2016, CIM signed an option agreement with Vendome which will result in it acquiring an undivided beneficial 100% right, title and interest in the Mont Sorcier property. The agreement was amended effective October 14, 2016.

Under the agreement, Vendome agreed to:

- Pay \$150,000 in cash within after completing a financing for minimum gross proceeds of \$500,000 (cash was received on March 1, 2017),
- Issue 2,750,000 Vendome common shares to CIM. Shares were issued on November 21, 2016 at a fair value of \$481,250 based on the share price on the date of issuance,
- Complete one million dollars in exploration, within 24 months, as well as
- Accept to pay a 2% GMR on all mineral production from the property.

13. Expenses by nature

The nature of administration expenses as well as professional fees and outside services is outlined below:

	December 31, 2017 \$	December 31, 2016 \$
Administration		
Shareholder information	2,397	2,384
Information technology	3,800	1,215
Advertising and promotion	693	156
Insurance	9,211	9,211
Other	2,458	3,373
	18,559	16,339
Professional fees and outside services		
Investor relations	72,500	-
Legal fees	7,764	14,695
Audit and accounting fees	33,550	31,134
Other professional fees	19,141	25,000
	132,955	70,829

14. Exploration and evaluation expenses

	December 31, 2017 \$	December 31, 2016 \$
Exploration and evaluation expenses by project		
		<i>(Restated, Note 6)</i>
Current exploration expenses		
Bateman Bay	87,480	79,758
Berrigan South and Berrigan Mine	108,369	179,962
Copper Cliff Extension	2,295	845
Grandroy	21,170	2,424
Kokko Creek	8,917	2,930
Lac Antoinette	642	443
Lac Chibougamau	13,662	4,995
Lac Élaïne	76	443
Lac Simon	499	656
Malouf	5,586	119
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	3,000	5,726
Nepton	14,772	12,319
Obalski West	1,146	-
Virginia Option	-	292
General exploration	1,945	3,576
Quebec refundable tax credit	(75,477)	(2,868)
Total current exploration and evaluation expenses	194,082	291,620

14. Exploration and evaluation expenses (continued)

	December 31, 2017	December 31, 2016
	\$	\$
<i>(Restated, Note 6)</i>		
<hr/>		
Exploration and evaluation expenses by expenditure type		
Current exploration expenses		
Core shack, storage and equipment rental	14,455	1,500
Drilling	5,490	155,644
Geology	14,364	16,473
Geophysics	16,527	-
Laboratory analysis and sampling	2,831	18,192
Labour	191,193	78,444
Line cutting	3,345	-
Minig claims acquisition	1,146	5,178
Mining property tax and permits	6,058	6,378
Prospecting and surveying	1,515	2,640
Reports, maps and supplies	1,789	2,782
Transport and road access	10,846	7,257
Quebec refundable tax credit	(75,477)	(2,868)
Total current exploration and evaluation expenses	194,082	291,620

15. Loss per common share

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 warrants and stock options.

Diluted loss per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the year 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 year.

Basic and diluted loss per common share

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

	December 31, 2017	December 31, 2016
	\$	\$
<i>(Restated, Note 6)</i>		
<hr/>		
Numerator		
Loss for the year	(365,746)	(89,922)
Denominator		
Weighted average number of common shares - basic and diluted ⁽ⁱ⁾	38,236,219	27,189,881
Loss per share		
Basic and diluted	(0.01)	(0.00)

15. Loss per common share (continued)

(i) At December 31, 2017 and at December 31, 2016, no stock options and warrants were included in the diluted loss per share as they were anti-dilutive.

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The weighted average number of shares outstanding has been adjusted to reflect the effect of this share consolidation.

16. 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.

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The Corporation's number of outstanding options, options available for grant, and warrants and the accompanying exercise prices were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these financial statements have been retrospectively restated to reflect this share consolidation.

Common Shares: Voting

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

a) Changes in capital stock

	December 31, 2017		December 31, 2016	
Fully paid common shares	Number of Shares	Capital Stock \$	Number of Shares	Capital Stock \$
Balance, beginning of period	37,228,542	8,975,255	16,238,542	8,554,690
Issued on exercise of agents' options ⁽ⁱ⁾	979,900	114,008	-	-
Issued on exercise of warrants ⁽ⁱⁱ⁾	230,000	30,048	-	-
Private placements				
Common shares ⁽ⁱⁱⁱ⁾	-	-	15,690,000	784,500
Flow-through shares ^(iv)	-	-	5,000,000	100,000
Fair value of warrants ⁽ⁱⁱⁱ⁾	-	-	-	(240,425)
Shares issued to a finder ^(v)	-	-	300,000	15,000
Share issuance costs ^(vi)	-	-	-	(238,510)
Balance, end of period	38,438,442	9,119,311	37,228,542	8,975,255

(i) On March 2, 2017, 979,900 Agents' Options were exercised at an exercise price of \$0.05 per share. The value of the exercised options totalled \$65,013.

(ii) On March 2, 2017, 230,000 warrants with a fair value per share of \$0.030647 were exercised at an exercise price of \$0.10 per share.

(iii) On June 24, 2016, the Corporation issued 15,690,000 post-consolidation Units ("units") of the Corporation under a private placement. Each unit is comprised of one (1) common share in the capital stock and one-half (1/2) of a common share purchase warrant of the Corporation at a price of \$0.05 per unit, for gross proceeds of \$784,500.

16. Share capital (continued)

Each full warrant entitles the holder to acquire one additional post consolidation common share of CIM at a price of \$0.10 for a period of 18 months (December 24, 2017). The ascribed value of the half warrants is \$240,425 (\$0.03 per warrant) as described in note 16 (b) below.

In the event that the closing price of the shares on the TSXV is at least \$0.15 for a period of not less than twenty (20) consecutive trading days at any time subsequent to four months after the closing date (June 24, 2016), the warrants will expire, at the sole discretion of the Issuer, on the 30th day after the date on which the Issuer issues a press release announcing the new expiry date of the warrants and provides written notice of such expiry date.

- (iv) On June 24, 2016, the Corporation issued 5,000,000 post-consolidation Flow-through common shares (“FT”) at a price of \$0.05 per FT share. The fair market value of the FT shares was based on the closing price of the units as described above minus the value of the warrants which resulted in an ascribed value of \$0.02 per share. The excess of the issue price of the FT shares and the fair value which totalled \$150,000 (\$0.03 per share) has been reflected in Other Liabilities.
- (v) On June 27, 2016, 300,000 common shares were issued to a finder at a deemed price of \$0.05 per share. In addition, the finder was paid a cash sales commission of \$10,000. These are reflected as Project finder’s fees in the statements of loss and comprehensive loss.

b) Share Issuance costs

- (vi) In connection with the June 24, 2016 private placement, CIM incurred cash share issuance costs of \$112,910 (sales commissions to various securities dealers of \$69,170, legal fees of \$26,177 and other expenses of \$17,563 and the fair value of Agents’ Options with a value of \$125,600 for a total of \$238,510). No tax affect was recorded on the share issuance costs as a full valuation allowance was provided against the deferred tax assets.

In addition, CIM granted Agents’ Options to securities dealers entitling them to acquire up to 1,019,400 additional Units (each Unit consists of one common share and one-half of a common share purchase warrant (“Broker Warrant”), and up to 364,000 additional common shares of CIM. The Agents’ Options may be exercised at a price of \$0.05 per unit or share as the case may be, for a period of two years. Under these arrangements, 1,893,100 shares may be issued. The fair value of the options or warrants has been estimated using the Black Scholes Model at \$0.07 per share for a total of \$125,600. The Agent’s Options are not included in CIM’s 2012 Stock Option Plan.

The following assumptions were used to estimate the fair value of the agents’ options:

	December 31, 2017	December 31, 2016
Stock price, \$ per share	N/A	0.07
Exercise price, \$ per share	N/A	0.05
Expected dividend yield	N/A	Nil
Expected stock price volatility	N/A	249.2%
Risk free interest rate	N/A	0.63%
Expected life	N/A	2 years
Fair value, \$ per agent option	N/A	0.07

16. Share capital (continued)

c) Warrants

	December 31, 2017		December 31, 2016	
	Number of warrants	Fair value \$	Number of warrants	Fair value \$
Balance, beginning of period	7,845,000	240,425	500,000	21,369
Issued in connection with private placement ⁽ⁱ⁾	-	-	7,845,000	240,425
Exercised, March 2, 2017 ⁽ⁱⁱ⁾	(230,000)	(7,048)	-	-
Expired ⁽ⁱⁱⁱ⁾	(7,615,000)	(233,377)	(500,000)	(21,369)
Balance, end of period	-	-	7,845,000	240,425

⁽ⁱ⁾ On June 24, 2016, 7,845,000 warrants were issued in connection with a private placement. Each warrant entitles the holder to acquire one additional common share of CIM at a price of \$0.10 for a period of 18 months. These warrants expire on December 24, 2017. The fair value of each warrant has been estimated at \$0.03 per warrant, which resulted in a fair value of \$240,425 for the 7,845,000 warrants.

In the event that the closing price of the shares on the TSXV is at least \$0.15 for a period of not less than twenty (20) consecutive trading days at any time subsequent to four months after the Closing date (June 24, 2016), the warrants will expire, at the sole discretion of the Issuer, on the 30th day after the date on which the Issuer issues a press release announcing the new expiry date of the warrants and provides written notice of such expiry date.

⁽ⁱⁱ⁾ On March 2, 2017, 230,000 warrants with a fair value per share of \$0.030647 were exercised at an exercise price of \$0.10 per share.

⁽ⁱⁱⁱ⁾ On December 14, 2016, 500,000 post share consolidation non-transferrable common share purchase warrants issued to Jack Stoch Geoconsultant Services Limited (GJSL) expired.

On December 24, 2017, 7,615,000 warrants issued in connection with June 24, 2016 private placement expired.

The warrants have been valued using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2017	December 31, 2016
Stock price, \$ per share	N/A	0.07
Exercise price, \$ per share	N/A	0.10
Expected dividend yield	N/A	Nil
Expected stock price volatility	N/A	264.6%
Risk free interest rate	N/A	0.63%
Expected life	N/A	18 months
Fair value, \$ per warrant	N/A	0.03

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.

16. Share capital (continued)

The key terms of the plan are as follows:

- (i) The original maximum number of shares that could be issued pursuant to the plan was a fixed number of 1,603,235 after reflecting the impact of the share consolidation in June 2016. On October 11, 2016, the TSXV approved an amendment which increased the number of shares issuable to 3,722,850 which resulted in 2,120,750 options available for future grant.
- (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 TSXV. The options are not transferable and the term cannot exceed ten (10) years.

At December 31, 2017, 1,525,000 (December 31, 2016 - 1,587,500) stock options previously granted had a weighted average exercise price of \$0.12 per share and a weighted average remaining contractual life of 2.66 years.

In addition to the 1,525,000 (December 31, 2016 – 1,587,500) options outstanding, 2,197,850 (December 31, 2016 – 2,135,350) options were available to be granted at December 31, 2017.

The following is a summary of the share purchase option transactions under the Plan for the relevant years:

	December 31, 2017		December 31, 2016	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance - beginning of year	1,587,500	0.12	667,700	0.07
Expired	(62,500)	0.25	(80,200)	1.09
Granted - Contractor ⁽ⁱ⁾	-	-	300,000	0.14
Granted - Directors and employees ⁽ⁱⁱ⁾	-	-	700,000	0.07
Balance - end of year	1,525,000	0.12	1,587,500	0.12
Options exercisable	1,525,000	0.12	1,587,500	0.12

⁽ⁱ⁾ On September 22, 2016, 300,000 options which vested immediately and expire on September 22, 2021 were granted at a strike price of \$0.135 per share.

⁽ⁱⁱ⁾ On June 27, 2016, 700,000 stock options which vested immediately and expire on June 27, 2021 were granted at a strike price of \$0.07 per share.

16. Share capital (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 2017:

Range of prices \$	Number of options outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.05 - 0.08	700,000	700,000	3.49	0.07
0.09 - 0.15	512,500	512,500	2.79	0.13
0.17 - 0.22	312,500	312,500	0.61	0.20
	1,525,000	1,525,000	2.66	0.12

Share-based compensation

The Corporation uses the Black-Scholes option pricing model to estimate the fair value 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 5 years). If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

During the year ended December 31, 2017, no share-based compensation costs were incurred and no expense related to share-based compensation and payments were recorded and presented separately in the statement of loss and comprehensive loss (2016 - \$98,030).

The following assumptions were used to estimate the weighted average fair value of the granted options:

	December 31, 2017	December 31, 2016
Expected dividend yield	N/A	N/A
Expected stock price volatility	N/A	228.2%
Risk free interest rate	N/A	0.68%
Expected life	N/A	5 years
Weighted average fair value of granted options	N/A	\$ 0.10

Volatility is calculated using the Corporation's historical data.

17. Related party information

a) Related party payables

	December 31, 2017 \$	December 31, 2016 \$	January 1, 2016 \$
Globex Mining Enterprises Inc.	14,476	17,551	30,408

The loan bears no interest, is without specific terms of repayment and is unsecured.

17. Related party information (continued)

The Corporation is considered a related party with Globex as Management consisting of the President and Chief Executive Officer ("CEO") and Executive Vice-President hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations through Jack Stoch Geonconsultant Services Limited ("GJSL") and therefore can significantly influence the operations of both entities.

b) 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.

	December 31, 2017 \$	December 31, 2016 \$
Globex Management Services ⁽ⁱ⁾	53,028	42,040
Management compensation ⁽ⁱⁱ⁾	33,343	-
	86,371	42,040

(i) Globex Management Services for the respective periods represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. It included the management compensation as well as a proportional departure allowance of the former Chief Financial Officer ("CFO") who resigned from the organization effective September 20, 2017.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the new CFO and the new Corporate Secretary.

No other related party transactions had been incurred during the year ended December 31, 2017. During the year ended December 31, 2016, Sam Bosum, an independent director, through his corporation, Native Exploration Services earned \$4,000 for line cutting services. These charges represented the fair market value for similar services.

c) Amount due to Jack Stoch Geoconsultant Services Limited

On December 15, 2014, CIM entered into a \$100,000 loan with GJSL with a December 15, 2016 maturity and at an annual interest rate of 12%, compounded and payable on maturity. The loan was secured by a hypothec and security interest on all of CIM's assets. In consideration for the loan, CIM issued 500,000 non-transferrable common share purchase warrants to GJSL each of which entitles GJSL to purchase one common share of CIM at a price of \$0.10 per share until December 15, 2016.

During 2016, accrued interest of \$6,565 was recorded along with the amortization of deferred financing costs of \$6,238 and the write-off of unamortized financing costs of \$5,822. On June 30, 2016, the principal and accrued interest of \$116,887 was repaid.

17. Related party information (continued)

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Loan balance	-	100,000	100,000
Accrued interest	-	16,887	10,322
	-	116,887	110,322
Deduct: deferred financing costs			
Fair value of 1,000,000 warrants issued	-	21,369	21,369
Fees paid to TSXV	-	500	500
	-	21,869	21,869
Amortization of financing costs	-	(16,047)	(9,809)
Write-off of unamortized financing costs	-	(5,822)	-
	-	-	12,060
Repayment of loan balance plus accrued interests	-	(116,887)	-
Balance, end of year	-	-	98,262

d) Management and Director Compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations as well as current and former CFO, Treasurer and Corporate Secretary) are as follows:

	December 31, 2017	December 31, 2016
	\$	\$
Management compensation		
Management services ⁽ⁱ⁾	65,791	-
Fair value of share-based compensation ⁽ⁱⁱ⁾	-	62,382
	65,791	62,382

(i) It included the salaries and other benefits of the President and CEO, the compensation for the former CFO and Corporate Secretary billed as management services from Globex to CIM as well as the external services provided by the new CFO and the new Corporate Secretary.

(ii) During year ended December 31, 2017, the Directors were not awarded stock options whereas during the year ended December 31, 2016, the Directors were awarded 700,000 stock options, which vested immediately and had a fair value of \$62,382.

All related party transactions disclosed above were at the exchange amount.

18. Supplementary cash flows information

Changes in non-cash working capital items

	December 31, 2017	December 31, 2016
	\$	\$
Taxes receivable	(49,748)	(36,059)
Prepaid and deposits	176	(1,017)
Payables and accruals	(24,410)	20,161
	(73,712)	(16,915)

18. Supplementary cash flows information (continued)

Non-cash financing and investing activities

	December 31, 2017 \$	December 31, 2016 \$
Fair value of warrants issued	-	240,425
Disposal of mineral properties for shares	-	481,250

19. Financial instruments

Capital risk management

The Corporation manages its share capital, contributed surplus-equity settled reserve, warrants and 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. The Corporation's overall strategy remains unchanged from 2016.

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. In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors. For capital management purposes, the Corporation has developed two objectives which are as follows:

- Retain cash and cash equivalents, cash reserved for exploration expenditures and accounts receivable which are equal to or greater than the committed exploration expenditures,
- Retain equity investments and debt instruments with a combined fair market value which are greater than twelve months of projected operating and administrative expenditures.

Based on the current cash position and exploration strategy, the Corporation will likely not need additional capital resources to complete or carry out its exploration and development plans for the next twelve months.

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

The fair value of the Corporation's cash and cash equivalents, payable and accruals approximate their carrying value due to the short-term nature. The equity investments have been adjusted to reflect their fair market value at the period end based on quoted market rates.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including; credit risk, liquidity risk, equity market risk and fair value measurements recognized in the statement of financial position.

19. Financial instruments (continued)

(a) Credit risk

The Corporation had cash and cash equivalents totaled \$264,774 at December 31, 2017 (December 31, 2016 - \$388,912). 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 Canadian financial institutions.

The maximum exposure to credit risk was:

	December 31, 2017	December 31, 2016	January 1, 2016
	\$	\$	\$
Cash and cash equivalents	264,774	388,912	55,447
Investments	115,960	362,360	29,161
Taxes receivable	86,266	36,788	729
	467,000	788,060	85,337

(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 the issuance of units, common shares and 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 transactions out of the ordinary course of business.

Contractual maturities of financial liabilities are as follows: payables and accruals, less than ninety day and related party liabilities, from future free cash flow.

(c) Equity market risk

Equity market risk is defined as the potential 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 equity investments with a fair market value of \$115,960 at December 31, 2017 (December 31, 2016 - \$362,360) and as a result a 10% increase or decrease would impact income and loss by \$11,596 (2016 - \$36,236).

(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.

19. 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 market data (unobservable inputs).

December 31, 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at fair Value \$
Financial assets				
Investments	115,960	-	-	115,690
Total financial assets	115,960	-	-	115,960

There were no transfers between level 1, level 2 and level 3 during the years.

December 31, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at Fair Value \$
Financial assets				
Investments	362,360	-	-	362,360
Total financial assets	362,360	-	-	362,360

There were no transfers between level 1, level 2 and level 3 during the years.

January 1, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total Financial Assets at Fair Value \$
Financial assets				
Investments	29,161	-	-	29,161
Total financial assets	29,161	-	-	29,161

There were no transfers between level 1, level 2 and level 3 during the years.

20. 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.

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) Zalnierunas ⁽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: **CLL1**
Stuttgart and Frankfurt Stock Exchanges

USA – Trading Symbol: **CMAUF**
OTC Markets

CUSIP No. 167101203

Officers

Jack Stoch
President and Chief Executive Officer

Dianne Stoch
Executive Vice President

Marie-Josée Audet
Chief Financial Officer

Andrew Newbury
Corporate Secretary

Auditors

MNP SENCRL, srl / LLP “CPA Auditor”
Montreal, Quebec Canada

Legal Counsel

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

Transfer Agent & Registrar

Computershare Investor Services Inc.
Montreal, Quebec Canada

Head Office

Chibougamau Independent Mines Inc.
86, 14th Street
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Annual Meeting of Shareholders

June 1, 2018 at 9:30 a.m.
Best Western Plus Hotel Albert
84, Principale Avenue
Rouyn-Noranda, Quebec Canada