

**CIM International Group Inc.**  
**(Formerly Golden Bridge Development Corporation)**

**Audited Financial Statements**

**For the Years Ended**  
**February 29, 2016 and February 28, 2015**

**(Expressed in Canadian Dollars)**

**CIM International Group Inc.**  
**(Formerly Golden Bridge Development Corporation)**  
**Financial Statements**  
For the Years Ended February 29, 2016 and February 28, 2015  
(Expressed in Canadian Dollars)

---

Table of Contents

Management's Responsibility For Financial Reporting .....	1
Independent Auditor's Report.....	2-3
Statements of Financial Position.....	4
Statements of Loss and Comprehensive Loss.....	5
Statements of Changes in Shareholders' Equity .....	6
Statements of Cash Flows .....	7
Notes to the Financial Statements.....	8-31

## Management's Responsibility For Financial Reporting

The accompanying financial statements of CIM International Group Inc. (formerly Golden Bridge Development Corporation (the "Company")) and other information contained in the Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors of the Company. The accompanying financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to the financial statements.

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at and for the periods presented by the financial statements and (ii) the financial statements fairly present in all materials respects the financial condition and results of operations of the Company, as at and for the periods presented by the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations and for maintaining proper standards of conduct for its activities.

(Signed) "Jiubin Feng"  
President and Chief Executive Officer

(Signed) "Dan Fuoco"  
Chief Financial Officer

Toronto, Ontario  
June 27, 2016

## **Independent Auditor's Report**

### **To the Shareholders of CIM International Group Inc. (Formerly Golden Bridge Development Corporation)**

We have audited the accompanying financial statements of CIM International Group Inc. (the "Company"), which comprise the statements of financial position as at February 29, 2016 and February 28, 2015, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years 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.

#### **Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2016 and February 28, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that there exists a material uncertainty as to the Company's ability to secure additional financing along with other matters as set forth in Note 1 that raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The signature of Deloitte LLP is written in a cursive, handwritten style.

Chartered Professional Accountants  
Licensed Public Accountants  
June 27, 2016

**CIM International Group Inc.**  
**(Formerly Golden Bridge Development Corporation)**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	<u>As at February 29, 2016</u>	<u>As at February 28, 2015</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 422,266	\$ 254,101
Other receivables (Note 4)	86,672	50,853
Prepaid expenses	-	4,701
	<u>508,938</u>	<u>309,655</u>
<b>Non-current assets</b>		
Mining exploration costs (Note 5)	-	818,371
Other assets (Note 6)	3,985	3,985
Deferred costs (Note 7)	155,752	-
	<u>159,737</u>	<u>822,356</u>
<b>Total Assets</b>	<b>\$ 668,675</b>	<b>\$ 1,132,011</b>
<b>LIABILITIES &amp; SHAREHOLDERS' (DEFICIT) EQUITY</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 382,787	\$ 111,981
Deposit (Note 16)	36,000	-
Convertible debentures - current portion (Note 8 and 12)	263,688	-
	<u>682,475</u>	<u>111,981</u>
<b>Non-current Liabilities</b>		
Convertible debentures (Note 8 and 12)	-	246,992
Other liabilities	63,846	63,846
	<u>63,846</u>	<u>310,838</u>
	<u>746,321</u>	<u>422,819</u>
<b>Shareholders' (Deficit) Equity</b>		
Share capital (Note 10)	3,385,082	3,385,082
Shares to be issued (Note 16)	596,172	-
Other capital reserves (Note 11)	537,820	537,820
Deficit	(4,596,720)	(3,213,710)
<b>Total Shareholders' (Deficit) Equity</b>	<b>(77,646)</b>	<b>709,192</b>
<b>Total Liabilities and Shareholders' (Deficit) Equity</b>	<b>\$ 668,675</b>	<b>\$ 1,132,011</b>

*Nature of Operations and Going Concern (Note 1)*

*Commitments and Contingencies (Note 14)*

*Subsequent Events (Note 16)*

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

**Approved by the Board of Directors:**

*(Signed) "Jiubin Feng"*

Jiubin Feng, Director

*(Signed) "Paul Lin"*

Paul Lin, Director

**CIM International Group Inc.**  
 (Formerly Golden Bridge Development Corporation)  
 Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars except for share and per share amounts )

	Year Ended February 29, 2016	Year Ended February 28, 2015
<b>Revenue</b>	\$ -	\$ -
<b>Operating Expenses</b>		
General and administrative	87,351	187,854
Share-based compensation (Note 11)	-	35,051
Professional fees	158,471	129,981
Wages and benefits (Note 12)	316,422	356,918
Filing fees and other	31,212	40,115
<b>Total Operating Expenses</b>	<b>593,456</b>	<b>749,919</b>
Write-off of mining exploration costs (Note 5)	746,328	-
Interest income	(1,424)	(2,427)
Interest expense	44,650	39,418
Other income	-	(8,700)
<b>Loss and Total Comprehensive Loss</b>	<b>\$ (1,383,010)</b>	<b>\$ (778,210)</b>
<b>Loss Per Share - Basic and diluted (Post-Consolidation) (Note 10)</b>	<b>\$ (0.37)</b>	<b>\$ (0.22)</b>
<b>Weighted Average Number of Common Shares</b>		
- Basic and diluted (Post-Consolidation) (Note 10)	<b>3,732,616</b>	<b>3,497,169</b>

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

**CIM International Group Inc.**  
**(Formerly Golden Bridge Development Corporation)**  
**Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**

	Share Capital	Shares to be Issued	Other Capital Reserves	Deficit	Total Shareholders' Equity (Deficit)
<b>Balance - March 1, 2014</b>	\$ 2,454,556	\$ -	\$ 502,769	\$ (2,435,500)	\$ 521,825
Common shares issued (Note 10)	1,023,440	-	-	-	1,023,440
Share issue costs (Note 10)	(92,914)	-	-	-	(92,914)
Share-based compensation (Note 11)	-	-	35,051	-	35,051
Loss and total comprehensive loss	-	-	-	(778,210)	(778,210)
<b>Balance - February 28, 2015</b>	\$ 3,385,082	\$ -	\$ 537,820	\$ (3,213,710)	\$ 709,192
<b>Balance - March 1, 2015</b>	\$ 3,385,082	\$ -	\$ 537,820	\$ (3,213,710)	\$ 709,192
Shares to be issued (Note 16)	-	596,172	-	-	596,172
Share issue costs (Note 16)	-	-	-	-	-
Loss and total comprehensive loss	-	-	-	(1,383,010)	(1,383,010)
<b>Balance - February 29, 2016</b>	\$ 3,385,082	\$ 596,172	\$ 537,820	\$ (4,596,720)	\$ (77,646)

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



**CIM International Group Inc.**  
**(Formerly Golden Bridge Development Corporation)**  
**Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	Year Ended February 29, 2016	Year Ended February 28, 2015
<b>OPERATING ACTIVITIES</b>		
Loss and total comprehensive loss	\$ (1,383,010)	\$ (778,210)
Add (deduct) non-cash items :		
Share-based compensation	-	35,051
Write-off of mining exploration costs (Note 5)	746,328	-
Interest income	(1,424)	(2,427)
Interest expense	16,696	16,697
Other income	-	(8,700)
Net Change in Non-Cash Working Capital Balances		
Other receivables	(17,307)	109,721
Prepaid expenses	4,701	26,355
Accounts payable and accrued liabilities	320,806	73,450
Deposit (Note 16)	36,000	-
Other liabilities	-	63,846
Cash interest received	1,424	2,427
<b>Cash used in operating activities</b>	<b>(275,786)</b>	<b>(461,790)</b>
<b>INVESTING ACTIVITIES</b>		
Mining exploration costs (Note 5)	3,531	(168,930)
Deferred costs (Note 7)	(155,752)	-
Other assets	-	(849)
<b>Cash used in investing activities</b>	<b>(152,221)</b>	<b>(169,779)</b>
<b>FINANCING ACTIVITIES</b>		
Net proceeds of common shares issuance	-	453,086
Shares to be issued (Note 16)	596,172	-
Share issue costs (Note 16)	0	-
<b>Cash provided by financing activities</b>	<b>596,172</b>	<b>453,086</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>168,165</b>	<b>(178,483)</b>
Cash and cash equivalents - Beginning of year	254,101	432,584
<b>Cash and cash equivalents - End of year</b>	<b>\$ 422,266</b>	<b>\$ 254,101</b>
<b>Supplemental Disclosure</b>		
Non-cash items used in investing and financing activities:		
Share issuance pursuant to Hebecourt Project (Note 5)	\$ -	\$ 12,500

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

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Development Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

### **The Company and Business Operations**

CIM International Group Inc. (formerly Golden Bridge Mining Corporation) (the “Company”) is a Canadian company incorporated pursuant to the provisions of the laws of the Province of Ontario on February 18, 2010. On May 27, 2010, the Company was listed as a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 (“Policy 2.4”) of the TSX Venture Exchange (“TSXV”). Effective August 28, 2014, the Company officially changed its name to Golden Bridge Development Corporation. On April 29, 2016, the Company officially changed its name to CIM International Group Inc. and de-listed its shares from the Toronto Stock Exchange. The Company listed its shares on the Canadian Securities Exchange (“CSE”) under the stock symbol “CIM” and commenced trading effective May 2, 2016 and is now classified as a “Diversified Industries” issuer company. The registered address of the Company is 55 Commerce Valley Drive West, Suite 502, Markham, Ontario, Canada, L3T 7V9.

### **Qualifying Transaction**

On July 6, 2012, Company announced that it had successfully completed and received final approval from the TSXV with respect to the Hebecourt Project located in Quebec, Canada which represented the Company’s Qualifying Transaction pursuant to Policy 2.4 of the TSXV.

Under the terms of the Qualifying Transaction, the Company entered into an option agreement (the “Agreement”) with Northern Skye Resources Ltd. (“Northern Skye”), Trueclaim Exploration Inc. (“Trueclaim”), and Frank P. Tagliamonte (“Tagliamonte”) to acquire an interest in the Hebecourt Property located in the Province of Quebec. The effective date of the Agreement is August 28, 2011 (Note 14).

Pursuant to the Agreement, Northern Skye assigned to the Company: (i) an option to earn up to an undivided 50% interest in mineral claims with respect to the Hebecourt Project, which are currently subject to an option agreement dated July 18, 2011 in favour of Northern Skye from the registered holder of the claims, Tagliamonte (the “Tagliamonte Option”); and (ii) a 50% working interest in mineral claims held by Northern Skye that are contiguous to the Tagliamonte Option (the “Staked Claims”), subject only to a net smelter return royalty of 2.5% in favour of Northern Skye. In accordance with the terms of the Agreement, The Company must fulfill all of the following transactions to earn a 50% interest in the Hebecourt Project:

- Pay Tagliamonte the aggregate sum of \$300,000 in cash over a period of four years;
- Incur cumulative expenditures of not less than \$2,500,000 in respect of the Hebecourt Property over a period of five years; and
- Issue the aggregate of 185,000 common shares of the Company to Tagliamonte over a four year period.

The Company can cancel the Agreement within sixty (60) days notice of the effective date of August 28, 2011 on each anniversary date of the Agreement. However, in the event all the above noted terms of the Agreement are satisfied and executed, the Agreement also includes a term sheet for a joint venture agreement to be negotiated in good faith by the Company and Northern Skye to govern the relationship of the two parties after the date which the Option is exercised. As further discussed in Note 5, the Company terminated the Agreement.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **Going Concern**

Until April 29, 2016, the Company had been engaged only in the exploration and development of mineral resource properties (See Note 16). The Company had not determined whether its mining properties contained reserves that were economically recoverable. The recoverability of the amounts recorded for its mining properties were dependent upon the existence of economically recoverable reserves, the ability of the Company to fund the costs to complete the exploration and development of its resource properties, and upon future profitable production operations or proceeds from the sale of its mining properties.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. For the year ended February 29, 2016, the Company reported no revenue, incurred significant operating and non-operating expenses, and reported continuing losses including a net loss of \$1,383,010, incurred significant operating cash outflows including a net operating cash outflow of \$275,786 and, as at February 29, 2016, had an accumulated deficit of \$4,596,720. These material uncertainties may cast significant doubt as to the ability of the Company to continue operations into the foreseeable future as a going concern and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. Management has obtained financing (See Note 16) through the issuance of equity instruments to continue its operations, and while it has been successful in raising funds in the past, there can be no assurance that the Company will be able to do so in the future when additional financing may be needed. Without such additional funds being available, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Although management has taken steps to verify title to its remaining mining claims, in which it has an interest, these procedures do not guarantee title to such properties. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

On April 29, 2016, the Company completed the securities exchange with CIM Development (Markham) LP to acquire an indirect interest in a real estate development project located in the Greater Toronto Area in exchange for common shares in the capital of the Company, (the "Transaction"). The Transaction resulted in both a "Change of Business" for the Company and became a "Diversified Industries" company (See Note 16).

The Company's ability to continue as a going concern is dependent upon its successful exploration and development of its mineral properties, successful real estate operations, securing adequate funding for its development projects and expenditures, and achieving profitable operations in the future. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

## **2. BASIS OF PRESENTATION**

### **Statement of Compliance**

These financial statements, including comparative figures, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements of the Company for the year ended February 29, 2016 were approved and authorized for issued by the Board of Directors of the Company on June 27, 2016.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **Basis of Measurement**

The financial statements have been prepared under the historical cost basis except for financial instruments.

### **Functional Currency**

These financial statements are presented in Canadian dollars which is the functional currency of the Company.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and readily convertible demand deposits and are subject to an insignificant risk of change in fair value.

### **b) Mining Exploration Costs**

The Company records its interest in its mining properties at cost, less impairment, in the statement of financial position. Exploration and development costs relating to these interests are capitalized until the properties, to which they relate are placed into production, are sold, or allowed to lapse. Management reviews the carrying values of the mining properties on a quarterly basis to determine whether any indicator of impairment exists. These costs will be amortized over the useful life of the mining properties following commencement of commercial production, or expensed through the statement of loss and comprehensive loss if the mining properties or projects are sold or allowed to lapse. General expenditures not related to specifically mining properties are expensed as incurred in the statement of loss and comprehensive loss.

#### **Impairment**

For mining exploration costs, indicators of impairment would include expiration of a right to explore, no budgeted or planned material expenditure in an area, or a decision to discontinue exploration in a specific area. The Company assesses at each reporting date whether there is an indication that mining exploration costs may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses of continuing operations are recognized in a statement of loss and comprehensive loss in those expense categories consistent with the function of the impaired asset. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **c) Exploration Tax Credits**

The Company is entitled to a Quebec tax credit for resources on eligible mining exploration expenses incurred for mineral exploration in the Province of Quebec, Canada for its Hebecourt Project. The tax credit is available at a rate of 28% (effective June 1, 2014 prior to which the rate was 35%) of qualified expenditures incurred with respect to its current mineral exploration program less any amounts renounced as part of the flow-through shares.

The Company records the amount of the tax credit receivable in the year that the eligible expenses are incurred. The tax credit receivable is presented as a deduction from its mining properties on a property-by-property basis.

### **d) Flow-Through Shares**

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of these flow-through shares, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the subscribers of the flow-through shares at an agreed upon date.

The excess of cash consideration received over the market price of the Company's shares at the date of the announcement of the flow-through share financing is recorded as a liability which is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense in the statement of loss and comprehensive loss.

A deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures that are capitalized to exploration and evaluation assets and their tax basis. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset.

### **e) Income Taxes**

#### *Current Income Taxes*

Income tax in the statements of loss and comprehensive loss for the years presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous periods.

#### *Deferred Income Taxes*

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **f) Earnings or Loss per Share**

Basic and diluted earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the year. The dilutive effect on earnings (loss) per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year.

However, the calculation of diluted earnings (loss) per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. Potentially dilutive common shares, relating to options, warrants and convertible debentures outstanding as at February 29, 2016 were not included in the computation of loss per share because their effect was anti-dilutive.

### **g) Share-Based Payment Transactions**

The Company accounts for share-based compensation expense using the fair value based method with respect to all share-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Fair Value is calculated using a Black-Scholes option pricing model and is based on model variables including interest rates, expected life, expected volatility, expected dividends, expected forfeitures and share prices. For directors and employees, the fair value of the options is measured at the grant date. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Under this standard, share-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to other capital reserves under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred from other capital reserves to share capital. Where options or warrants that were issued as share-based compensation expire, are forfeited or are cancelled, the fair value amount attributable to these are transferred to contributed surplus within the other capital reserves account.

### **h) Share Issuance Costs**

Costs directly incurred in connection with the issuance of common shares, such as legal fees and finder's fees, are recorded as a charge against share capital.

### **i) Share Purchase Warrants**

When the Company issues common shares and non-transferable share purchase warrants, the Company follows the relative fair value method of accounting for warrants attached to and issued with common shares of the Company. Under this method, the fair value of warrants issued is estimated using a Black-Scholes option pricing model. The relative fair value ascribed to the warrants is determined based on total proceeds received applied pro-rata to the fair of the issued common shares at the transaction date and the fair value of the warrants issued therewith.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **j) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below.

The classification of financial assets and liabilities depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

For regular way purchases and sales (a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned), financial assets are recognized on a trade-date basis, when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or been transferred, and the Company has transferred substantially all the risks and rewards of ownership. The Company derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when there is a legally enforceable right to set off the recognized amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

At initial recognition, the Company classified its financial instruments in the following categories:

***Financial assets at fair value through profit or loss:*** Financial assets classified at fair value through profit or loss relate to cash and cash equivalents which are recognized both initially and subsequently at fair value. Upon initial recognition, attributable transaction costs are recognized in profit and loss as incurred. Gains and losses arising from changes in fair value are presented in the statement of loss and comprehensive loss in the year in which they arise. Financial assets at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond 12 months of the statement of financial position date, which is classified as non-current.

***Loans and receivables:*** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets pertain to the Company's other receivables and are recognized initially at the amount expected to be received, less any provisions to reduce the loans and receivables to fair value. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment losses, if any.

***Financial liabilities at amortized cost:*** Financial liabilities at amortized cost include accounts payable and accrued liabilities and are initially recognized at the amount required to be paid less, when significant, a provision to reduce the payables to fair value. Subsequently, accounts payable and accrued liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the appropriate reporting standard.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

**Convertible debentures:** The component parts of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to contributed surplus. No gain or loss is recognized in the statement of loss and comprehensive loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

**Impairment:** A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed at the cash generating unit which occurs at the mineral property level. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

### **k) Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions and are made only if such terms can be substantiated.



# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **l) Professional Fees**

Professional fees are accrued in the fiscal year only when such services for the professional fees have been incurred in the fiscal year.

### **m) Estimates and Judgments**

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenue and expenses during the reporting period, and the assessment and disclosure of contingencies, if any. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### **i) *Estimates***

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Information about critical estimates and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following items:

#### Quebec Tax Credit for Resources

In connection with mining exploration expenses incurred for the Hebecourt Project in the Province of Quebec, the Company is eligible for a Quebec tax credit for resources. The tax credit is available at a rate of 28% (effective June 1, 2014 prior to which the rate was 35%) of qualified expenditures incurred with respect to its current mineral exploration program. The Company is required to make an estimate of the tax credit earned on a yearly basis and records the amount of the tax credit as a receivable in the year that the eligible expenses are incurred and is presented as a deduction from the cost its mining properties.

#### Convertible Debentures

The Company measures the discount rate used to determine the fair value of the debt component by reference to interest rate, charged to companies with debt issuances without a conversion feature.

#### Stock Options and Share-Based Compensation

The Company measures the fair value of stock options granted to officers, directors, employees and agents using the Black-Scholes option pricing model which incorporates the assumptions regarding the expected life of the stock option, volatility, dividend yield, and risk-free rates. The Company is required to calculate the fair value of these stock options at the date of issuance.

#### Share Purchase Warrants

The Company measures the fair value of share purchase warrants issued using the Black-Scholes option pricing model which incorporates the assumptions regarding the contractual life of the warrants, volatility, dividend yield, and risk-free rates. The Company is required to calculate the fair value of these warrants at the date of issuance.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

### Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

#### Income Taxes

In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to evidence that can be objectively verified.

#### *ii) Critical Accounting Judgments*

##### Mining Explorations Costs and Impairment

Exploration and development costs are capitalized until the properties, to which they relate are placed into production, are sold, or allowed to lapse. Management is required to use judgment to review the carrying values of the mining properties on a quarterly basis to determine whether any impairment exists based on assumptions of current and future events or circumstances. Estimates and assumptions may change if new information becomes available. If after the expenditures are capitalized and information becomes available suggesting that the recovery of the carrying values is unlikely, the amount capitalized is written-off to the statement of loss and comprehensive loss during the year that the new information becomes available.

##### Convertible Debentures

The Company applies judgment in determining the appropriate accounting treatment for convertible debt issued. The Company reviews the relevant agreements and determines if any embedded derivatives (other than the conversion feature) exist in the arrangement. The Company then reviews the terms of the conversion feature to determine if it should be classified as a liability or as a component of equity. For the convertible debt issued during the year, the Company determined that there were no other embedded derivatives and that the conversion feature should be classified as a component of equity.

##### Going Concern

As described in Nature of Operations and Going Concern Note 1, management uses its judgment in determining whether the Company is able to continue as a going concern. Considerations take into account all available information about the future viability of the mineral exploration program, anticipated return on its real estate investment, the availability of capital financing, current working capital funds, and the future commitment and obligations.

#### **Recent and Future Changes Accounting Pronouncements**

##### **a) Accounting Standards issued and adopted**

The following amended standards were adopted by the Company during the year:

- IFRS 8, "Operating Segments" (amendment): and
- IAS 34 "Related Party Disclosures" (amendment).

The adoption of these amended standards did not have a significant impact on the Company's financial statements.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS"), amendments and related interpretation which are effective for the financial years beginning on or after January 1, 2016, which for the Company are effective March 1, 2016. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company expects to adopt all these new standards.

### **b) Accounting Standards issued but not yet adopted**

The IASB and IFRIC have issued the following new and revised Standards and Interpretations, which are applicable to the Company and are not yet effective for the relevant reporting periods:

IFRS 9 - *Financial Instruments* ("IFRS 9") was issued by the IASB on December 16, 2011 and will replace the IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having two categories: amortized cost and fair value. 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 asset. IFRS 9 also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. This standard is mandatorily effective from January 1, 2018, with earlier application permitted.

IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15") was issued by IASB on May 28, 2014 and will replace IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations. IFRS 15 provides a more detailed framework for the timing of revenue recognition and increased requirements for disclosure of revenue. IFRS 15 uses a control-based approach to recognize revenue which is a change from the risk and reward approach under the current standard. The mandatory effective date is for annual periods beginning on or after January 1, 2018.

Amendments to IAS 1 - *Presentation of Financial Statements* ("IAS 1") were issued by the IASB in December 2014. The amendments clarify principles for the presentation and materiality consideration for the financial statements and notes to improve understandability and comparability. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2016.

Amendments to IAS 16 - *Property, Plant and Equipment* ("IAS 16") were issued by the IASB in May 2014. The amendments prohibit the use of a revenue-based depreciation method for property, plant and equipment as it is not reflective of the economic benefits of using the asset. They clarify that the depreciation method applied should reflect the expected pattern of consumption of the future economic benefits of the asset. The amendments to IAS 16 are effective for annual periods beginning on or after January 1, 2016.

Amendments to IAS 38 - *Intangible Assets* ("IAS 38") were issued by the IASB in May 2014. The amendments prohibit the use of a revenue-based depreciation method for intangible assets. Exceptions are allowed where the asset is expressed as a measure of revenue or revenue and consumption of economic benefits for the asset are highly correlated. The amendments to IAS 38 are effective for annual periods beginning on or after January 1, 2016.

The Company has not yet adopted these standards, amendments and interpretations, however, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

**4. OTHER RECEIVABLES**

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Quebec tax credit for resources	\$ 61,457	\$ 42,945
HST taxes receivable and other	25,215	7,908
Total	<u>\$ 86,672</u>	<u>\$ 50,853</u>

During the year, the Company received a Quebec mining tax credit refund of \$10,506 from the Quebec Ministry of Natural Resources related to the February 28, 2013 fiscal year.

**5. MINING EXPLORATION COSTS**

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
<b>Hebecourt Quebec Property</b>		
Balance - at beginning of year	\$ 790,377	\$ 608,947
Mining exploration costs capitalized in the year	6,975	224,375
Cash payment accrual reversed in the year	(50,000)	-
Quebec tax credit for resources	(29,018)	(42,945)
Write-off in the year	<u>(718,334)</u>	<u>-</u>
Balance - at end of year	<u>\$ -</u>	<u>\$ 790,377</u>
<b>Saskatchewan Uranium Property</b>		
Balance - at beginning of year	\$ 27,994	\$ 27,994
Write-off in the year	<u>(27,994)</u>	<u>-</u>
Balance - at end of year	<u>\$ -</u>	<u>\$ 27,994</u>
<b>Total Mining Exploration Costs - at end of year</b>	<u>\$ -</u>	<u>\$ 818,371</u>

**Hebecourt Property**

During the year ended February 29, 2016, total mining costs of \$6,975 were incurred for exploration and development purposes for the Hebecourt Property, including \$6,975 of mining exploration expenditures all of which are in relation to the fourth anniversary of the Agreement.

During the year ended February 29, 2015, total mining costs of \$224,375 were incurred for exploration and development purposes for the Hebecourt Property, including \$161,875 of mining exploration expenditures in relation to the third anniversary of the Agreement. Pursuant to the Agreement, the Company incurred the cash payment of \$50,000 in August 2014 in relation to the third year anniversary and remains unpaid to Tagliamonte as at February 29, 2016. In addition, the Company issued 50,000 common shares to Tagliamonte during August 2014 satisfying the third year anniversary common shares commitment at a price of \$0.25 per share for total amount of \$12,500 (Note 10).

Effective August 28, 2014, the Company announced that it has amended the terms of its option agreement with respect to the Hebecourt Property. Under the terms of the amended agreement, the Company has extended the date for the incurrence of \$274,000 with respect to the exploration expenditures commitment, related to the third anniversary, by one year to August 28, 2015. As at February 29, 2016, however, the Company has not incurred the \$274,000 in exploration expenditures as required for the third year anniversary and this commitment remains outstanding.

# CIM International Group Inc.

## (Formerly Golden Bridge Mining Corporation)

### Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

With respect to the fourth year anniversary of the Agreement, the Company was required by August 28, 2015 to pay the cash payment of \$200,000 to Tagliamonte, issue 100,000 common shares to Tagliamonte, and incur \$500,000 in mining exploration expenditures on the Hebecourt Property. The Company did not comply with any of these commitments and these obligations remained outstanding at as February 29, 2016.

As a result, as at February 29, 2016, the Company was not in compliance with the Agreement with respect to the outstanding commitments in total of \$250,000 in cash payments, 100,000 common stock issuances, and a total of \$774,000 in exploration expenditures regarding the third year anniversary and the fourth year anniversary of the Agreement. As at February 29, 2016, the \$50,000 cash payment amount for the third year anniversary was reversed from an accounts payable to the option holder.

Subsequent to the year-end, the Company terminated the Agreement with the holders with respect to the Hebecourt Property and is no longer bound by the terms, conditions, commitments or obligations of the Agreement. In addition, the Company will have no obligations, commitments or liabilities of any kind going forward. As a result, the mining explorations costs of \$718,334 in total were written off in the fiscal year.

### Saskatchewan Uranium Project

During the February 28, 2014 fiscal year, the Company acquired by staking a total of 3,656.82 hectares (9,036.20 acres) of claims prospective for uranium mineralization in the Athabasca Basin region, located in Saskatchewan, Canada. During the February 29, 2016 period, the Company incurred \$Nil (February 28, 2015: \$Nil) in acquisition and mineral development costs for this uranium project. In accordance with land tenure in Saskatchewan, there is a work commitment associated with these mineral claims totaling \$54,852 to be completed by December 15, 2015.

During the year ended February 29, 2016, the Company has written-off the entire balance of \$27,994 of mineral exploration costs for this uranium property in Saskatchewan as the Company no longer intends to develop uranium resources at this time and the Company's claims lapsed as at February 29, 2016.

## 6. OTHER ASSETS

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Fixed assets	\$ 3,936	\$ 3,936
Other	<u>49</u>	<u>49</u>
Total	<u>\$ 3,985</u>	<u>\$ 3,985</u>

## 7. DEFERRED COSTS

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Deferred costs capitalized in the year	<u>\$ 155,752</u>	<u>\$ -</u>

A total of \$155,752 of professional fees and other costs related to the Transaction were deferred in the year. These costs will be capitalized to the costs of the investment consisting of 10,000,000 Class A units acquired upon the closing of the Transaction (Note 16).

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

**8. CONVERTIBLE DEBENTURES**

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Convertible Debentures - Balance	\$ 263,688	\$ 246,992
Current portion	<u>263,688</u>	<u>-</u>
Convertible Debentures - Long term	<u>\$ -</u>	<u>\$ 246,992</u>

On December 5, 2013, the Company issued convertible debentures with a face value of \$280,000 through a non-brokered private placement financing. The convertible debentures bear interest at a rate of 8% per annum paid semi-annually during May and November each year, are unsecured, and mature on December 5, 2016.

Each debenture is convertible into common shares of the Company at the holder's option at any time prior to the maturity date at a conversion price of \$0.35 per common share. The convertible debentures are compound financial instruments consisting of the debt instrument and the equity component feature. The debt instrument was recorded at amortized cost using the effective interest method at an annual discount rate of 10.28% over the life of the debenture of three years. The gross proceeds were allocated between the debt instrument in the amount of \$265,371 and to the equity component for \$14,629. The accreted interest for the debenture for the year ended February 29, 2016 was \$16,696 (February 28, 2015: \$16,697).

**9. INCOME TAXES**

**a) Income tax expense**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings from continuing operations before taxes. These differences result from the following:

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Loss before taxes	\$ (1,383,010)	\$ (778,210)
Canadian statutory federal and provincial income tax rates	26.5%	26.5%
Income tax recovery based on Canadian income tax rates	<u>\$ (366,498)</u>	<u>\$ (206,226)</u>
Non-deductible expenses	768	13,778
Taxable gain on expiry of warrants	-	-
Non-recognition of tax attributes	<u>365,730</u>	<u>192,448</u>
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

**b) Non-recognized net deductible temporary differences**

The Company has total deductible temporary differences in total of \$4.1 million (February 28, 2015: \$2.5 million) for which no deferred tax asset has been recognized, comprised as follows:

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Mine exploration costs	\$ 776,873	\$ (157,873)
Share issuance costs	97,792	154,080
Non-capital losses	<u>3,198,444</u>	<u>2,486,156</u>
 Total	 <u>\$ 4,073,109</u>	 <u>\$ 2,482,363</u>

**c) Loss carry-forwards**

As at February 29, 2016, the Company has available non-capital losses in Canada of \$3.2 million that if not utilized will expire as follows:

2031	\$ 298,251
2032	413,076
2033	518,729
2034	441,280
2035	860,411
2036	666,697
	<u>\$ 3,198,444</u>

**10. SHARE CAPITAL**

**Authorized - Unlimited common shares with no par value**

**Issued, fully paid and outstanding**

	<b>Number of Shares (Pre-Consolidation)</b>	<b>Amount</b>
<b>Balance, March 1, 2014</b>	<u>15,243,281</u>	<u>\$ 2,454,556</u>
Shares issued in the year - Private Placement (i)	2,369,800	\$ 710,940
Shares issued in the year - Option Agreement (ii)	50,000	\$ 12,500
Shares issued in the year - Private Placement (iii)	1,000,000	\$ 300,000
Less: Share issue costs	<u>-</u>	<u>\$ (92,914)</u>
<b>Balance, February 28, 2015 and February 29, 2016</b>	<b><u>18,663,081</u></b>	<b><u>\$ 3,385,082</u></b>

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

### Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

- (i) On April 14, 2014, the Company completed a non-brokered private placement financing consisting of 2,369,800 common shares at a price of \$0.30 per common share for gross proceeds to the Company of \$710,940. A total of \$464,940 in gross proceeds of the financing were received in advance of the closing and were recorded on the statement of financial position as "Deferred Proceeds from Financing" as at February 28, 2014. The net proceeds of the financing were used to fund the Company's mineral exploration programs and for general working capital purposes. Cash fees equal to up to 8% of the aggregate gross proceeds raised are payable as finder's fees to certain persons at arm's length to the Company. The common shares issued were subject to statutory resale restrictions until August 15, 2014. The private placement financing was approved by the TSXV Exchange on April 15, 2014.
- (ii) During August 2014, the Company issued 50,000 common shares to Tagliamonte in satisfaction of the common shares second anniversary commitment with respect to the Agreement regarding the Hebecourt Project. The shares were issued at a price of \$0.25 per common share for a total of \$12,500.
- (iii) On January 7, 2015, the Company completed a non-brokered private placement financing consisting of 1,000,000 common shares at a price of \$0.30 per common share for gross proceeds to the Company of \$300,000. The net proceeds of the financing will be used to fund the Company's mineral exploration programs and for general working capital purposes. Cash fees equal to up to 8% of the aggregate gross proceeds raised are payable as finder's fees to certain persons at arm's length to the Company. The common shares issued were subject to statutory resale restrictions until May 8, 2015. The private placement financing was approved by the TSXV Exchange on January 7, 2015.

During the year ended February 29, 2016, share issue costs recorded against share capital included professional fees and other fees of \$Nil (February 28, 2015: \$92,914).

#### Loss Per Share

The loss per share for the current year and for the comparative year, for both basic and fully diluted, has been presented on a post-consolidation basis taking into effect the 5:1 ratio share consolidation that was approved by the shareholders of the Company on April 8, 2016 (Note 16).

## **11. OTHER CAPITAL RESERVES**

### **a) Stock Options**

The Company established an incentive stock option plan (the "Plan") pursuant to which the Company may, from time to time, at the discretion of the directors, and in accordance with TSXV requirements, grant options to the directors, officers, technical consultants and employees of the Company to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. The number of common shares reserved for issuance to any individual director, officer or employee will not exceed five percent (5%) of the issued and outstanding common shares, and will not exceed two percent (2%) for all technical consultants.



**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

Effective April 24, 2014, the Board of Directors granted a total of 276,000 stock options to certain directors and officers exercisable into common shares at a price of \$0.30 per share expiring April 24, 2019 and were fully vested upon issuance. The fair value of the stock options granted to certain directors, and officers was \$35,051 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 87.98%; (iii) risk free rate of 1.36%; and (iv) expected life of 2.35 years and a forfeiture rate of 0%. The expected volatility rate used in the calculation of the stock option pricing model was a rate derived from the expected volatility of the share price of a group of similar mineral exploration companies since the common shares of the Company are thinly traded.

The stock options activity during the years ended February 29, 2016 and February 28, 2015 is summarized below:

<b>STOCK OPTIONS</b>	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price</b>
Balance, March 1, 2014	1,246,647	\$0.23
Granted in the year	276,000	\$0.30
Cancelled or expired in the year	(84,619)	\$0.23
<b>Balance, February 28, 2015</b>	<b>1,438,028</b>	<b>\$0.24</b>
Balance, March 1, 2015	1,438,028	\$0.24
Cancelled or expired in the year	(701,097)	\$0.20
<b>Balance, February 29, 2016</b>	<b>736,931</b>	<b>\$0.26</b>

On May 27, 2010, the Board of Directors granted a total of 896,023 stock options to directors and officers at an exercise price of \$0.20 per share and expiring on May 26, 2015. The fair value of the stock options granted on was \$131,145. The fair value of the stock options granted was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 100.00%; (iii) risk free rate of 3%; and (iv) expected life averaging 5 years. The stock options are fully vested upon issuance. During the year ended February 28, 2013, 268,807 stock options originally granted to a previous director of the Company were cancelled and an amount of \$39,344 representing the portion of the fair value attributable to these stock options was transferred to contributed surplus within the other capital reserves account. As at August 31, 2015, the remaining 627,216 stock options expired and the remaining fair value amount of \$91,801 was transferred to contributed surplus within the other capital reserves account.

During the February 29, 2016 fiscal year, a total of 73,881 stock options which were granted between August 2012 and April 2014 to a previous officer of the Company were cancelled.

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

As at February 29, 2016, there were a total of 736,931 (February 28, 2015 - 1,438,028) vested stock options outstanding and the weighted average contractual life remaining of the balance of the outstanding stock options is 2.14 years (February 28, 2015: 1.87 years).

**b) Share Purchase Warrants**

On May 17, 2013, the Company completed a non-brokered private placement financing of 1,527,637 Units for total proceeds of \$443,015 through the sale of Units at a purchase price of \$0.29 per Unit. Each Unit entitles the holder to receive one common share in the capital of Golden Bridge and one-half of one common share purchase warrant. A total of 763,819 warrants were issued and each whole warrant entitles the holder to acquire one common share at a price of \$0.46 per common share for a period of 12 months from the date of closing of the financing. The fair value of the warrants granted was \$31,012 and was calculated using the Black Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 80.36%; (iii) risk free rate of 1.06%; and (iv) contractual life of 1 year.

The expected volatility rate used in the calculation of the option pricing model was a rate derived from the expected volatility of the share price of a group of similar mineral exploration companies since the common shares of the Company are thinly traded. All of these share purchase warrants expired on May 17, 2014. As a result, \$31,012 was transferred to contributed surplus within the other capital reserves account.

The share purchase warrants activity is summarized below:

<b>SHARE PURCHASE WARRANTS</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
<b>Balance, March 1, 2014</b>	763,819	\$0.46
Cancelled / Expired in the year	(763,819)	\$0.46
<b>Balance, February 28, 2015 and February 29, 2016</b>	-	-

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

**c) Other Capital Reserves**

	<u>Share Purchase Warrants</u>	<u>Stock Options</u>	<u>Contrib uted Surplus</u>	<u>Total Other Capital Reserves</u>
Balance, March 1, 2014	\$ 31,012	\$ 212,042	\$ 259,715	\$ 502,769
Issued in the year - Note 11(a)	-	35,051	-	35,051
Expired in the year - Note 11(b)	(31,012)	-	31,012	-
<b>Balance, February 28, 2015</b>	<b>\$ -</b>	<b>\$ 247,093</b>	<b>\$ 290,727</b>	<b>\$ 537,820</b>
Balance, March 1, 2015	\$ -	\$ 247,093	\$ 290,727	\$ 537,820
Expired in the year (Note 11(a))	-	( 91,801)	91,801	-
<b>Balance, February 29, 2016</b>	<b>\$ -</b>	<b>\$ 155,292</b>	<b>\$ 382,528</b>	<b>\$ 537,820</b>

**12. RELATED PARTY TRANSACTIONS**

During the years ended February 29, 2016 and February 28, 2015, the following are the related party transactions:

a) During the February 29, 2016 fiscal year, Northern Skye, the appointed mining operator of the Hebecourt Property, billed the Company \$5,454 in total for the mining exploration program for the Hebecourt Property during the period which has been capitalized to mining exploration costs.

During the February 28, 2015 fiscal year, a mining exploration company contracted by Northern Skye, the appointed mining operator of the Hebecourt Property, billed the Company \$161,875 for the mining exploration program for the Hebecourt Property which has been capitalized to mining exploration costs. The mining exploration company is controlled by a relative of a director of Northern Skye Resources Ltd. who is also a director of the Company.

b) A summary of the key management (the Chief Executive, the Chief Financial Officer and the General Manager) compensation comprises the following:

	<u>Feb 29, 2016</u>	<u>Feb 28, 2015</u>
Salaries and benefits	\$ 294,674	\$ 314,035
Stock-based compensation	-	21,716
<b>Total for the year</b>	<b>\$ 294,674</b>	<b>\$ 335,751</b>

c) Charles Qin, the former Chief Executive Officer and a director of the Company, participated in the convertible debentures offering which closed on December 5, 2013. By virtue of Mr. Qin's participation, the Offering constitutes a "related party transaction" under applicable securities laws (See Note 8).

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **13. FINANCIAL INSTRUMENTS**

#### **Fair Value**

At February 29, 2016, the carrying value of cash and cash equivalents, other receivables (excluding HST) and accounts payables and accrued liabilities approximates their carrying value due to the short-term nature of these financial instruments. The fair value of cash and cash equivalents is based on Level 1 inputs. Fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities.

The fair value of the convertible debentures, which are due on December 5, 2016, as at February 29, 2016 is equivalent to the carrying value amount recorded in the statement of financial position.

#### **Capital Management**

The Company's capital management objectives are to safeguard its ability to continue to operate as a going concern and to provide funding for the exploration and development of its mining properties. The Company considers items included in shareholder's equity to be capital. Its principal sources of cash are from the issuance of common shares. The Board of Directors monitors the Company's capital position on a regular basis. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares from time to time.

#### **Risk Management**

The Company is exposed to financial risks due to the nature of its business operations and the financial assets and liabilities it holds. The Company's primary risk management objective is to safeguard its cash flows, and to maintain its mining properties in good standing and in compliance with the associated financial obligations.

The management of the Company monitors its overall cash position on a regular basis and forecasts its financial obligations so that it is able to meet these commitments. The Board of Directors meets regularly to review business operations, reviews of cash positions and budgets, monitors the status of its mining properties, reviews compliance with contracts and commitments, and compliance with regulatory authorities.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

- a) *Market risk* - Market risk is the risk that the fair value or future cash flow from a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company believes that it is exposed to price risk related to commodity prices and real estate.
- b) *Credit risk* - Credit risk arises from cash and deposits with banks and financial institutions. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

**CIM International Group Inc.**  
**(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

- c) *Liquidity risk* - Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity and debt financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs subject to certain restrictions imposed by the CSE.

The following table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company could be required to pay or settled with the issuance of common shares in the capital of the Company:

	<u>0 - 3 Months</u>	<u>3 Months to 1 Year</u>	<u>&gt; 1 Year</u>	<u>Total February 29, 2016</u>
Accounts payables and accruals	\$ -	\$382,787	\$ -	\$ 382,787
Deposit	-	36,000	-	36,000
Convertible debentures	-	280,000	-	280,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 698,787</b>	<b>\$ -</b>	<b>\$ 698,787</b>

	<u>0 - 3 Months</u>	<u>3 Months to 1 Year</u>	<u>&gt; 1 Year</u>	<u>Total February 28, 2015</u>
Accounts payables and accruals	\$ -	\$ 111,981	\$ -	\$ 111,981
Convertible debentures	-	-	280,000	280,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 111,981</b>	<b>\$280,000</b>	<b>\$ 391,981</b>

- d) *Interest rate risk* - The Company is not exposed to any significant interest rate risk as it has no significant long-term investments which would be subject to material interest rate fluctuations. A change in the market interest rate will have an impact on the fair value of the convertible debenture. An increase in the interest rates by 1% would result in the valuation of the convertible debentures to decrease by \$5,578, and the annual accretion expense to increase by \$1,859 during the term to maturity of the convertible debentures.
- e) *Currency risk* - The Company operates in Canada and conducts its business operations in Canadian dollars only. As a result, the Company no foreign currency exposure with respect to its transactions denominated in Canadian dollars.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### **14. COMMITMENTS AND CONTINGENCIES**

#### **a) Hebecourt Project - Terms of the Assignment and Assumption Agreement**

Under the terms of the Agreement, and in order to maintain the option under the Tagliamonte Option Agreement in good standing, the following commitments, with an effective date of August 28, 2011, were as follows:

- (i) Pay to Tagliamonte the aggregate sum of \$300,000 in cash as follows:
  - (A) \$20,000 on or before the twelve (12) month anniversary of the Tagliamonte Option Agreement Effective Date; this amount was paid in the February 28, 2013 fiscal year;
  - (B) \$30,000 on or before the twenty-four (24) month anniversary of the Tagliamonte Option Agreement Effective Date; this amount was paid in the February 28, 2014 fiscal year;
  - (C) \$50,000 on or before the thirty-six (36) month anniversary of the Tagliamonte Option Agreement Effective Date; and
  - (D) \$200,000 on or before the forty-eight (48) month anniversary of the Tagliamonte Option Agreement Effective Date; and
- (ii) Issue to Tagliamonte the aggregate of 185,000 Common Shares of the Company as follows:
  - (A) 15,000 Common Shares on or before the twelve (12) month anniversary of the Tagliamonte Option Agreement Effective Date; these shares were issued in the February 28, 2013 fiscal year;
  - (B) 20,000 Common Shares on or before the twenty-four (24) month anniversary of the Tagliamonte Option Agreement Effective Date; these shares were issued in the February 28, 2014 fiscal year;
  - (C) 50,000 Common Shares on or before the thirty-six (36) month anniversary of the Tagliamonte Option Agreement Effective Date; these shares were issued in the February 28, 2015 fiscal year; and
  - (D) 100,000 Common Shares on or before the forty-eight (48) month anniversary of the Tagliamonte Option Agreement Effective Date; and
- (iii) Incur cumulative expenditures of not less than \$2,500,000 regarding the Tagliamonte Property as follows:
  - (A) \$200,000 on or before the twelve (12) month anniversary of the Tagliamonte Option Agreement Effective Date; \$348,623 in expenditures were incurred in the February 28, 2013 fiscal year;
  - (B) an additional \$400,000 on or before the twenty-four (24) month anniversary of the Tagliamonte Option Agreement Effective Date; \$317,376 in expenditures were incurred in February 28, 2014;
  - (C) an additional \$500,000 on or before the thirty-six (36) month anniversary of the Tagliamonte Option Agreement Effective Date; \$161,875 in expenditures were incurred during February 28, 2015;
  - (D) an additional \$500,000 on or before the forty-eight (48) month anniversary of the Tagliamonte Option Agreement Effective Date; and
  - (E) an additional \$900,000 on or before the Ninety (60) month anniversary of the Tagliamonte Option Agreement Effective Date.

# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

Subsequent to the year-end, the Company terminated the Agreement with the holders with respect to the Hebecourt Property and is no longer bound by the terms, conditions, commitments or obligations of the Agreement. In addition, the Company will have no obligations, commitments or liabilities of any kind going forward.

### **Net Smelter Return Royalty**

Upon the exercise in full of the Tagliamonte Option Agreement, the Company will be required to pay a 2.5% Net Smelter Return royalty on sales of mineral resources from the Hebecourt Property subject to a minimum payment of \$30,000 per year during the period in which Net Smelter royalties are payable.

The Company has the right at any time to purchase 40% of the Net Smelter Return royalty for \$1,000,000 on or before August 28, 2016 which is the fifth anniversary of the effective date.

The Company has the right at any time to purchase a further 40% of the Net Smelter Return royalty for \$1,000,000 on or before August 28, 2017 which is the sixth anniversary of the effective date.

### **Joint Venture**

The Agreement between the Company and Northern Skye included a term sheet for a joint venture agreement to be entered into between the two parties subsequent to the satisfactory of the completion of the all the terms and conditions of the Agreement. In order to earn an undivided 50% interest in the Hebecourt Property, in accordance with the terms of the Agreement, additional financing would be required to be able to incur and fulfill all of the financial expenditures, commitments and obligations contained in the Agreement.

### **b) Lease Commitment**

Effective January 2014, the Company moved its office premises to a new location and was committed to a rental contract under an operating lease for monthly payments of \$4,227 plus applicable taxes, which expired on February 29, 2016. There are no rental commitments remaining under contract as at February 29, 2016.

### **c) Issuance of Flow-Through Shares**

The Company is financed in part through the issuance of flow-through shares requiring that the Company spend the proceeds for qualifying mining exploration expenses. Furthermore, the Canadian tax rules set deadlines for carrying out the exploration work, subject to penalties if the conditions are not met or satisfied. The Company is committed to conducting all the required measures to be in compliance, however, refusal of certain exploration expenditures by the tax authorities would have a negative effect on the Company.

During the year ended February 28, 2014, the Company received gross proceeds \$60,900 following the issuance of flow-through shares. The Company renounced a total of \$60,900 of eligible mining expenditures and the corresponding tax deductions to the subscribers of the flow-through shares as of February 28, 2014. The Company has incurred all of the qualifying mining exploration expenditures as at February 28, 2015.

# CIM International Group Inc.

## (Formerly Golden Bridge Mining Corporation)

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### 15. SEGMENTS

The Company operated one business segment; the acquisition, exploration and development of mineral properties and for which all operating activities were conducted within Canada. The Company had two distinct mineral properties both located in Canada which earned no revenues during the year and have the following mineral exploration costs capitalized in assets as follows:

	<u>February 29, 2016</u>	<u>February 28, 2015</u>
Hebecourt Project - Quebec	\$ -	\$ 790,377
Uranium Project - Saskatchewan	<u>-</u>	<u>27,994</u>
Total Net Mining Costs Capitalized	<u>\$ -</u>	<u>\$ 818,371</u>

As discussed in Note 5, the Company terminated the agreement with respect to the Hebecourt Property.

### 16. SUBSEQUENT EVENTS

#### Completion of the Transaction

Subsequent to the year ended February 29, 2016, the Company announced that it completed the securities exchange involving CIM Development (Markham) LP ("CIM LP"), CIM Investment & Development LP, Global King Inc., and Shang Titlist Investment Inc. (the three foregoing entities referred to collectively as the "CIM Parties") and acquired 10,000,000 Class A units in a new limited partnership named CIM Mackenzie Creek Limited Partnership in exchange for 40,000,000 consolidated common shares in the capital of the Company at a deemed price of \$0.25 per consolidated share on a post-consolidated basis totalling \$10,000,000 (the "Transaction").

Shareholders of the Company overwhelmingly supported and approved the Transaction and related matters at the Annual and Special Meeting of the shareholders held on April 8, 2016.

As at February 29, 2016, the Company has recorded a refundable deposit of \$36,000 in connection with the anticipated Transaction upon the signing of the Letter of Intent ("LOI") dated January 28, 2016 between the Company and the CIM Parties. Upon completion of the Transaction, or if there is a termination of the LOI in accordance with its terms, the Company was required to immediately repay the deposit to CIM Parties. Subsequent to the year-end, this \$36,000 deposit received from CIM Parties was repaid by the Company.

In accordance with the termination agreement involving Lemine Development related to a proposed previous transaction in accordance with a letter of intent signed on October 15, 2015 with the Company that was terminated, the \$100,000 refundable deposit previously received from Lemine Development Corp. was repaid by the Company.



# **CIM International Group Inc.**

## **(Formerly Golden Bridge Mining Corporation)**

Notes to the Financial Statements

For the Years Ended February 29, 2016 and February 28, 2015

(Expressed in Canadian Dollars)

---

### Concurrent Financing

As at February 29, 2016, the Company recorded a total of \$600,000 in proceeds, received before February 29, 2016, for shares to be issued in connection with the equity financing of common shares. During the year ended February 29, 2016, share issue costs recorded against the shares to be issued included professional fees and other fees of \$3,828. The Company issued subscription receipts to issue 2,400,000 post consolidated shares at \$0.25 per common share upon the closing of the equity financing in accordance with the completion of the Transaction on April 29, 2016. Effective on April 29, 2016, the Company completed an equity financing, as required in order to meet CSE listing requirements, for a total of \$600,000 consisting of 2,400,000 post-consolidation shares at \$0.25 per common share.

### Share Consolidation and Change of Business

The Company had 18,663,081 Common Shares as at February 29, 2016, on a non-diluted basis. In connection with the closing of the Transaction and prior to the concurrent financing that occurred as part of the Transaction, the CIM Group and the current shareholders of the Company, now hold 91.5% and 8.5% of the issued and outstanding Common Shares of the Company, on a non-diluted basis, respectively.

Upon the closing of the Transaction the Company consolidated its issued and outstanding shares on the basis of five pre-consolidation Common Shares for each one post-consolidation Common Share. The 5:1 ratio consolidation of the Common Shares was approved by the shareholders of the Company on April 8, 2016 and was also approved by regulatory authorities.

The Transaction resulted in a change of business ("Change of Business") for the Company which became a "Diversified Industries" company.

### Stock Options

On April 29, 2016, subsequent to the year-end, the Company granted a total of 373,262 post-consolidation stock options to certain officers and directors of the Company which are exercisable for one post-consolidation common share at an exercise price of \$0.375 per post-consolidation common share. The stock options granted have an expiry date of April 29, 2019 and are vested upon the date of grant.

### De-Listing from TSXV and Re-Listing on the CSE

The Company delisted its Common Shares from the TSXV effective April 29, 2016 pursuant to the policies of the TSXV, and which was approved by the shareholders of the Company on April 8, 2016 at the Company's Annual and Special Meeting.

In connection with the Transaction, the Company satisfactorily completed the process to list its Common Shares on the CSE in accordance with the CSE's listing requirements effective on May 2, 2016 and its common shares began trading on May 9, 2016 on the CSE Exchange.