Chibougamau Independent Mines Inc.

INTERIM REPORT
NINE MONTHS ENDED
SEPTEMBER 30, 2014
(UNAUDITED)

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STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed financial report as of September 30, 2014 and 2013. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2014

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Chibougamau Independent Mines Inc's. ("CIM", the "Corporation" and "we") results of operations, financial performance and current business environment. This MD&A, which has been prepared as of November 25, 2014, should be read in conjunction with the unaudited interim condensed financial statements for the three-month and nine-month periods ended September 30, 2014, and the audited annual financial statements and the related notes, for the two years ended December 31, 2013 and December 31, 2012.

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HIGHLIGHTS

- As previously reported, the exploration activities for 2013 were successful and the Corporation has met all of its assessment requirements for 2014 and 2015. Late in 2013, CIM had anticipated completing a financing which would enable it to carry out exploration on the targets which it had identified.

- On June 25, 2014, the Corporation announced that it had received approval for a proposed Private Placement of up to 2,500,000 common shares at a price of $0.08 per share, each common share having attached one-half warrant. Under the proposed financing, each full warrant with an exercise price of $0.16 during a one-year period from the closing date will enable the purchase of up to 1,250,000 common shares.

  In addition, CIM received approval to issue 4,000,000 Quebec Flow-through shares at $0.10 per flow through share. As a result of the Quebec Budget in June 2014, the completion of the financing has been delayed. Unfortunately, due to market conditions, the Corporation has not been able to close those financings. On August 28, 2014, the Corporation announced that it intended to proceed with its previously announced private placement, but has not been able to do so due to market conditions.

- During the first nine months of 2014, we incurred exploration expenditures of $40,624 which mainly represented geology and labour costs related to completing the 2013 programs and future planning.

- In order to meet its regulatory reporting, the Corporation incurred administrative expenses of $29,335 during the three-month period ended September 30, 2014 (September 30, 2013 - $29,215) and $119,009 (2013 - $439,432) for the nine-month period ended September 30, 2014.

- As a result of the Corporation's inability to complete its previously announced financing, Management is in the process of reviewing its strategic options to retain its property interests and its TSXV listing.

FORWARD-LOOKING STATEMENTS

Certain information in this MD&A, including any information as to the Corporation's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements." The words "expect", "will", "intend", "estimate", and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

This document may contain forward-looking statements reflecting the management's expectations with respect to future events. Actual results may differ from those expected. The Corporation's management does not assume any obligation to update or revise these forward-looking statements as a result of new information or future events except as required by law.

EXPLORATION ACTIVITIES AND MINING PROPERTIES

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument (NI) 43-101 standards. On all projects, selected diamond drill core samples are marked by a geologist and subsequently split, with one-half of the core analyzed, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second half of the core is retained for future reference. Other elements' concentrations are determined in an industry acceptable manner, for geochemical trace signatures and subsequently for high grade content as required.

When discussing historical resource calculations (non - NI 43-101 compliant) available in the public domain regarding our properties, we will include source, author and date, and if appropriate, cautionary language stating:

- A qualified person has not done sufficient work to verify the historical estimate as mineral resources or reserves as defined by the Canadian Institute of Mining, Metallurgy and Petroleum Definition and Standards for Mineral Resources and Mineral Reserves;
- The issuer is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

OVERVIEW – CHIBOUGAMAU MINING CAMP

On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation's capital and would result in the transfer of cash and cash equivalents, investments, as well as the transfer of ten properties from Globex to CIM subject to a 3% "gross metal royalty" in favor of Globex.

On December 29, 2012, (the "Effective Date"), Globex completed the reorganization by way of a Plan of Arrangement which resulted in the transfer of cash of $503,006, investments with a fair market value of $72,903 and ten mining properties with a fair market value of $6,429,175. At that date, each Globex shareholder was eligible to redeem one old Globex share for one New Globex Common Share and one common share of CIM which resulted in the issuance of 27,896,018 CIM common shares. The CIM shares began trading on the TSX Venture Exchange on January 25, 2013, under the symbol CBG. On January 27, 2014, the legal ownership to 4,860,200 Mag Copper Ltd. shares was completed which finalized the Plan of Arrangement activities.

PROPERTY OVERVIEW:

The Illustration which follows provides an overview of the various properties in the Chibougamau Mining Camp. As properties are acquired and subdivided, the overview as presented on the Corporation's web-site (www.chibougamaumines.com,) is updated.

Property Overview

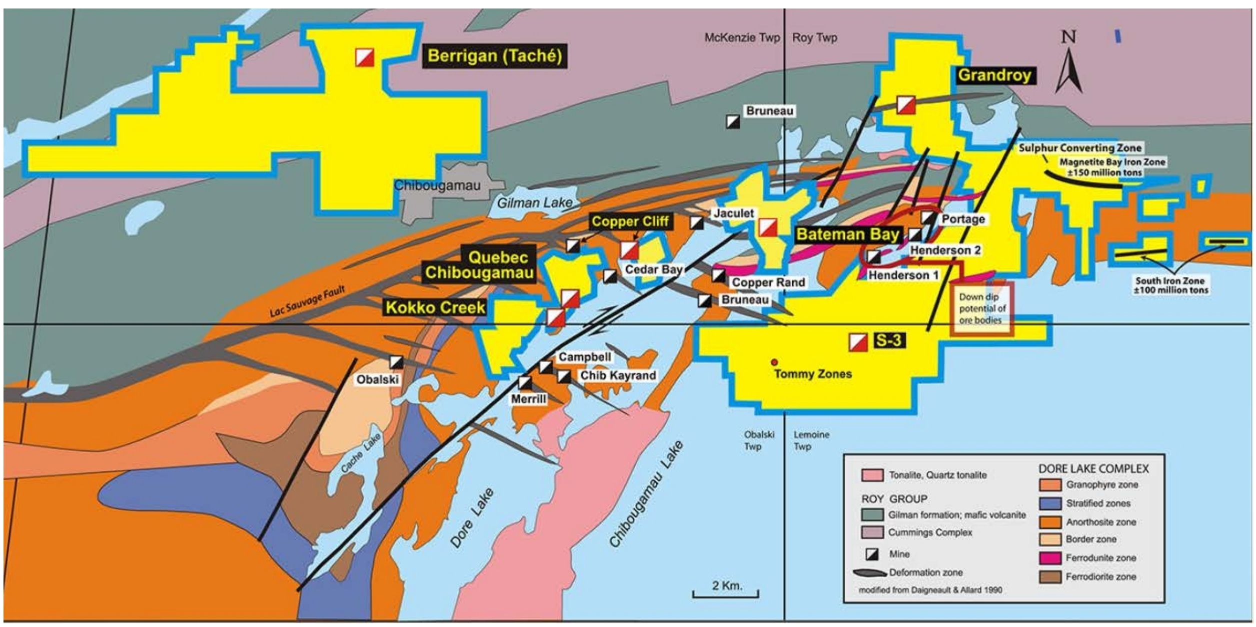

Figure 1

EXPLORATION ACTIVITIES IN 2013 and 2014:

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

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

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

During the nine-month period ended September 30, 2014, exploration expenditures of $40,624 were incurred on the various properties which mainly represented geology and labour costs related to completing 2013 programs and planning exploration programs for the remainder of 2014.

During the nine month periods the exploration expenditures are as follows by quarter:

	September 30, 2014	September 30, 2013
Q1	**$ 26,558**	$ 499,300
Q2	**7,704**	125,765
Q3)	**6,362**	539,608
	$ 40,624	$ 1,164,673

QUALIFIED PERSON

All scientific and technical information contained in this MD&A were prepared by the Corporation's geological staff under the supervision of R.V. Zalnieriunas, P. Geo., who is a qualified Person under NI 43-101.

SUMMARY OF QUARTERLY RESULTS

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

	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	33,699	57,312	77,530	3,089,518	96,056	199,970	210,247	40,547
Other income (expenses)	(72,862)	(48,602)	(97,201)	48,626	121,519	48,621	(48,602)	-
Income (loss)(1)	(102,838)	(98,955)	(156,198)	(2,948,537)	(41,943)	(167,304)	(321,622)	(40,547)
Income (loss) per share								
- Basic and diluted	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.09)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.46)

Note:

(1) On September 24, 2012, the 1,000 shares which had been issued in December 2010 were cancelled as part of the implementation of the Plan of Arrangement. On December 29, 2012, 27,896,018 CIM shares were issued in connection with the Globex Plan of Arrangement and on December 31, 2012, 4,581,230 shares were issued in connection with the private placement. The income (loss) per share has been calculated on the basis of the weighted average shares outstanding in the respective periods.

The loss of $102,838 in the third quarter ended is comparable to loss of $98,955 in the second quarter of 2014. Total expenses in the third quarter were lower than the second quarter of the current year mainly as there was no stock-based compensation expense in the second quarter as compared to $23,298 in the second quarter.

The loss of $98,955 in the second quarter of 2014 was lower than the loss of $156,198 in the first quarter of 2014 mainly as a result of a lower decline in the fair value of financial assets as reflect in the lower other expenses.

The loss of $156,198 in the first quarter of 2014 was lower than the loss of $2,948,537 in the fourth quarter of 2013 mainly as a result of a reduced impairment provision. In the fourth quarter of 2013, an impairment provision of $2,986,631 was recorded whereas in Q1 2014, the impairment provision was $20,296. The other expense of $97,201 in the first quarter of 2014 compare to other income of $48,626 in the fourth quarter of 2013. The expenses in Q1 2014 reflects the decline in the fair value of equity investments.

The 2013 fourth quarter loss of $2,948,537 was higher than the loss of $41,943 in the third quarter of 2013. In the fourth quarter, the expenses of $3,089,518 were $2,993,462 higher than the third quarter expenses of $96,056 mainly as a result of an impairment provision of $2,986,631. The other income in the fourth quarter of $48,626 as compared to $121,519 in the third quarter reflects the change in the fair value of equity investments.

The loss of $41,943 in the third quarter ended is lower than the loss of $167,304 in the second quarter of 2013 mainly because of an increase of the fair value of financial assets in the third quarter of $121,519 compared to an increase of $48,602 in the second quarter. In addition, the total expenses in the third quarter were lower than the second quarter as a result of a reduction in the year to date charges for management services provided by Globex of $120,961.

The 2013 second quarter loss of $167,304 was lower than the loss of $321,622 in the first quarter of 2013 mainly because of an increase in the fair value of financial assets of $48,621 as compared to a decrease in the fair value of the financial assets which was recorded in the first quarter.

The loss of $321,622 in the first quarter of 2013 was greater than the loss of $40,547 in the fourth quarter of 2012 mainly as the Corporation incurred administration expenses of $210,247 compared to $40,547 in the fourth quarter. The expenses in the first quarter of 2013 included the costs associated with the completion of the TSXV listing which was completed on January 25, 2013. In the first quarter of 2013, a provision for income and mining taxes of $62,773 was recorded related to flow-through shares as a result of exploration activities.

In the fourth quarter of 2012, the total expenses were $40,547 as compared to $22,000 in the third quarter. The increase of $18,547 reflects Officers and Directors insurance of $11,950 as well as other administrative expenses.

RESULTS OF OPERATIONS FOR THE THREE-MONTHS AND NINE-MONTHS ENDED SEPTEMBER 30, 2014

Total expenses (Three month-period ended September 30, 2014 - $33,699; September 30, 2013 – $96,056; Nine-month period ended September 30, 2014 -$168,541; September 30, 2013 - $506,273).

In the third quarter of 2014, the total expenses were $33,699 compared to $96,056 in 2013. The lower expenses in 2014 mainly reflect a reduction of the share-based compensation of $66,841.

During the nine-month period ended September 30, 2014, the total expenses were $168,541 as compared to $506,273 in the comparable period in 2013. The reduction of $337,732 in the expenses reflects the lower level of activities (exploration 2014 - $40,624; 2013 - $1,164,673) and the corresponding reduction in management services of $214,200.

The following paragraphs provide an overview of the nature of the expense incurred in the third quarter of 2014 and during the nine-month period ended September 30, 2014:

Administration

- During the third quarter of 2014, the administration expenses of $7,447 reflect translation costs, office supplies and insurance & other administrative expenses which represents a reduction of $8,094 from the comparable period in 2013. In 2014, no flow-through exploration expenses were incurred and as a result, no Part Xii.6 was incurred.

- During the nine-month period ended September 30, 2014, the administration expenses totaled $21,737 as compared to $39,456 in the comparable period in 2013. The majority of the reduction relates to reduced office rental, advertising & promotion and Part XII.6 tax related to flow-through expenses.

Transfer Agent and filing fees

- During the third quarter of 2014, transfer agent fees and filing fees were $7,746 as compared to $1,571 in 2013, which mainly represents fees associated with the Corporation's Annual Meeting.

- In the nine-month period ended September 30, 2014, the transfer agent and filing fees totaled $27,862 as compared to $58,143 which included initial listing fees, annual filing fees and expenses associated with the Corporation's Annual meeting. The 2013 expenses also included one-time set up costs as the Corporation's shares were listed.

Legal

- The legal expenses of $1,294 represent costs incurred to prepare materials for the Corporation's annual meeting. The expenses are $7,268 lower than the $8,562 incurred in the comparable period in 2013 as those expenses included costs incurred to prepare the initial annual meeting materials as well as final expenses related to the 2012 "Spin Out" with Globex Mining Enterprises Inc.

- During the nine-month period ended September 30, 2014, the legal expenses totaled $8,562 as compared to $58,974. The 2014 expenses include costs of annual meetings and filings of $5,328 and other corporate matters totaling $3,234. The 2013 expenses were higher as they also included final expenses related to the 2012 "Spin Out".

Management services

- The Management Services fees of $1,800 in the three-month period ended September 30, 2014 represent the charges under the Management Services Agreement with Globex. No expenses were incurred during the same period in 2013.

- The Management Services fees for the nine-month period ended September 30, 2014 were $37,800 as compared to $252,000 in the nine-month period ended September 30, 2013 with the reduction reflecting the lower level of activities within the Corporation during the first nine months of 2014.

Share-based compensation

- No stock options were issued in the third quarter of 2014 and as a result there was no expense whereas in 2013, the shared based compensation expense of $66,841 represented the fair market value of $0.092 per share for the 725,000 options issued to Directors and Employees of the Corporation.

- The share based compensation expense of $23,298 during the nine month period ended September 30, 2014 represents the fair value (fair value of $0.055 per share) of 425,000 options which were issued (immediately vested) on June 17, 2014 to an employee and director. In 2013, 725,000 options were issued to Directors and Employees of the Corporation as described above.

Impairment of mineral properties and deferred exploration expenses

- For the three months ended September 30, 2014, general exploration expenditures of $4,364 and for the nine-month period ended September 30, 2014, $26,245 were written off in accordance with the Corporation's accounting policy.

Other income (expenses)

- The other expenses of $72,862 in the three-month period ended September 30, 2014 ($121,519 income – September 30, 2013) mainly represent the change in the fair value of the 4,860,200 Mag Copper Limited shares which were transferred to CIM under the Plan of Arrangement.

- In the nine-month period ended September 30, 2014, the Corporation recorded a decrease in the fair value of financial assets of $218,709 which reflects the decline in the fair value of the 4,860,200 Mag Copper Limited shares from $0.05 per share at December 31, 2013 to less than $0.01 per share at September 30, 2014.

Income and mining taxes (recovery)

- During the third quarter of 2014, a recovery of income and mining taxes of $3,723 (September 30, 2013 – provision of $67,406) was recorded which resulted in a year to date recovery of $29,215 (provision for the nine month period ended September 30, 2013 of $146,134). The recovery in 2014 mainly reflects the deferred tax impact of the change in the fair value of the financial assets whereas the provision in 2013 reflects the deferred tax impact of qualified Canadian exploration expenditures renounced to subscribers.

FINANCIAL POSITION – SEPTEMBER 30, 2014

Total assets

At September 30, 2014, total assets were $5,308,418 which reflects a decrease of $389,954 from $5,698,372 at December 31, 2013. The change mainly reflects the impact of the loss in the nine-month period.

Total Liabilities

At September 30, 2014, CIM had total current liabilities of $21,902 (December 31, 2013 - $56,488). The reduction is mainly a result of the settlement of trade payables.

Related Party payable

At September 30, 2014, CIM had a $1,800 liability (December 31, 2013 – nil) to Globex under the Management Services Agreement.

Deferred tax liabilities

Deferred tax liabilities were reported at $354,288 as compared to $380,963 at December 31, 2013. These liabilities represent management's best estimate of future taxes that will be payable if income is earned, based on substantially enacted legislation as well as current operating plans and tax strategies. The components of the liability are reflected in Note 11 to the financial statements.

Owners' equity

Owners' equity of the Corporation consists of Common Shares, Contributed Surplus, and the Deficit which totaled $4,926,228 at September 30, 2014 (December 31, 2013 - $5,260,921). The reduction reflects the loss of $357,991 in the first nine months of 2014 and the offsetting impact of the share based compensation of $23,298 in 2014.

Common Shares

At September 30, 2014, the Corporation had 32,477,248 common shares outstanding which is unchanged from December 31, 2013.

Liquidity, working capital, and capital resources

At September 30, 2014, the Corporation had cash and cash equivalents of $29,093 (December 31, 2013 - $170,798).

The Corporation had working capital (based on current assets minus current liabilities) of $38,121 including equity investments with a fair value of $24,301 at September 30, 2014 (December 31, 2013 - $412,410). The Mag Copper Limited investments are considered to be non-active.

During the first nine months of 2014, $116,414 (September 30, 2013 - $439,399) were used in operating activities and $13,875 were generated from changes (Used - September 30, 2013 – ($65,350)) in changes in non-cash operating working capital items. During the nine-month period, $40,966 (September 30, 2013 - $1,517,318) were invested in the acquisition of mineral properties and deferred exploration expenses and $1,800 was generated from Related payables (September 30, 2013 – nil).

These operating and investing activities resulted in a net decrease in the cash and cash equivalents of $141,705 in the first nine months of 2014 compared to a decrease of $2,022,067 in the comparable period in 2013.

The Corporation has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintains its capacity to meet ongoing exploration and operating activities. CIM does not have any long-term debt or similar contractual commitments. At the present time, the Corporation is exploring various options to generate sufficient financial liquidity to retain its mineral property interests and meet its ongoing listing requirements, including arranging a debt facility.

FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its common shares, stock options, warrants retained earnings (deficit) as capital. Its principal source of cash is from the issuance of common shares. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of evaluating, enhancing the value and acquiring additional properties or business assets.

The Corporation manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, CIM may attempt to issue new shares. In order to maximize ongoing exploration efforts, CIM does not pay dividends.

The Corporation's investment policy is to invest its short-term excess cash in highly-liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures related to continuing operations.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and interest rate risk.

(a) Credit Risk

The Corporation had cash and cash equivalents of $29,093 at September 30, 2014 (December 31, 2013 - $170,798). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation.

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and Cash equivalents are in place with major financial institutions.

The maximum exposure to credit risk was:

	September 30, 2014	December 31, 2013
Cash and cash equivalents	**$ 29,093**	$ 170,798
Cash reserved for exploration	**-**	-
Investments	**24,301**	-
Taxes receivable (1)	**3,202**	45,683
Distribution receivable	**-**	243,010
	$ 56,596	$ 459,491

1) Taxes receivable of $3,202 (December 31, 2013 - $45,683) represent G.S.T. and Q.S.T. recoverable and therefore are not subject to credit risks.

(b) Liquidity Risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transaction out of the ordinary course of business.

(c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken.

The Corporation currently holds investments which were transferred from Globex under the Plan of Arrangement. Based on the fair market value of the investments of $24,301 at September 30, 2014, a 10% increase or decrease would impact Income and Loss by $2,430.

(d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

September 30, 2014		Level 1		Level 2		Level 3		Total Financial Assets at fair value
Financial assets								
Equity investments	$	-	$	24,301	$	-	$	24,301
	$	-	$	24,301	$	-	$	24,301

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

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

OUTSTANDING SHARE DATA

At September 30, 2014 and December 31, 2013, the Corporation had 32,477,248 common shares outstanding. In addition, at September 30, 2014, the Corporation had 1,960,400 stock options (December 31, 2013 -1,810,400) for fully diluted common share capital of 34,437,648.

At September 30, 2014 and November 25, 2014, in addition to the 1,960,400 options outstanding, 1,246,070 (December 31, 2013 - 1,396,070) options were available to be granted. As at November 25, 2014, 32,477,248 commons shares were outstanding for fully diluted common share capital of 34,437,648.

RISKS AND UNCERTAINTIES

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

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

In the June 2014 Budget, the Quebec Government presented changes to the "flow-through" share regime which could result in a reduction in the deductions available to Quebec investors. The deductions would be allocated as follows:

- A base deduction of 100% of Canadian exploration expenses or Canadian developments expenses;
- Where the investor is an individual residing in Quebec, in addition to the base deduction of 100%:
  - In the case of mining exploration expenses are incurred in Quebec:
    - an initial additional deduction of 10%,
    - a second additional deduction of 10% for surface expenses.

The new tax regime reduces the additional deductions to 20% rather than the 50% compared with the previous tax regime. This proposals could adversely impact CIM's success in raising "flow-though" funds in the future.

RELATED PARTY INFORMATION

The Corporation is considered a related party with Globex Mining Enterprises Inc. as Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations and therefore can significantly influence the operations of both entities. Currently, CIM is dependent upon management services provided by Globex as described below.

Management Services

On December 29, 2012, CIM entered into a Management Services Agreement with Globex under which the Corporation would receive management services including administrative, compliance, corporate secretarial, risk management support and advisory services.

The Management services charges of $1,800 during the three-month period ended September 30, 2014 (September 30, 2013 - $ Nil) represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

The Management services costs were $37,800 (2013 - $252,000) in the nine-month period ended September 30, 2014. The costs are dramatically reduced in the three-month and nine-month periods in 2014 as the activity levels were significantly reduced due CIM's lack of exploration funds.

Director and Management Compensation

None of the Directors or Management received any remuneration or benefits in these roles during either of the three-month or nine-month periods ended September 30, 2014 or September 30, 2013.

During the three-month period ended September 30, 2014, Ray Zalnieriunas an independent director, provided geological consulting services of $4,350 to the Corporation (2013 - $32,262) and Sam Bosum, an independent director, through his corporation, Native Exploration Services earned nil for line-cutting services (2013 - $38,181).

During the nine-month period ended September 30, 2014, Ray Zalnieriunas earned fees totalling $21,502 (September 30, 2013 - $49,796) and Sam Bosum earned nil (September 30, 2013 - $45,541). These charges represented the fair market value for similar services.

OUTLOOK

Following the Quebec election earlier this year, we anticipated that the Government's attitude would begin to be more mining friendly and therefore would generate opportunities for Junior Mining Companies. However, offsetting that optimism, major producing mining companies are currently focussed on reducing their operating costs and maximizing the return to shareholders while the junior mining sector continues to face challenges in raising funds.

As previously reported, the exploration activities for 2013 were successful and the Corporation has met all of its assessment requirements for 2014 and 2015.

In the first quarter of 2014, the Corporation developed a range of exploration strategies and options, ranging between: (a) limited activities with no drilling, (b) limited drilling and (c) a variety of activities including some drilling on all of the properties. At that time, it was recognized that the ultimate program would depend upon completing a financing.

In June 2014, CIM announced a proposed financing which unfortunately due to market conditions could not be closed at terms which were favourable to shareholders.

In light of the current challenges, Management is currently exploring its strategic options to reduce the administrative costs while maintain its property interests and its listing on the TSXV stock exchange. The strategic review has been necessitated by the current economic uncertainties and market challenges which may impede the speed at which we can execute our current plans. As part of this strategic review, Corporation is considering optioning some properties to third parties.

ADDITIONAL INFORMATION

This analysis should be read in conjunction with the comparative financial statements for the year ended December 31, 2013 and the year ended December 31, 2012 and additional information about the Corporation which is available on SEDAR at www.sedar.com. Further, the Corporation posts all publicly filed documents, including this MD&A on its website, www.chibougamaumines.com, in a timely manner.

If you would like to obtain, at no cost to you, a copy of the 2013 MD&A, then please send your request to:

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86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1
Telephone: 819.797.5242 Fax: 819.797.1470
Email: info@chibougamaumines.com

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information contained in this MD&A are the responsibility of CIM's management and have been approved by the Board of Directors on November 26, 2014.

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited - In Canadian dollars)

	Notes	Three months ended September 30, 2014	Three months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
Continuing operations					
Expenses					
Administration	12	**$ 7,447**	$ 15,541	**$ 21,737**	$ 39,456
Transfer agent and filing fees		**7,746**	1,571	**27,862**	58,143
Legal		**1,294**	564	**8,562**	58,974
Audit and accounting		**11,048**	(6,130)	**23,048**	25,820
Management services	15	**1,800**	-	**37,800**	252,000
Other professional		**-**	17,669	**-**	5,039
Share-based compensation	14	**-**	66,841	**23,298**	66,841
Impairment of mineral properties and deferred exploration expenses	7, 8	**4,364**	-	**26,245**	-
Gain on foreign exchange		**-**	-	**(11)**	-
		33,699	96,056	**168,541**	506,273
Loss from operations		**(33,699)**	(96,056)	**(168,541)**	(506,273)
Other income (expenses)					
Interest income		**41**	14	**44**	33
Increase (decrease) in fair value of financial assets		**(72,903)**	121,505	**(218,709)**	121,505
		(72,862)	121,519	**(218,665)**	121,538
Income (loss) before taxes		**(106,561)**	25,463	**(387,206)**	(384,735)
Income and mining taxes					
Current		**(2,540)**	-	**(2,540)**	-
Deferred	11	**(1,183)**	67,406	**(26,675)**	146,134
Income and mining taxes (recovery)	11	**(3,723)**	67,406	**(29,215)**	146,134
Loss and comprehensive loss for the period		**$ (102,838)**	$ (41,943)	**$ (357,991)**	$ (530,869)
Loss per common share					
Basic and diluted	13	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.02)
Weighted average number of common shares outstanding		**32,477,248**	32,477,248	**32,477,248**	32,477,248
Shares outstanding at end of period		**32,477,248**	32,477,248	**32,477,248**	32,477,248

The accompanying notes are an integral part of these Interim Condensed Financial Statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Cash Flows

(Unaudited - In Canadian dollars)

	Notes	Nine months ended September 30, 2014	2013
Operating activities			
Loss and comprehensive loss for the period		**$ (357,991)**	$ (530,869)
Adjustments for:			
Share-based compensation		**23,298**	66,841
Decrease (increase) in fair value of financial assets		**218,709**	(121,505)
Impairment of mineral properties and deferred exploration expenses	7, 8	**26,245**	-
Deferred income and mining taxes (recovery)		**(26,675)**	146,134
		(116,414)	(439,399)
Changes in non-cash operating working capital items	16	**13,875**	(65,350)
		(102,539)	(504,749)
Investing activities			
Acquisition of mineral properties	7	**(342)**	(352,645)
Deferred exploration expenses	8	**(40,624)**	(1,164,673)
Related party payable	15	**1,800**	-
		(39,166)	(1,517,318)
Net decrease in cash and cash equivalents		**(141,705)**	(2,022,067)
Cash and cash equivalents, beginning of period		**170,798**	2,532,054
Cash and cash equivalents, end of period		**$ 29,093**	$ 509,987
Cash and cash equivalents		**$ 29,093**	$ 252,439
Cash reserved for exploration		**-**	257,548
		$ 29,093	$ 509,987

Supplementary cash flows information (note 16)

The accompanying notes are an integral part of these Interim Condensed Financial Statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Financial Position

(Unaudited - In Canadian dollars)

	Notes		September 30, 2014		December 31, 2013
Assets					
Current assets					
Cash and cash equivalents	4	**$**	**29,093**	$	170,798
Investments	5		**24,301**		-
Taxes receivable			**3,202**		45,683
Distribution receivable	6		**-**		243,010
Prepaid expenses			**7,627**		9,407
			64,223		468,898
Mineral properties	7		**3,882,162**		3,881,820
Deferred exploration expenses	8		**1,362,033**		1,347,654
		$	**5,308,418**	$	5,698,372
Liabilities					
Current liabilities					
Payables and accruals	9	**$**	**26,102**	$	56,488
			26,102		56,488
Related party payable	15		**1,800**		-
Deferred income tax	11		**354,288**		380,963
Owners' equity					
Common shares	14		**8,554,690**		8,554,690
Deficit			**(3,901,850)**		(3,543,859)
Contributed surplus - equity settled reserve			**273,388**		250,090
			4,926,228		5,260,921
		$	**5,308,418**	$	5,698,372

The accompanying notes are an integral part of these Interim Condensed Financial Statements

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Equity

(Unaudited - In Canadian dollars)

	Notes		Nine months ended September 30, 2014		2013		Year ended December 31, 2013
Common shares		**$**	**8,554,690**	$	8,554,690	$	8,554,690
Warrants							
Beginning of period		**$**	**-**	$	183,249	$	183,249
Expired warrants	14		**-**		-		(183,249)
End of period		**$**	**-**	$	183,249	$	-
Contributed surplus - equity settled reserve							
Beginning of period		**$**	**250,090**	$	-	$	-
Share-based compensation			**23,298**		66,841		66,841
Expired warrants			**-**		-		183,249
End of period		**$**	**273,388**	$	66,841	$	250,090
Deficit							
Beginning of period		**$**	**(3,543,859)**	$	(64,453)	$	(64,453)
Loss and comprehensive loss for the period			**(357,991)**		(530,869)		(3,479,406)
End of period		**$**	**(3,901,850)**	$	(595,322)	$	(3,543,859)
Total Equity		**$**	**4,926,228**	$	8,209,458	$	5,260,921

The accompanying notes are an integral part of these Interim Condensed Financial Statements

Notes to the Interim Condensed Financial Statements
Periods ended September 30, 2014 and 2013
(in Canadian dollars)

1. General business description

Chibougamau Independent Mines Inc. (the “Corporation”, “CIM”) was incorporated under the Canada Business Corporations Act on December 13, 2010, as a wholly-owned subsidiary of Globex Mining Enterprises Inc. (“Globex”) with the intention of acquiring and developing all of the exploration activities carried out by Globex in the Chibougamau Mining District of Québec.

On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation’s capital and the receipt of cash and cash equivalents, certain investments held by Globex as well as the transfer of ten properties from Globex to CIM subject to a 3% “gross metal royalty” in favour of Globex.

On December 29, 2012, (the “Effective Date”), Globex completed the reorganization by way of a Plan of Arrangement under the Business Corporations Act (Québec) which resulted in the transfer of cash of $503,006, investments with a fair market value of $72,903 and ten mining properties with a fair market value of $6,429,175.

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

The CIM shares trade on the TSX Venture Exchange under the symbol CBG and on the Stuttgart exchange under the symbol CLL. The Corporation’s head office and principal business offices are located at 86, 14th Street, Rouyn-Noranda, Québec, J9X 2J1.

2. Basis of presentation and going concern

Basis of Presentation

These interim condensed financial statements were prepared on a going concern basis, under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through the statement of loss and comprehensive loss. All financial information is presented in Canadian dollars.

Management periodically seeks additional forms of financing through the issuance of shares and the exercise of share purchase options and warrants as well as debt to continue its operations, and although it has been successful in the past, there is no guarantee of success in the future. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets may be less than amounts recorded in these financial statements. The application of International Financial Reporting Standards (IFRS) on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

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

2. Basis of presentation and going concern (continued)

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

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

Statement of Compliance

These interim condensed financial statements have been prepared by Management in accordance with *IAS 34 Interim Financial Reporting* . The disclosure contained in these interim condensed financial statements does not include all the requirements in IAS 1, *Presentation of Financial Statements.* Accordingly, the interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2013.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical judgments and accounting estimates. It also requires management to exercise judgment when applying the Corporation's accounting policies.

The Corporation's Board of Directors approved these interim condensed financial statements for the periods ended September 30, 2014 and September 30, 2013 on November 26, 2014.

3. Summary of significant accounting policies

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

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

Amendments to IAS 36, Impairment of Assets:

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

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

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

3. Summary of significant accounting policies (continued)

IFRIC 21 - Levies:

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

The main features of IFRIC 21 are as follows:

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

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

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

Certain new standards, interpretations, amendments and improvements to existing standards are not yet effective, and have not been applied in preparing these interim condensed financial statements.

IFRS 9 – Financial Instruments (replacement of IAS 39):

In July 2014, the IASB completed the final element of the comprehensive responses to the financial crisis with the publication of IFRS 9 *Financial Instruments.* The package of improvements introduced to IFRS 9 includes a logical model for classification and measurement, a single, forward – looking "expected loss" impairment model and a substantially reformed approach to hedge accounting.

The IASB has previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement.*

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard.

4. Cash and cash equivalents

	September 30, 2014	December 31, 2013
Bank balances	**$ 29,093**	$ 170,798

5. Investments

	September 30, 2014	December 31, 2013
Equity investments [(i)]	**$ 24,301**	$ -

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

6. Distribution receivable

	September 30, 2014	December 31, 2013
Investments	**$ -**	$ 243,010

The transfer of the legal ownership of 4,860,200 Mag Copper Limited shares was completed on January 27, 2014 eliminating the distribution receivable.

7. Mineral Properties

	December 31, 2013	**Additions 2014**	**Impairment and write-offs 2014**	**September 30, 2014**
Bateman Bay	$ 647,058	**$ -**	**$ -**	**$ 647,058**
Berrigan South and Berrigan Mine	1,081,962	**-**	**-**	**1,081,962**
Lac Chibougamau	1,657,935	**-**	**-**	**1,657,935**
Copper Cliff Extension	18,375	**-**	**-**	**18,375**
Grandroy	69,675	**-**	**-**	**69,675**
Kokko Creek	64,650	**-**	**-**	**64,650**
Lac Élaine (Berrigan West)	141,377	**123**	**-**	**141,500**
Lac Antoinette	81,297	**-**	**-**	**81,297**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	52,091	**219**	**-**	**52,310**
Québec Chibougamau Goldfields	63,500	**-**	**-**	**63,500**
Virginia Property	3,900	**-**	**-**	**3,900**
	$ 3,881,820	**$ 342**	**$ -**	**$ 3,882,162**

	December 31, 2012	Additions 2013	Impairment and write-offs 2013	December 31, 2013
Bateman Bay	$ 1,220,000	$ -	$ (572,942)	$ 647,058
Berrigan South and Berrigan Mine	1,885,150	82,124	(885,312)	1,081,962
Lac Chibougamau	3,070,000	29,681	(1,441,746)	1,657,935
Copper Cliff Extension	18,375	-	-	18,375
Grandroy	53,250	16,425	-	69,675
Kokko Creek	63,000	1,650	-	64,650
Lac Élaine (Berrigan West)	-	141,377	-	141,377
Lac Antoinette	-	81,297		81,297
Mont Sorcier (Sulphur Converting Property			-	-
and Magnetitie Bay)	52,000	91		52,091
Québec Chibougamau Goldfields	63,500	-		63,500
Virginia Property	3,900	-	-	3,900
	$ 6,429,175	$ 352,645	$ (2,900,000)	$ 3,881,820

8. Deferred exploration expenses

	December 31, 2013	**Additions 2014**	**Impairment and write-offs 2014**	**September 30, 2014**
Bateman Bay	$ 256,042	**$ 352**	**$ -**	**$ 256,394**
Berrigan South and Berrigan Mine	329,948	**620**	**-**	**330,568**
Lac Chibougamau	270,910	**9,196**	**-**	**280,106**
Copper Cliff Extension	25,211	**-**	**-**	**25,211**
Grandroy	67,340	**29**	**-**	**67,369**
Kokko Creek	86,677	**278**	**-**	**86,955**
Lac Élaine (Berrigan West)	119,522	**585**	**-**	**120,107**
Lac Antoinette	-	**242**	**-**	**242**
Mont Sorcier	190,931	**2,754**	**-**	**193,685**
Québec Chibougamau Goldfields	800	**-**	**-**	**800**
Virginia Property	-	**140**	**-**	**140**
Buckell Lake	111	**-**	**-**	**111**
Lac Simon	162	**183**	**-**	**345**
General exploration and others	-	**26,245**	**(26,245)**	**-**
	$ 1,347,654	**$ 40,624**	**$ (26,245)**	**$ 1,362,033**

The $26,245 write-off represents general exploration expenses which have been expensed in accordance with the Corporation's exploration accounting policy.

	December 31, 2012	Additions 2013	Impairment and write-offs 2013	December 31, 2013
Bateman Bay	$ -	$ 256,042	$ -	$ 256,042
Berrigan South and Berrigan Mine	-	329,948	-	329,948
Lac Chibougamau	-	270,910	-	270,910
Copper Cliff Extension	-	25,211	-	25,211
Grandroy	-	67,340	-	67,340
Kokko Creek	-	86,677	-	86,677
Lac Élaine (Berrigan West)	-	119,522	-	119,522
Lac Antoinette	-	-	-	-
Mont Sorcier	-	190,931	-	190,931
Québec Chibougamau Goldfields	-	800	-	800
Virginia Property	-	-	-	-
Buckell Lake	-	111	-	111
Lac Simon	-	162	-	162
General exploration and others	-	86,631	(86,631)	-
	$ -	$ 1,434,285	$ (86,631)	$ 1,347,654

8. Deferred exploration expenses (continued)

Deferred exploration expenses by expenditure type

	September 30, 2014	December 31, 2013
Balance, beginning of period	**$ 1,347,654**	$ -
Current exploration expenses		
Claim staking	**575**	3,250
Consulting	**-**	101,955
Core shack, storage and equipment rental	**-**	15,220
Drilling	**-**	384,649
Equipment rental	**-**	18,776
Geology	**19,031**	236,604
Geophysics	**-**	356,729
Laboratory analysis and sampling	**28**	87,539
Labour	**10,427**	94,502
Line cutting	**-**	58,001
Mining property tax and permits	**6,292**	5,965
Permit - Forestry	**-**	2,726
Prospecting and surveying	**-**	8,652
Reports, maps and supplies	**2,510**	52,220
Transport and road access	**1,761**	7,497
Total current exploration expenses	**40,624**	1,434,285
Impairment and write-offs	**(26,245)**	(86,631)
Balance, end of period	**$ 1,362,033**	$ 1,347,654

9. Payable and accruals

	September 30, 2014	December 31, 2013
Trade payables and accrued liabilities	**$ 26,632**	$ 56,488
Sundry liabilities	**1,270**	-
	$ 27,902	$ 56,488

10. Other liabilities

	September 30, 2014	December 31, 2013
Balance, beginning of period	**$ -**	$ 327,184
Reduction related to the incurrence of qualified exploration expenditures	-	(327,184)
Balance, end of period	**$ -**	$ -

11. Income taxes

Income tax expense (recovery)

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Current tax expense				
Tax recovery for the current period	**$ (2,540)**	$ -	**$ (2,540)**	$ -
Deferred tax provision for income tax	**(1,183)**	190,910	**(26,675)**	413,884
Recovery of income and mining taxes as a result of the sale of tax benefits (flow-through shares)	**-**	(123,504)	**-**	(267,750)
	(1,183)	67,406	**(26,675)**	146,134
	$ (3,723)	$ 67,406	**$ (29,215)**	$ 146,134

Deferred tax balances

	December 31, 2013	**Recognized in income or loss**	Other	**September 30, 2014**
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	$ 223,221	**$ 60,772**	**$ -**	**$ 283,993**
Share issue expenses	90,022	**(22,505)**	**-**	**67,517**
Financial assets at FVTPL	(22,879)	**31,890**	**-**	**9,011**
	290,364	**70,157**	**-**	**360,521**
Less valuation allowance	(313,243)	**(50,546)**	**-**	**(360,521)**
Deferred tax assets	(22,879)	**19,611**	**-**	**(3,268)**
Deferred tax liabilities				
Mining properties and deferred exploration expenses	358,084	**(7,064)**	**-**	**351,020**
Deferred tax liabilities	$ 380,963	**$ (26,675)**	**$ -**	**$ 354,288**

12. Expenses by nature

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

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Office supplies & maintenance	**$ 1,704**	$ 6,770	**$ 4,909**	$ 9,989
Shareholder information	**125**	1,839	**591**	3,669
Information technology	**(1,197)**	128	**904**	4,694
Advertising & Promotion	**-**	-	**-**	2,276
Part XII.6 Tax related to Flow-through shares	**-**	2,524	**-**	10,466
Insurance & other administrative expenses	**6,815**	4,280	**15,333**	8,362
	$ 7,447	$ 15,541	**$ 21,737**	$ 39,456

13. Loss per share

The loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as stock options. Diluted net loss per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

Basic and diluted loss per share

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

	Three months ended		**Nine months ended**	
	September 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Numerator				
Loss for the period	**$ (102,838)**	$ (41,943)	**$ (357,991)**	$ (530,869)
Denominator				-
Weighted average number of common shares - basic and diluted (1)	**32,477,248**	32,477,248	**32,477,248**	32,477,248
Loss per share				
Basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.02)

(1) At September 30, 2014, stock options have not been included in the diluted loss per share as they are anti-dilutive.

14. Share capital

Authorized:

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

Common: Voting

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

(a) Issued: Common shares

	September 30, 2014		December 31, 2013	
	Number of shares	**Capital Stock**	Number of shares	Capital Stock
Fully paid common shares	**32,477,248**	**$ 8,554,690**	32,477,248	$ 8,554,690

14. Share capital (continued)

(b) Warrants

		September 30, 2014			December 31, 2013	
	Number of warrants		**Fair Value**	Number of warrants		Fair Value
Balance, beginning of period	-	**$**	-	2,290,615	$	183,249
Expired warrants - ascribed value	-		-	(2,290,615)		(183,249)
Balance, end of period	-	**$**	-	-	$	-

(c) Stock Options

On September 7, 2012, the CIM Directors approved the adoption of the 2012 Stock Option Plan for directors, officers, employees and consultants who share primary responsibility for the management, growth and protection of the business of the Corporation. The maximum number of shares that can be issued pursuant to the plan is a fixed number of 3,206,470.

The key terms of the plan are as follows:

(i) The maximum number of shares that can be issued pursuant to the plan is a fixed number of 3,206,470.

(ii) The maximum number of shares that can be reserved for issuance during any 12 month period is limited to a certain percentage, as follows, of issued and outstanding shares:

(a) 5% for any one optionee,

(b) 2% for any one consultant,

(c) 2% for persons conducting investor-relations.

(iii) The option exercise price shall be fixed by the Board of Directors at the time of granting the options and shall not be less than the Market Price of the Shares, less the maximum discount permitted under the policies of the TSX Venture Exchange.

(iv) The options are not transferable and the term cannot exceed ten (10) years.

At September 30, 2014, 1,960,400 (December 31, 2013 - 1,810,400) options were issued with a weighted average exercise price of $0.16 per share and a weighted average remaining contractual life of 2.89 years. At that date, in addition to the 1,960,400 options outstanding, 1,246,070 (December 31, 2013 – 1,396,090) options were available to be granted.

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

14. Share capital (continued)

	September 30, 2014			December 31, 2013		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance - beginning of period	**1,810,400**	**$**	**0.20**	1,137,900	$	0.27
Expired	**(275,000)**		**0.25**	(52,500)		0.41
Granted - Directors and employees	**425,000**		**0.06**	725,000		0.10
Balance - end of period	**1,960,400**	**$**	**0.16**	1,810,400	$	0.20
Options exercisable	**1,960,400**	**$**	**0.16**	1,810,400	$	0.20

The following table summarizes information regarding the stock options outstanding and exercisable at September 30, 2014:

Range of prices	Number of Options Outstanding	Number of options outstanding and exercisable	Weighted average remaining contractual life (years)		Weighted average exercise price
0.05 - 0.08	425,000	425,000	4.72	$	0.06
0.09 - 0.12	725,000	725,000	3.86		0.10
0.17 - 0.22	425,000	425,000	1.20		0.17
0.25 - 0.36	249,200	249,200	0.57		0.27
0.38 - 0.59	136,200	136,200	1.50		0.58
	1,960,400	1,960,400	2.89	$	0.16

Share-based compensation

The Corporation uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 3 years). If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

The Corporation uses the Black-Scholes model to estimate fair value using the following weighted average assumption:

	Nine months ended	
	September 30, 2014	September 30, 2013
Expected dividend yield	**Nil**	Nil
Expected stock price volatility	**152.0%**	155.5%
Risk-free interest rate	**1.31%**	1.57%
Expected life	**5.0 years**	5.32 years
Weighted average fair value of granted options	**$0.06**	$0.09

14. Share capital (continued)

During the nine-month period ended September 30, 2014, the total expense related to share-based compensation of $23,298 (September 30, 2013 - $66,841) related to 425,000 options which were issued on June 17, 2014 to employees and directors, has been recorded and presented separately in the Interim Condensed Statements of Loss and Comprehensive Loss.

15. Related party information

Related party payable		September 30, 2014		December 31, 2013
Globex Mining Enterprises Inc.	$	**1,800**	$	-

The Corporation is considered a related party with Globex as Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations and therefore can significantly influence the operations of both entities. Currently, CIM is dependent upon management services provided by Globex as described below.

Management Services

On December 29, 2012, CIM entered into a Management Services Agreement with Globex under which the Corporation would receive management services including administrative, compliance, corporate secretarial, risk management support and advisory services during 2013.

The Management Service fees of $37,800 during the nine-month period ended September 30, 2014 (September 30, 2013 - $252,000) represent Globex's estimate of the specific costs related to performing these services plus a mark-up in accordance with the Management Services Agreement.

Transactions with Key Management Personnel

None of the key management personnel received any remuneration or other benefits during the nine-month period ended September 30, 2014 or September 30, 2013.

16. Supplementary cash flows information

Change in non-cash working capital items

		Nine months ended		
		September 30, 2014		September 30, 2013
Taxes receivable	$	**42,481**	$	(86,776)
Distribution receivable		**-**		503,006
Prepaid expenses		**1,780**		(1,751)
Payables and accruals		**(30,386)**		143,751
Due to Globex Mining Enterprises Inc.		**-**		(484,204)
Due from Globex Mining Enterprises Inc.		**-**		(139,376)
Dividend receivable		**-**		-
	$	**13,875**	$	(65,350)

17. Financial instruments

Capital risk management

The Corporation manages its common shares, stock options, warrants and retained earnings (deficit) as capital. Its principal source of cash is from the issuance of common shares. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern while it pursues its objective of evaluating, enhancing the value and acquiring additional properties or business assets. The Corporation manages the capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, CIM may attempt to issue new shares. In order to maximize ongoing exploration efforts, CIM does not pay dividends.

The Corporation's investment policy is to invest its short-term excess cash in highly-liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures related to continuing operations.

Financial risk management objectives

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and interest rate risk.

(a) Credit Risk

The Corporation had cash and cash equivalents of $29,093 at September 30, 2014 (December 31, 2013 - $170,798). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation.

The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and Cash equivalents are in place with major financial institutions.

The maximum exposure to credit risk was:

	September 30, 2014	December 31, 2013
Cash and cash equivalents	**$ 29,093**	$ 170,798
Cash reserved for exploration	**-**	-
Investments	**24,301**	-
Taxes receivable [(1)]	**3,202**	45,683
Distribution receivable	**-**	243,010
	$ 56,596	$ 459,491

(1) Taxes receivable of $3,202 (December 31, 2013 - $45,683) represent G.S.T. and Q.S.T. recoverable and therefore are not subject to credit risks.

(b) Liquidity Risk

Liquidity risk represents the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through its capital structure and by continuously monitoring actual and projected cash flows. The Corporation finances its exploration activities through flow-through shares, operating cash flows and the utilization of its liquidity reserves.

The Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as any material transaction out of the ordinary course of business.

17. **Financial instruments (continued)**

(c) Equity market risk

Equity market risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken.

The Corporation currently holds investments which were transferred from Globex under the Plan of Arrangement. Based on the fair market value of the investments of $24,301 at September 30, 2014, a 10% increase or decrease would impact Income and Loss by $2,430.

(d) Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

September 30, 2014	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Equity investments	$ -	$ 24,301	$ -	$ 24,301
Total financial assets	$ -	$ 24,301	$ -	$ 24,301

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

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

The fair value of the distribution receivable has been measured using the quoted price of the related shares on the market which has been determined non-active. For all other financial assets and liabilities, the fair value is equal to the carrying value.

18. Risk Management

The Corporation is engaged primarily in mineral exploration and manages related industry risk issues directly. The Corporation may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

19. Commitments and Contingencies

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

(b) The Corporation's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are difficult to identify and it is also a challenge to anticipate the impacts of deadlines. At September 30, 2014, management believes to the best of its knowledge that CIM is in conformity with applicable laws and regulations. Restoration costs, if any, will be accrued in the financial statements and reflected in the statement of income and loss, if and when they can be reasonably estimated at that time.