

Canadian International Minerals Inc.

Financial Statements

For the year ended March 31, 2017

Expressed in Canadian dollars

Independent Auditor's Report

To the Shareholders of Canadian International Minerals Inc.

We have audited the accompanying financial statements of Canadian International Minerals Inc., which comprise the statements of financial position as at March 31, 2017 and March 31, 2016, and the statements of comprehensive loss, changes in shareholders' equity (deficit) and 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 audits 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 Canadian International Minerals Inc. as at March 31, 2017 and March 31, 2016 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 2 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Canadian International Minerals Inc. to continue as a going concern.

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, British Columbia
July 31, 2017**

Canadian International Minerals Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	March 31, 2017	March 31, 2016
ASSETS			
Current Assets			
Cash		\$ 2,320	\$ 17,449
Amounts receivable		3,623	11,745
Prepaid expense and deposits		2,165	-
		8,108	29,194
Exploration and evaluation assets	7	219,867	263,545
Equipment	8	759	1,023
Total assets		\$ 228,734	\$ 293,762
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10	\$ 198,398	\$ 311,748
		198,398	311,748
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	9	10,809,272	10,587,272
Share subscriptions		5,000	28,875
Equity reserves		2,778,812	2,604,600
Deficit		(13,562,748)	(13,238,733)
		30,336	(17,986)
Total liabilities and shareholders' equity (deficit)		\$ 228,734	\$ 293,762

Approved on behalf of the Board of Directors:

"Michael Schuss"
 Director

"Casey Forward"
 Director

Canadian International Minerals Inc.
Statements of Comprehensive Loss
For the years ended March 31
(Expressed in Canadian dollars)

	Note	2017	2016
Expenses			
Bank charges and interest		\$ 2,104	\$ 521
Consulting fees		4,500	6,262
Depreciation	8	264	362
Management and director fees	10	90,000	90,000
Office and general		31,850	19,710
Pre-exploration costs	10	72,498	4,785
Professional fees	10	76,398	78,292
Shareholder communications and promotion		8,308	9,076
Share-based payments	9, 10	29,900	213,607
Transfer agent and filing fees		20,641	30,119
Travel		1,137	2,748
Write-off of exploration and evaluation assets	7	13,485	60,147
		(351,085)	(515,629)
Other item			
Write-off of accounts payable		27,070	-
Loss and comprehensive loss		\$ (324,015)	\$ (515,629)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding, basic and diluted		50,087,734	35,144,365

Canadian International Minerals Inc.
Statements of Cash Flows
For the years ended March 31
(Expressed in Canadian dollars)

	Note	2017	2016
Cash Flows from Operating Activities			
Loss for the year		\$ (324,015)	\$ (515,629)
Items not affecting cash:			
Depreciation		264	362
Share-based payments		29,900	213,607
Write-off of accounts payable		(27,070)	-
Write-off of exploration and evaluation assets		13,485	60,147
		<u>(307,436)</u>	<u>(241,513)</u>
Changes in non-cash working capital:			
Amounts receivable		8,122	(9,655)
Prepaid expenses and deposits		(2,165)	-
Accounts payable and accrued liabilities		(44,753)	18,717
Net cash used in operating activities		<u>(346,232)</u>	<u>(232,451)</u>
Cash Flows from Financing Activities			
Shares issued for cash		338,575	228,273
Share issue costs		(1,138)	(76)
Share subscriptions		5,000	28,875
Net cash provided by financing activities		<u>342,437</u>	<u>257,072</u>
Cash Flows from Investing Activities			
Acquisition of exploration and evaluation assets		-	(18,650)
Deferred exploration and evaluation costs		(11,334)	(1,180)
Net cash used in investing activities		<u>(11,334)</u>	<u>(19,830)</u>
Change in cash		(15,129)	4,791
Cash at beginning of year		17,449	12,658
Cash at end of year		\$ 2,320	\$ 17,449

Interest paid	\$	-	\$	-
Income taxes paid	\$	-	\$	-

Supplemental cash flow information

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Canadian International Minerals Inc.
Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Note	Share Capital		Share Subscriptions	Equity Reserves		Total Equity Reserves	Deficit	Total
		Shares	Amount		Stock Options	Warrants			
Balance, April 1, 2015		28,285,235	\$ 10,292,852	\$ 11,500	\$ 1,172,156	\$ 1,048,560	\$ 2,220,716	\$ (12,723,104)	\$ (198,036)
Share issuances									-
Private placement	9b	1,930,000	48,892	(11,500)	-	47,608	47,608	-	85,000
Private placement	9b	1,250,000	12,800	-	-	12,200	12,200	-	25,000
Private placement	9b	3,200,666	24,059	-	-	23,951	23,951	-	48,010
Private placement	9b	2,007,500	35,345	-	-	34,918	34,918	-	70,263
Private placement	14	-	-	28,875	-	-	-	-	28,875
Finder's fees	9b	-	(76)	-	-	-	-	-	(76)
Property acquisition - Arc Property	7d	2,000,000	20,000	-	-	-	-	-	20,000
Property acquisition - Lac Manitou	7e	2,500,000	100,000	-	-	-	-	-	100,000
Property exploration - Lac Manitou	9b	3,500,000	53,400	-	-	51,600	51,600	-	105,000
Share-based payments		-	-	-	213,607	-	213,607	-	213,607
Loss for the year		-	-	-	-	-	-	(515,629)	(515,629)
Balance, March 31, 2016		44,673,401	\$ 10,587,272	\$ 28,875	\$ 1,385,763	\$ 1,218,837	\$ 2,604,600	\$ (13,238,733)	\$ (17,986)
Balance, April 1, 2016		44,673,401	\$ 10,587,272	\$ 28,875	\$ 1,385,763	\$ 1,218,837	\$ 2,604,600	\$ (13,238,733)	\$ (17,986)
Share issuances									-
Private placement	9b	1,600,000	30,100	(28,875)	-	25,900	25,900	-	27,125
Private placement	9b	4,100,000	104,000	-	-	101,000	101,000	-	205,000
Private placement	9b	1,620,000	20,586	-	-	19,914	19,914	-	40,500
Private placement	9b	1,300,000	18,500	-	-	14,000	14,000	-	32,500
Private placement	14	-	-	5,000	-	-	-	-	5,000
Finder's fees	9b	-	(1,138)	-	-	-	-	-	(1,138)
Exercise of warrants	9b	669,000	49,952	-	-	(16,502)	(16,502)	-	33,450
Share-based payments		-	-	-	29,900	-	29,900	-	29,900
Loss for the year		-	-	-	-	-	-	(324,015)	(324,015)
Balance, March 31, 2017		53,962,401	\$ 10,809,272	\$ 5,000	\$ 1,415,663	\$ 1,363,149	\$ 2,778,812	\$ (13,562,748)	\$ 30,336

The accompanying notes form an integral part of these financial statements

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION

The Company was incorporated on March 2, 2006 in British Columbia. The head office, principal address and records office of the Company are located at 205 - 1717 Haro Street, Vancouver, British Columbia, Canada, V6C 1H1. The Company's registered address is at the same address.

The Company is in the process of acquiring and exploring its resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "CIN".

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 31, 2017.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Going Concern of Operations

The Company incurred a loss of \$324,015 for the year ended March 31, 2017 (2016: \$515,629), and has an accumulated deficit of \$13,562,748 and working capital deficiency of \$190,290 at March 31, 2017 (2016: deficit of \$13,238,733 and working capital deficiency of \$282,554). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash

Cash include cash on hand that is readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

(b) Exploration and Evaluation Assets

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mining Tax Credits are accounted for on an accrual basis and are applied as a reduction to capitalized costs.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration and evaluation assets.

(c) Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively. Depreciation is provided for using the declining-balance method at the following rates per annum:

Computer equipment	30%
Office equipment	20%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive loss/income.

(e) Financial Instruments

Financial assets

Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Fair Value Through Profit or Loss ("FVTPL")

Financial assets are classified as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Such assets are measured at fair value with unrealized gains and losses recognized in profit and loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale ("AFS")

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss.

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments (continued)

Cash is classified as FVTPL.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Liabilities in this category include accounts payable and accrued liabilities.

(f) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

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

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(h) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Valuation of equity units issued in private placements

The Company has adopted a pro rata method with respect to the measurement of shares and warrants issued as private placement units. The pro rata method required each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components.

The fair value of the common shares is based on the closing quoted bid price on the announcement date and the fair value of the common share purchase warrants is determined at the announcement date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in equity reserves.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. The fair value of share-based compensation awards are calculated using the Black-Scholes option pricing model ("Black-Scholes"). Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

The fair value of stock options granted to non-employees is recorded at the fair value of the goods or services received unless the value of goods or services received cannot be reliably estimated, then the fair value is determined using the Black-Scholes.

(j) Standards, Amendments and Interpretations Adopted

The Company adopted the following accounting standards and amendments effective April 1, 2016. The adoption had no significant impact on the Company's financial statements:

Amendments to IFRS 7
Amendments to IAS 1
Amendments to IAS 16

(k) Standards, Amendments and Interpretations Not Yet Adopted

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is tentatively effective for annual periods beginning on or after January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

IFRS 15

IFRS 15 Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16

IFRS 16 Leases establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern require significant judgment. See Note 2(c).

Exploration and Evaluation Expenditure and Impairment

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Key sources of estimation uncertainty:

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. For share-based payments incurred during the years ended March 31, 2017 and 2016, expected volatility was determined based on historical share price volatility. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9c.

5. SUPPLEMENTAL CASH FLOW INFORMATION AND NON-CASH TRANSACTIONS

The Company incurred non-cash financing and investing activities for the years ended March 31, 2017 and 2016 are as follows:

	2017	2016
Non-cash financing activities		
Exploration and evaluation assets acquired by issuance of shares	\$ -	\$ 120,000
Exploration and evaluation expenditures incurred by issuance of shares	\$ -	\$ 105,000
Amounts payable and accrued liabilities in exploration and evaluation assets	\$ 108,752	\$ 150,279

6. SEGMENTED INFORMATION

The Company currently operates in one industry segment, being mineral exploration and in one geographic area, being Canada.

Canadian International Minerals Inc.
Notes to Financial Statements
(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

For the year ended March 31, 2017

	Lac Maintou	Leduc	Total
Balance, beginning of year	\$ 219,867	\$ 43,678	\$ 263,545
Acquisition costs			
Cash	-	-	-
Deferred exploration expenditures			
Exploration	-	29,807	29,807
	-	29,807	29,807
Total	219,867	73,485	293,352
Recoveries	-	(60,000)	(60,000)
Write-offs	-	(13,485)	(13,485)
	\$ 219,867	\$ -	\$ 219,867

For the year ended March 31, 2016

	Three Amigos	Pikoo A & B	Pikoo C	Arc	Lac Maintou	Leduc	Total
Balance, beginning of year	\$ 8,702	\$ 19,375	\$ 10,903	\$ -	\$ -	\$ -	\$ 38,980
Acquisition costs							
Cash	-	-	-	-	11,500	7,150	18,650
Shares	-	-	-	20,000	100,000	-	120,000
	-	-	-	20,000	111,500	7,150	138,650
Deferred exploration expenditures							
Exploration	-	-	1,167	-	108,367	36,528	146,062
	-	-	1,167	-	108,367	36,528	146,062
Total	8,702	19,375	12,070	20,000	219,867	43,678	323,692
Write-offs	(8,702)	(19,375)	(12,070)	(20,000)	-	-	(60,147)
	\$ -	\$ -	\$ -	\$ -	\$ 219,867	\$ 43,678	\$ 263,545

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Three Amigos

The Company acquired a 50% interest in the Three Amigos property by contributing 50% of staking costs. The Three Amigos property is comprised of a single claim, totaling 4,871 hectares (12,036 acres), and is contiguous to the main block of the Bigstone Lake properties.

The Company has no exploration plans for the property in the near future and has written off costs of \$8,702 in accordance with IFRS 6 in the year ended March 31, 2016.

(b) Pikoo A & B

The Company acquired a 100% interest in the Pikoo A & B claims, in northeastern Saskatchewan. The properties are comprised of 5 claims, totaling 3,447 hectares. The acquisition cost of the claims was \$2,375 (paid) and the issuance of 400,000 common shares of the Company at \$0.05 per share (issued). On September 23, 2014 the Company announced it had signed a Letter of Agreement with North Arrow Minerals Inc. ("North Arrow") which forms the basis for the terms of an agreement by which North Arrow can earn a 70% interest in the Pikoo A & B properties by funding exploration and evaluation of the properties to a kimberlite discovery (including drilling, sampling, and indicator mineral testing) within a three year option period.

The Company has no exploration plans for the property in the near future and has written off costs of \$19,375 in accordance with IFRS 6 in the year ended March 31, 2016.

(c) Pikoo C

The Company acquired a 100% interest in the Pikoo C claims, in northeastern Saskatchewan. The properties are comprised of 3 claims, totaling 875 hectares. The acquisition cost of the claims was \$903 (paid) and the issuance of 200,000 common shares of the Company at \$0.05 per share (issued).

The Company has no exploration plans for the property in the near future and has written off costs of \$12,070 in accordance with IFRS 6 in the year ended March 31, 2016.

(d) Arc

The Company acquired an 80% working interest and operatorship of the Arc Diamond Project, located southwest of the Pikoo diamond field in northern Saskatchewan. Under the terms of the acquisition agreement, the Company issued 2,000,000 shares at the value of \$0.01 per share for a total of \$20,000. The Vendor will retain a 2% gross royalty and a 20% carried working interest; such carried working interest being carried up to but not including mine construction.

The Company has no exploration plans for the property in the near future and has written off costs of \$20,000 in accordance with IFRS 6 in the year ended March 31, 2016.

(e) Lac Manitou

The Company acquired a 100% interest in the Lac Manitou property for \$3,000 cash (paid) and 2,500,000 common shares (issued). The claims are subject to a 2% NSR, of which 1% can be bought back at any time for \$750,000. The fair value of the shares issued was \$100,000. Additional staking was done at a cost of \$8,500.

On February 17, 2017, the Company entered into an earn-in agreement with Clean Commodities Corp. to acquire a 50% interest in the Lac Manitou property in exchange for a one-time cash renewal payment for the claims and funding a \$50,000 exploration program in 2017.

(f) Leduc Lithium

The Company applied and has received seven Metallic and Industrial Minerals ("MAIM") permits in northern Alberta, known collectively as the Leduc Property ("Leduc"). This property is subject to a royalty agreement whereby 2% of Gross Revenue, as defined, is payable by the Company to Strategic Staking & Exploration Inc.

On April 21, 2016, the Company signed a letter of intent pursuant to which Noram Ventures Inc. may earn a 50% interest in this project. The Company received \$20,000 on signing, after which the letter of intent was terminated.

On August 13, 2016, the Company entered into an agreement with Zimtu Capital Corp. to sell its interest to the property for consideration of \$40,000 (received).

The Company has no exploration plans for the property in the near future and has written off costs of \$13,485 in accordance with IFRS 6 in the year ended March 31, 2017.

Canadian International Minerals Inc.
Notes to Financial Statements
Year ended March 31, 2017
(Expressed in Canadian Dollars)

8. EQUIPMENT

	Office equipment	Computer equipment	Total
Cost			
Balance at March 31, 2015	\$ 2,267	\$ 8,501	\$ 10,768
Additions	-	-	-
Balance at March 31, 2016	2,267	8,501	10,768
Additions	-	-	-
Balance at March 31, 2017	\$ 2,267	\$ 8,501	\$ 10,768
Depreciation and impairment			
Balance at March 31, 2015	\$ 1,732	\$ 7,651	\$ 9,383
Depreciation	107	255	362
Balance at March 31, 2016	1,839	7,906	9,745
Depreciation	86	178	264
Balance at March 31, 2017	\$ 1,925	\$ 8,084	\$ 10,009
Carrying amounts			
at March 31, 2016	\$ 428	\$ 595	\$ 1,023
at March 31, 2017	\$ 342	\$ 417	\$ 759

9. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

For the year ended March 31, 2017

In March 2017 the Company completed a private placement consisting of 1,300,000 units at a price of \$0.025 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until March 6, 2020. The fair value of the warrants was \$14,000 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.03, risk-free interest rate of 0.99%, dividend yield of 0%, volatility of 201% and expected life of three years.

In December 2016 the Company completed a private placement consisting of 1,620,000 units at a price of \$0.025 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until December 19, 2018. The fair value of the warrants was \$19,914 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.03, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 316% and expected life of two years.

In July 2016 the Company completed a private placement consisting of 4,100,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until July 25, 2018. The fair value of the warrants was \$101,000 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.04, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 315% and expected life of two years.

In April 2016 the Company completed a private placement consisting of 1,600,000 units at a price of \$0.035 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until April 20, 2017 and at \$0.07 until April 20, 2018. The fair value of the warrants was \$25,900 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.05, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 222% and expected life of two years. The Company incurred finder's fees of \$1,138.

A total of 669,000 warrants were exercised at \$0.05 each.

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

9. SHARE CAPITAL

(b) Issued (continued)

For the year ended March 31, 2016

In February 2016 the Company issued 3,500,000 shares at a fair value of \$0.03 per share and 3,500,000 warrants to purchase additional shares at \$0.10 each until February 11, 2019 to Kaminak Gold Corporation ("Kaminak") to acquire Kaminak's exploration database pertaining to the Lac Manitou property. The fair value of the warrants was \$51,600 which was included in equity reserves. The fair value has been estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on date of agreement of \$0.04, risk free interest rate of 0.46%, dividend yield of 0%, volatility of 268% and expected life of 3 years. Kaminak was granted a 1% royalty on the property.

In January 2016 the Company completed a private placement consisting of 2,007,500 units at a price of \$0.035 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until January 13, 2017 and at \$0.07 until January 13, 2018. The fair value of the warrants was \$34,918 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.04, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 351% and expected life of two years. The Company paid a finder's fee of \$76.

In December 2015 the Company issued 2,500,000 shares at a fair value of \$0.04 each to Strategic Staking & Exploration Inc. to acquire the Lac Manitou property.

In November 2015 the Company completed a private placement consisting of 3,200,666 units at a price of \$0.015 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until November 18, 2018. The fair value of the warrants which \$23,951 and was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.01, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 335% and expected life of three years.

In September 2015 the Company issued 2,000,000 shares at a fair value of \$0.01 each to Kalt Industries Inc. to acquire the Arc property.

In June 2015 the Company completed a private placement consisting of 1,250,000 units at a price of \$0.02 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until June 8, 2017. The fair value of the warrants was \$12,200 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.02, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 306% and expected life of two years.

In May 2015 the Company completed a private placement consisting of 1,930,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until May 7, 2018. The fair value of the warrants was \$47,608 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of issue of \$0.02, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 275% and expected life of three years.

(c) Stock options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. The options may be exercisable for a maximum term of ten years.

(i) The changes in stock options were as follows:

	For the year ended March 31, 2017	Weighted Average Exercise Price	For the year ended March 31, 2016	Weighted Average Exercise Price
Balance, beginning of year	3,875,000	\$ 0.12	300,000	\$ 1.00
Activities during the year:				
Granted	600,000	0.05	3,600,000	0.05
Expired	(275,000)	1.00	(25,000)	1.00
Balance, end of year	4,200,000	\$ 0.05	3,875,000	\$ 0.12

Canadian International Minerals Inc.
Notes to Financial Statements
Year ended March 31, 2017
(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(c) Stock options

During the year ended March 31, 2017, the Company granted a total of 600,000 options (March 31, 2016 - 3,600,000) to employees, consultants, directors and officers. The options are exercisable at 0.05 per share until April 28, 2019.

Using the fair value method for share-based payments, a total expense of \$29,900 was recorded in the statements of comprehensive loss for the year ended March 31, 2017 (March 31, 2016 - \$213,607).

The current amount was determined using the Black Scholes Option Pricing Model assuming no dividends are to be paid, with a weighted average expected stock option life of 3 years, a weighted average annual volatility of the Company's share price of 338% and an average annual risk free interest rate of 1.00%.

(ii) The following table summarizes information about stock options outstanding at March 31, 2017:

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (years)
\$ 0.05	3,600,000	3,600,000	
\$ 0.05	600,000	600,000	
	4,200,000	4,200,000	3.6

(d) Warrants

(i) The changes in warrants were as follows:

	For the year ended March 31, 2017	Weighted Average Exercise Price	For the year ended March 31, 2016	Weighted Average Exercise Price
Balance at beginning of year	27,694,321	\$ 0.09	16,307,355	\$ 0.13
Activities during the year:				
Issued	8,620,000	0.05	11,888,166	0.06
Exercised	(669,000)	0.05	-	-
Expired	(4,306,156)	0.17	(501,200)	1.00
Balance at end of year	31,339,165	\$ 0.07	27,694,321	\$ 0.09

(ii) The following table summarizes information about warrants outstanding at March 31, 2017:

	Number outstanding	Exercise price	Expiry date
	1,250,000	\$ 0.05	June 8, 2017 *
	1,600,000	\$ 0.05/\$ 0.07	April 20, 2018
	2,007,500	\$ 0.07	January 13, 2018
	1,484,100	\$ 0.10	March 6, 2019
	7,515,900	\$ 0.07	March 6, 2019
	1,261,000	\$ 0.05	May 7, 2018
	2,400,000	\$ 0.08	May 8, 2018
	100,000	\$ 0.12	May 8, 2018
	4,100,000	\$ 0.05	July 25, 2018
	3,200,665	\$ 0.05	November 18, 2018
	1,620,000	\$ 0.05	December 19, 2018
	3,500,000	\$ 0.10	February 11, 2019
	1,300,000	\$ 0.05	March 6, 2020
	31,339,165		

* Expired unexercised subsequent to the year-end.

Canadian International Minerals Inc.**Notes to Financial Statements****Year ended March 31, 2017****(Expressed in Canadian Dollars)****10. RELATED PARTY TRANSACTIONS AND BALANCES**

The following expenses were incurred with current and former key management personnel of the Company and companies controlled by current and former key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	For the year ended March 31, 2017	For the year ended March 31, 2016
Management fees	\$ 90,000	\$ 90,000
Professional fees	42,000	66,000
Pre-exploration costs	9,524	-
Deferred exploration expenditures capitalized to exploration and evaluation assets	38,965	-
Share-based payments	-	100,120
	\$ 180,489	\$ 256,120

As at March 31, 2017 accounts payable and accrued liabilities included \$85,056 (March 31, 2016 - \$141,967) owing to officers and directors. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

11. INCOME TAXES

The following is a reconciliation of income taxes at statutory rates:

	2017	2016
Loss for the year	\$ (324,015)	\$ (515,629)
Expected income tax recovery	(84,244)	(134,064)
Permanent differences	7,934	55,538
Change in unrecognized tax benefits	76,310	78,526
Total income tax recovery	\$ -	\$ -

The nature and tax effect of the taxable temporary differences giving rise to deferred tax liabilities are summarized as follows:

	2017	2016
Non-capital losses	\$ 1,153,000	\$ 1,099,000
Share issue costs	1,000	2,000
Equipment	2,000	1,000
Exploration and evaluation assets	1,650,000	1,626,000
	2,806,000	2,728,000
Unrecognized tax benefits	(2,806,000)	(2,728,000)
Net deferred tax assets	\$ -	\$ -

As at March 31, 2017, the Company has estimated non-capital losses for Canadian income purposes that may be carried forward to reduce taxable income derived in future years. If not utilized, these losses will expire as follows:

Year of expiry	
2027	\$ 36,000
2028	137,000
2029	307,000
2030	472,000
2031	811,000
2032	1,022,000
2033	473,000
2034	410,000
2035	281,000
2036	251,000
2037	233,000
	\$ 4,433,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Canadian International Minerals Inc.

Notes to Financial Statements

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12. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity (deficit).

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 attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year.

13. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

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 manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 12.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at March 31, 2017, the Company had a cash balance of \$2,320 and GST receivable of \$3,623 to settle current liabilities of \$198,398. The Company will require financing from lenders, shareholders or other investors to generate sufficient capital to meet its short term business requirements. Subsequent to the year end, the Company completed private placements and raised gross proceeds of \$27,000.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(a) Interest rate risk

The Company is not exposed to significant interest rate risk.

(b) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

Canadian International Minerals Inc.

Notes to Financial Statements

Year ended March 31, 2017

(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISKS (continued)

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from cash is equal to its carrying amount on the statement of financial position.

Fair Values

The Company's financial instruments include cash and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

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

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

<u>At March 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 2,320	\$ -	\$ -	\$ 2,320
<u>At March 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 17,449	\$ -	\$ -	\$ 17,449

14. EVENTS OCCURRING AFTER THE REPORTING DATE

In July 2017 the Company completed a private placement consisting of 1,350,000 units at a price of \$0.02 per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$0.05 until July 12, 2020.