



**CONDENSED INTERIM FINANCIAL STATEMENTS OF  
CHIBOUGAMAU INDEPENDENT MINES INC.  
FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2023  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements of Chibougamau Independent Mines Inc. (the "Corporation") have been prepared by, and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Corporation's auditors.

**CHIBOUGAMAU INDEPENDENT MINES INC.****Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Expenses</b>				
Administration (note 7)	\$ 5,945	\$ 4,997	\$ 11,950	\$ 10,263
Exploration and evaluation expenditures (note 8)	20,939	48,759	105,682	98,279
Management services (note 11)	16,983	18,813	37,321	35,526
Professional fees and outside services (note 7)	29,291	10,255	36,565	16,339
Share-based compensation (note 10)	-	-	139,451	-
Transfer agent and filing fees	9,497	4,032	12,633	5,800
	<b>82,655</b>	<b>86,856</b>	<b>343,602</b>	<b>166,207</b>
<b>Loss from operations</b>	<b>(82,655)</b>	<b>(86,856)</b>	<b>(343,602)</b>	<b>(166,207)</b>
<b>Other income</b>				
Decrease in fair value of investments	-	(49,315)	-	(42,270)
Interest income	-	256	22	442
	-	(49,059)	22	(41,828)
<b>Loss before taxes</b>	<b>(82,655)</b>	<b>(135,915)</b>	<b>(343,580)</b>	<b>(208,035)</b>
<b>Income taxes</b>				
Income tax recovery	(4,332)	(5,345)	(19,461)	(18,534)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (78,323)</b>	<b>\$ (130,570)</b>	<b>\$ (324,119)</b>	<b>\$ (189,501)</b>
<b>Basic and diluted loss per share (note 9)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>61,065,536</b>	<b>53,576,570</b>	<b>60,908,639</b>	<b>53,576,570</b>

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

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Six months ended June 30,	
	2023	2022
<b>Operating activities:</b>		
Loss and comprehensive loss for the period	\$ (324,119)	\$ (189,501)
Adjustments for:		
Decrease in fair value of investments	-	42,270
Income tax recovery	(19,461)	(18,534)
Interest income accrued	-	(442)
Share-based compensation (note 10)	139,451	-
	(204,129)	(166,207)
Change in non-cash working capital items (note 12)	53,983	(71,029)
<b>Net cash and cash equivalents used in operating activities</b>	<b>(150,146)</b>	<b>(237,236)</b>
<b>Financing activities:</b>		
Related party payable - Globex Mining Enterprises Inc. (note 11)	(2,543)	(11,034)
Issuance of common shares (note 10)	150,000	-
Share issuance costs	(15,352)	-
<b>Net cash and cash equivalents provided by (used in) financing activities</b>	<b>132,105</b>	<b>(11,034)</b>
<b>Net change in cash and cash equivalents</b>	<b>(18,041)</b>	<b>(248,270)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>534,138</b>	<b>779,255</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 516,097</b>	<b>\$ 530,985</b>

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

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**CHIBOUGAMAU INDEPENDENT MINES INC.****Condensed Interim Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

	<b>As at June 30, 2023</b>	<b>As December 31, 2022</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	\$ 516,097	\$ 534,138
Accounts receivable	5,914	60,945
Prepaid and deposits	12,979	21,124
<b>Total assets</b>	<b>\$ 534,990</b>	<b>\$ 616,207</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Payables and accruals (note 5)	\$ 58,268	\$ 67,461
Related party payable - Globex Mining Enterprises Inc. (note 11(a))	22,115	24,658
Flow-through liability (note 6)	45,608	65,069
<b>Total liabilities</b>	<b>125,991</b>	<b>157,188</b>
<b>Shareholders' equity</b>		
Common shares (note 10(a))	11,765,846	11,606,198
Shares to be issued (note 10(b))	-	25,000
Contributed surplus - equity settled reserve	922,776	783,325
Deficit	(12,279,623)	(11,955,504)
<b>Total equity</b>	<b>408,999</b>	<b>459,019</b>
<b>Total liabilities and equity</b>	<b>\$ 534,990</b>	<b>\$ 616,207</b>

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

General business description and going concern (notes 1 and 2)

Commitments and contingencies (note 13)

Subsequent events (note 14)

**CHIBOUGAMAU INDEPENDENT MINES INC.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

**Equity attributable to shareholders**

	Common shares	Shares to be issued	Contributed surplus - equity settled reserve	Deficit	Total
<b>Balance, December 31, 2021</b>	<b>\$ 11,063,176</b>	<b>\$ -</b>	<b>\$ 749,851</b>	<b>\$(11,047,126)</b>	<b>\$ 765,901</b>
Loss and comprehensive loss	-	-	-	(189,501)	(189,501)
<b>Balance, June 30, 2022</b>	<b>\$ 11,063,176</b>	<b>\$ -</b>	<b>\$ 749,851</b>	<b>\$(11,236,627)</b>	<b>\$ 576,400</b>
<b>Balance, December 31, 2022</b>	<b>\$ 11,606,198</b>	<b>\$ 25,000</b>	<b>\$ 783,325</b>	<b>\$(11,955,504)</b>	<b>\$ 459,019</b>
Shares issued under private placement	175,000	(25,000)	-	-	150,000
Shares issuance costs	(15,352)	-	-	-	(15,352)
Share-based compensation	-	-	139,451	-	139,451
Loss and comprehensive loss	-	-	-	(324,119)	(324,119)
<b>Balance, June 30, 2023</b>	<b>\$ 11,765,846</b>	<b>\$ -</b>	<b>\$ 922,776</b>	<b>\$(12,279,623)</b>	<b>\$ 408,999</b>

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

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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### 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 ("GMR") in favour of Globex. On October 3, 2016, Globex announced that the 3% 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.

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

#### Statement of Compliance

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation issued by the IFRS Interpretation Committee. These unaudited condensed interim financial statements have been prepared by management in accordance with IAS 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The preparation of unaudited condensed interim financial statements in accordance with IAS 34, requires the use of certain critical judgments, estimates and assumptions that effect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended December 31, 2022.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. Basis of Presentation (Continued)

#### Basis of Presentation and Going Concern

These unaudited condensed interim financial statements were 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 3 of the Corporation's audited financial statements for the year ended December 31, 2022. All financial information is presented in Canadian dollars.

Since its incorporation, the Corporation has accumulated a deficit of \$12,279,623 (December 31, 2022 - \$11,955,504) and during the six months ended June 30, 2023, incurred a net loss and comprehensive loss of \$324,119 and cash used in operations of \$150,146. The Corporation's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The above factors indicate a material uncertainty that casts significant doubt as to the Corporation's ability to continue as a going concern.

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.

These unaudited condensed interim financial statements have been prepared on a going-concern basis 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 unaudited condensed interim 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. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

#### Approval of Financial Statements

The Corporation's Board of Directors approved these unaudited condensed interim financial statements on August 24, 2023.

### 3. Summary of Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual financial statements (note 3) of the Corporation's audited financial statements for the year ended December 31, 2022.

The disclosure contained in these unaudited condensed interim financial statements does not include all the requirements in IAS 1 - Presentation of Financial Statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2022.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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### 4. Cash and Cash Equivalents

	June 30, 2023	December 31, 2022
Bank balances	\$ 516,097	\$ 534,138

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As of June 30, 2023, the Corporation was committed to incurring approximately \$220,400 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2023 arising from the flow-through offerings.

### 5. Payables and Accruals

	June 30, 2023	December 31, 2022
Payables and accruals	\$ 58,268	\$ 67,461
	\$ 58,268	\$ 67,461

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Included in payables and accruals is \$1,130 payable to the Chief Financial Officer ("CFO") and Corporate Secretary (December 31, 2022 - \$8,328). See note 11 for further details.

### 6. Flow-Through Liability

	June 30, 2023	December 31, 2022
Balance, beginning of period	\$ 65,069	\$ 100,738
Additions during the period (i)	-	65,069
Reduction related to qualified exploration expenditures	(19,461)	(100,738)
Balance, end of period	\$ 45,608	\$ 65,069

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(i) The flow-through liability represents the excess of the proceeds received from flow-through shares over the fair value of the shares issued. Further details are provided in note 10(a)(i).

This liability is not settled through cash payments. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2023 (note 13).



# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 7. Expenses by Nature

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
<b>Administration</b>				
Advertising and promotion	\$ 1,000	\$ -	\$ 1,387	\$ -
Insurance	4,444	4,042	8,888	8,084
Office supplies and maintenance	-	-	523	480
Other	189	280	286	349
Shareholder information	312	675	866	1,350
	\$ 5,945	\$ 4,997	\$ 11,950	\$ 10,263
<b>Professional fees and outside services</b>				
Audit and accounting fees	\$ 9,651	\$ 9,045	\$ 16,226	\$ 14,670
Legal fees	19,640	1,210	20,339	1,669
	\$ 29,291	\$ 10,255	\$ 36,565	\$ 16,339

### 8. Exploration and Evaluation Expenditures

Exploration and evaluation expenses by project	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Bateman Bay	\$ 80	\$ 2,470	\$ 80	\$ 2,470
Berrigan South and Berrigan Mine	14,459	25,005	42,284	52,687
Copper Cliff Extension	-	723	-	723
Grandroy	-	1,558	121	2,703
Gwillim	332	7,908	6,859	20,424
Kokko Creek	-	147	334	147
Lac Antoinette	671	1,786	9,415	1,933
Lac Chibougamau	5,222	1,912	27,937	3,084
Lac David Sud	-	536	-	536
Lac Elaine	175	3,427	8,879	6,066
Lac Simon	-	434	147	434
Nepton	-	-	439	-
Quebec Chibougamau Goldfields	-	-	406	-
Virginia Option	-	-	186	-
General exploration	-	2,853	8,595	7,072
<b>Exploration and evaluation expenditures</b>	<b>\$ 20,939</b>	<b>\$ 48,759</b>	<b>\$ 105,682</b>	<b>\$ 98,279</b>

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 8. Exploration and Evaluation Expenditures (Continued)

Exploration expenses by expenditure type	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Consulting fees	\$ 770	\$ 27,093	\$ 1,108	\$ 49,373
Geology	7,865	11,250	26,857	11,250
Laboratory analysis and sampling	-	-	264	-
Labour	11,339	7,750	64,260	29,971
Mining property tax and permits	-	-	11,384	2,885
Reports, maps and supplies	-	2,327	-	3,799
Transport and road access	965	339	1,809	1,001
	\$ 20,939	\$ 48,759	\$ 105,682	\$ 98,279

### 9. Loss Per Common Share

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2023 was based on the loss attributable to common shareholders of \$78,323 and \$324,119, respectively (three and six months ended June 30, 2022 - \$130,570 and \$189,501, respectively) and the weighted average number of common shares outstanding of 61,065,536 and 60,908,639, respectively (three and six months ended June 30, 2022 - 53,576,570 and 53,576,570, respectively). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

### 10. Share Capital

#### Authorized:

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

Common shares: Voting

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

#### a) Changes in capital stock

Fully paid common shares	June 30, 2023		December 31, 2022	
	Number of shares	Capital stock	Number of shares	Capital stock
Balance, beginning of period	59,315,536	\$ 11,606,198	53,576,570	\$ 11,063,176
Private placements - Flow-through shares (i)	-	-	2,168,966	215,957
Private placements - common shares (i)(ii)	1,750,000	175,000	3,450,000	345,000
Shares issued as finder's fees (i)	-	-	120,000	13,800
Share issuance costs	-	(15,352)	-	(31,735)
Balance, end of period	61,065,536	\$ 11,765,846	59,315,536	\$ 11,606,198

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 10. Share Capital (Continued)

#### a) Changes in capital stock (continued)

(i) On December 29, 2022, the Corporation completed the first tranche of a non-brokered private placement by issuing 2,168,966 flow-through common shares ("FT") at a price of \$0.145 per FT share for total gross proceeds of \$314,500. The fair market value of the FT shares was \$249,431 (\$0.115 per share) based on the TSXV closing price of the Corporation's common shares on December 29, 2022. The \$65,069 difference between the gross proceeds and the fair value of the shares at issuance has been reflected in flow-through liability.

In addition, the Corporation issued 3,450,000 common shares at a price of \$0.10 per common share for gross proceeds of \$345,000.

The Corporation also issued 120,000 common shares in payment of finder's fees which were valued at \$13,800.

(ii) On January 16, 2023, the Corporation completed the second and final tranche of a non-brokered private placement by issuing 1,750,000 additional common shares at a price of \$0.10 per share for proceeds of \$175,000.

#### b) Shares to be issued

During the year ended December 31, 2022, the Corporation received proceeds of \$25,000 for shares that were issued on January 16, 2023. Refer to note 10(a)(ii).

#### c) Stock options

The following is a summary of the share purchase option transactions under the stock option plan for the relevant periods:

	June 30, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	775,000	\$ 0.19	775,000	\$ 0.19
Cancelled	(150,000)	0.18	-	-
Granted (i)	1,800,000	0.10	-	-
Balance, end of period	2,425,000	\$ 0.12	775,000	\$ 0.19
Options exercisable	2,425,000	\$ 0.12	775,000	\$ 0.19

(i) On February 10, 2023, 1,800,000 stock options with a fair value per share of \$0.0775 were granted to certain directors and officers of the Corporation at an exercise price of \$0.10 per share. CIM's shares closed at \$0.10 per share on the day before. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 104.18%; risk-free interest rate of 3.16%; and an expected average life of 5 years. During the three and six months ended June 30, 2023, an expense of \$nil and \$139,451, respectively related to share-based compensation was recorded and presented separately in the unaudited condensed interim statements of loss and comprehensive loss.

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

### 10. Share Capital (Continued)

#### c) Stock options (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at June 30, 2023:

Exercise prices	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price
\$0.100	1,800,000	1,800,000	4.62	\$ 0.10
\$0.180	525,000	525,000	0.98	0.18
\$0.225	100,000	100,000	3.41	0.23
	2,425,000	2,425,000	3.78	\$ 0.12

### 11. Related Party Information

#### a) Related party payables

	June 30, 2023	December 31, 2022
Globex	\$ 5,576	\$ 24,658

The Corporation is considered a related party with Globex as management consisting of the President and Director, who hold the same positions with both entities. In addition, the President and Chief Executive Officer ("CEO") holds a large number of common shares of both organizations through Jack Stoch Geoconsultant Services Limited, a company controlled by the President and CEO, and therefore can significantly influence the operations of both entities. The amount payable bears no interest, is without specific terms of repayment and is unsecured.

#### 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.

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Globex Management Services (i)	\$ 2,658	\$ 2,872	\$ 5,973	\$ 5,744
Management compensation (ii)	14,325	15,941	31,348	29,782
	\$ 16,983	\$ 18,813	\$ 37,321	\$ 35,526

(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.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the CFO and the Corporate Secretary. As at June 30, 2023, the balance due to CFO and Corporate Secretary is \$1,130 (December 31, 2022 - \$8,328) which is included in payables and accruals due under normal credit terms.

No other related party transactions had been incurred during the three and six months ended June 30, 2023 and 2022. All related party transactions disclosed above were at the agreed amounts that approximate fair value.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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### 12. Supplementary Cash Flows Information

#### Changes in non-cash working capital items

	Six months ended June 30,	
	2023	2022
Accounts receivable	\$ 55,031	\$ (162)
Prepaid and deposits	8,145	8,506
Payables and accruals	(9,193)	(79,373)
	\$ 53,983	\$ (71,029)

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### 13. Commitments and Contingencies

At period-end, the Corporation has a commitment to incur qualified exploration expenditures to meet its flow-through obligations as described in note 6 and has no other outstanding commitments outside the normal course of the business. Pursuant to the terms of flow-through share agreement, the Corporation is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of June 30, 2023, the Corporation was committed to incurring approximately \$220,400 in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2023 arising from the flow-through offerings.

The Corporation's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are difficult to identify and it is also a challenge to anticipate the impacts of deadlines.

At the period-end, management believes to the best of its knowledge that CIM is in conformity with all applicable laws and regulations. Restoration costs, if any, will be accrued in the unaudited condensed interim financial statements and reflected in the unaudited condensed interim statement of loss and comprehensive loss, if and when they can be reasonably estimated.

### 14. Subsequent Events

(i) On August 11, 2023, the Corporation entered into a definitive Option Agreement with TomaGold Corporation ("TomaGold") pursuant to which CIM granted TomaGold an option to acquire the West Block, comprised of 99 claims in Barlow and McKenzie Townships, Quebec.

In order to exercise its option and acquire a 100% interest in the West Block, TomaGold must make cash payments to CIM in an aggregate amount of \$2,650,000 over a period of five years, including an initial payment of \$300,000 on the effective date of the Option Agreement; issue 6 million shares to CIM within five business days of the effective date of the Option Agreement; issue additional shares to CIM on an annual basis for five years thereafter in an aggregate amount of \$1,350,000, at an issue price per share equal to the volume weighted average trading price of TomaGold's shares at the respective dates of issuance; and incur expenditures on the West Block in an aggregate amount of \$5,600,000 over a period of five years, including \$600,000 in the first year. Any shares issued by TomaGold to CIM under the Option Agreement will be subject to a four-month hold period under applicable securities regulations and the policies of the TSXV.

CIM will retain a 2% GMR on the West Block, as will Globex. TomaGold has the right to repurchase 0.5% of the 2% GMR held by each of CIM and Globex for a total purchase price of \$1,500,000, to be divided equally between CIM and Globex.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

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### 14. Subsequent Events (Continued)

(i) (continued) TomaGold is seeking approval from the TSXV for the Option Agreement, including the issuance of shares by TomaGold to CIM.

CIM initially announced that the option of the West Block to TomaGold is exempt under TSXV policies from the requirement that CIM obtain TSXV approval as CIM believes that the fair market value of the West Block is less than 25% of the aggregate fair market value of CIM's assets and property interests and less than 25% of CIM's revenues in the past twelve months were derived from the West Block. It will be necessary for the TSXV to analyse the fair market value of the West Block and of CIM's other assets and property interests. If in the view of the TSXV, the fair market value of the West Block represents 25% or more of the aggregate fair market value of CIM's assets and property interests, CIM will be required to obtain approval from the TSXV for the Option Agreement.

(ii) On August 11, 2023, the Corporation entered into a letter of intent ("LOI") with TomaGold for a potential sale of the East Block to TomaGold. The East Block is comprised of 127 claims in McKenzie, Obalski, Roy and Lemoine Townships, Quebec.

Under the LOI, CIM undertook not to seek to enter discussions or negotiations with any party other than TomaGold regarding the sale of the East Block for a period of 180 days from the date of the LOI, in consideration for which TomaGold will pay \$200,000 to CIM. During the 180-day period, TomaGold will be entitled to carry out a due diligence review of the East Block.

An indicative term sheet forming part of the LOI provides that if CIM and TomaGold enter into a definitive agreement for the purchase and sale of the East Block, the purchase price will be \$11,000,000 in cash payments from TomaGold to CIM over a period of two years, including \$5,000,000 upon signing of the definitive agreement, and the issuance by TomaGold to CIM the closing date of the sale of 10,000,000 common shares at a deemed price of \$0.05 per share. The LOI provides that TomaGold will grant a first-ranking hypothec to CIM as security for payment of the cash purchase price for the East Block.

The LOI also provides that TomaGold will grant a 2% GMR on the East Block to each of CIM and Globex and that TomaGold will have the right to repurchase 0.5% of the 2% GMR held by CIM and Globex, respectively, for \$750,000 for each 0.5% purchased.

The LOI does not constitute a legally binding contract, offer or promise of sale of the East Block and no assurance can be given by CIM that it will enter into a definitive agreement with TomaGold with respect to the sale of the East Block on the terms and conditions set out above or at all. Any definitive agreement with respect to the sale of the East Block will be subject to regulatory approval, including that of the TSXV, and may be subject to shareholder approval.