Chibougamau Independent Mines Inc.

ANNUAL REPORT 2015

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President's Message to Shareholders

As we outlined in last year's report, late in 2014 as a result of the challenging financial markets, management and the Board of Directors revaluated the strengths and most significant assets of the Corporation and developed a short and longer term plan to:

- Retain these assets and
- Maintain the Corporation's public listings.

This reassessment reaffirmed the key assets as:

- A dominant land package in the Chibougamau Mining Camp (9,326 hectares (23,044 acres)),
- Significant exploration targets,
- Eight former copper-gold mines,
- Two unmined deposits (gold, silver, zinc (Berrigan) & Copper, Gold - Bateman Bay),
- An unmined iron/titanium/vanadium deposit,
- No environmental liabilities,
- Excellent community relations,
- Committed and experienced Board of Directors as well as,
- Access to an experienced exploration management team.

On December 15, 2014, CIM completed a loan arrangement which provided $100,000 and was designed to enable the Corporation maintain its properties, meet its ongoing administrative expenses as well as maintain its TSXV listing.

During 2015 and into early 2016, we have seen volatility in the world financial markets and significant downward pressures on all commodity prices which continues to make it very challenging for the Corporation to either directly raise equity funds or complete option or joint venture arrangements.

As a result of the Board's decisions late in 2014, the operations were quite limited in 2015 and mainly focused on planning, compliance and evaluation of financing options. Further details regarding the results of operation, financial position and financial condition of the Corporation are outlined in the 2015 Audit Financial Statements and Annual Management Discussion and Analysis.

Our achievements would not have been possible without the contributions of our directors, employees, consultants, professional advisors, contractors and suppliers. I would also like to thank our shareholders for their continued support and appreciation of our efforts during these exceptionally difficult times.

Despite the challenges in 2015, we believe that the Corporation continues to hold first-class properties and has access to the necessary and corporate readiness needed to maintain the Chibougamau Mining Camp Properties until appropriate financing becomes available. The Board's commitment to these assets is reflected in their continued 26% ownership in the outstanding shares of the Corporation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Chibougamau Independent Mines Inc's. ("CIM", the "Corporation" and "we") results of operations, financial performance and current business environment. This MD&A, which has been prepared as of April 15, 2016 and should be read in conjunction with the audited annual financial statements and the related notes, for the two years ended December 31, 2015 and December 31, 2014.

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OVERVIEW AND HIGHLIGHTS

- CIM began operations in 2013 and incurred deferred exploration expenses of $1,434,645. Late in 2013, it anticipated raising funds to further explore targets which had been identified; however, as a result of market challenges, it was not able to close a financing at a reasonable cost. In December 2014, CIM secured a $100,000 loan to enable it to:
    - maintain its properties,
    - meet its ongoing administrative expenses as well as,
    - maintain its TSXV listing.

- At December 31, 2015, the Corporation had cash and cash equivalents of $55,447 (December 31, 2014 - $58,912).

- During the year-ended December 31, 2015, administrative and compliance costs totalled $86,639 (2014 - $142,853) and interest and financing costs totalled $19,618 (2014 - $513).

- For the year, CIM reported a loss of $1,143,581 (2014 - $4,053,524) which includes an impairment provision of $1,182,985 (2014 - $3,908,407). See pages 6 - 8, for further details.

FORWARD-LOOKING STATEMENTS

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

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

ECONOMIC ENVIRONMENT AND STRATEGY

During 2015 and into early 2016, we have seen significant volatility and downward pressures in the world financial markets and on all commodity prices much of which is a result of the declines in economic growth in a number of important world economies including China as it continues its shift away from capital and infrastructure investments towards services and consumer consumption. During 2016, the price of Gold has gained 16 percent since the beginning of the year now trading in the range of U.S. $1,220 per ounce reflecting an number of factors including concerns over negative interest rates, volatility in the financial markets as well as slow economic growth in the world economy.

During the last three years, the market value of many large mining companies has declined significantly while at the same time junior mining companies share prices have been decimated. Many of these junior mining companies are TSXV listed companies and during the last three years, the S&P/TSX Venture Composite has declined by 43%. (December 31, 2012 - 1,221; December 31, 2015 - 526). It is virtually impossible for these companies to successfully complete an equity financing at this time. In CIM's case, its shares began trading on January 25, 2013 at an average price of $0.21 per share and experienced a dramatic decline to its current pricing of $0.02 per share.

In order to protect CIM's property interests and its TSXV listing, during 2014, CIM reduced its administration expenses to a minimum, secured a loan facility and explored various financing options.

CIM's longer-term strategy is to continue exploring various options to acquire financing at a reasonable cost and move forward with an effective exploration program on its properties in the Chibougamau Mining Camp.

EXPLORATION ACTIVITIES AND MINING PROPERTIES

The Corporation conducts exploration activities in compliance with "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards with exploration programs planned and managed by "Qualified Persons" who ensure that QA/QC practices are consistent with National Instrument (NI) 43-101 standards. On all projects, diamond drill core is marked by a geologist and subsequently split, with one-half of the core analyzed, in the case of gold, by standard fire assay with atomic absorption or gravimetric finish at an independent, registered commercial assay laboratory. The second-half of the core is retained for future reference, except in the case when a duplicate sample is collected for "quality assurance and quality control" (QA/QC) purposes. In that case, the duplicate sample is collected as a sawn, quartered-core sample taken from the second-half of the retained sample, and only a quarter of the core remains in the core tray for that particular interval. Other elements may also be determined in an industry acceptable manner, for either geochemical trace signatures or high grade metal content.

When discussing historical resource calculations available in the public domain regarding CIM's properties, CIM will include source, author and date, and cautionary language stating that:

- A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves;
- CIM is not treating the historical estimate as current mineral resources or mineral reserves; and
- The historical estimate should not be relied upon.

OVERVIEW – CHIBOUGAMAU MINING CAMP

In 2010, Globex Mining Enterprises Inc. ("Globex") acquired a significant number of properties in the Chibougamau Mining Camp.

On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation's capital and resulted in the transfer of cash, 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.

PROPERTY OVERVIEW:

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

Property Overview

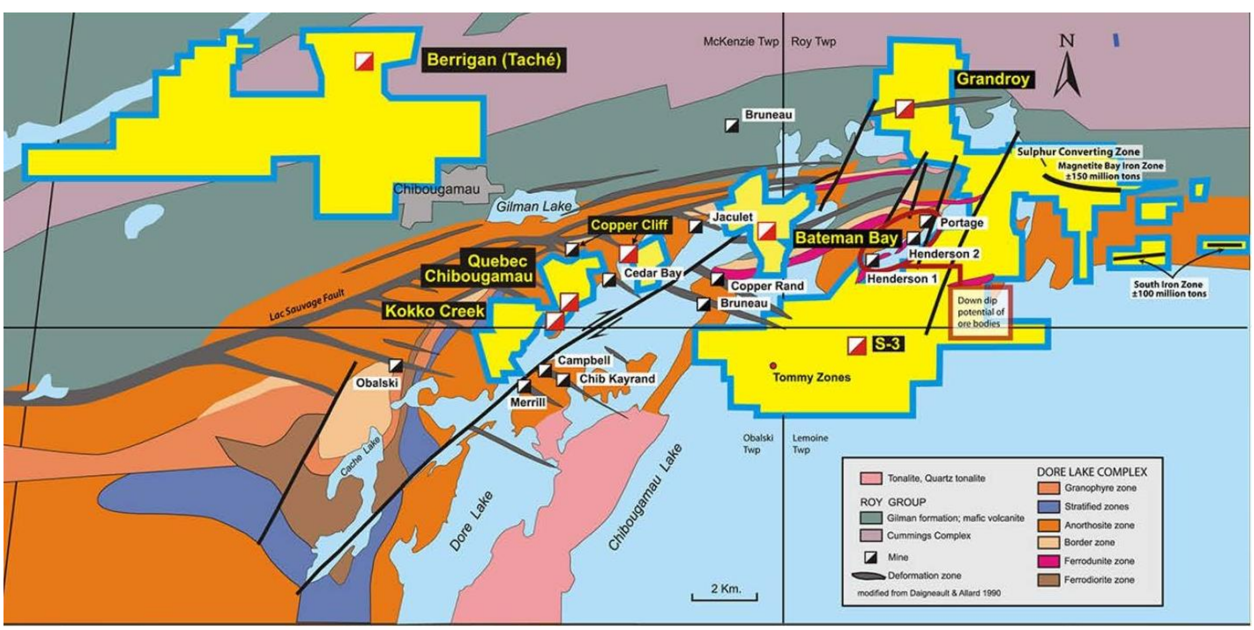

Figure 1

EXPLORATION ACTIVITIES IN 2014 and 2015:

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.

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

During the year ended December 31, 2015, exploration expenditures of $4,795 (2014 - $43,314) were incurred on the various properties which represented geology, laboratory analysis and labour costs. The exploration expenditures by quarter were as follow:

	December 31, 2015	December 31, 2014
Q1	**$ 224**	$ 26,558
Q2	**1,942**	7,704
Q3	**367**	6,362
Q4	**2,262**	2,690
	$ 4,795	$ 43,314

In order to retain the various properties in good standing, in 2016, CIM has no work commitments, but needs to spend approximately $8,200 for mining property tax and permits. In 2017, the mining property tax and permits will cost approximately $4,000 and the exploration work commitments are estimated at approximately $8,700.

QUALIFIED PERSON

All scientific and technical information contained in this MD&A was 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.

RESULTS OF OPERATIONS
Selected Annual Information

		2015		2014		2013
Other income (expenses)	$	**(43,703)**	$	(170,052)	$	170,164
Administrative and compliance expenses		**(86,639)**		(142,853)		(542,319)
Share-based compensation		**-**		(23,298)		(66,841)
Interest and financing costs		**(19,618)**		(513)		-
Impairment of mineral properties and deferred exploration expenses		**(1,182,985)**		(3,908,407)		(2,986,631)
Total expenses		**(1,289,242)**		(4,075,071)		(3,595,791)
Loss before taxes		**(1,332,945)**		(4,245,123)		(3,425,627)
Income and mining taxes (recovery)		**(189,364)**		(191,599)		53,779
Income (loss) and comprehensive income (loss) for the year		**(1,143,581)**		(4,053,524)		(3,479,406)
Income (loss) per common share						
- Basic and Diluted	$	**(0.04)**	$	(0.12)	$	(0.11)
Total Assets	$	**266,864**	$	1,505,732	$	5,698,372
Other non-current financial liabilities	$	**30,408**	$	44,026	$	-

Variation in results

In 2015, CIM reported a net loss of $1,143,581 as compared to a net loss of $4,053,524 in 2014. The reduction in the loss is mainly as a result of a $2,725,422 lower impairment provision against mineral properties and deferred exploration expenses and a reduced other expenses mainly representing the decline in the fair value of financial assets.

During 2015, the operations were limited as the Corporation had no exploration funds available which is reflected in the decrease in the administrative expenses from $142,853 in 2014 to $86,639 in 2015.

The administrative expenses were $542,319 in 2013, as the Corporation had approximately $1.4 m. of exploration funds to spend following the "spin-out" in December 2012. The administrative expenses included administration, transfer agents and filing fees, audit and accounting as well as management service costs of $342,716 related to the development of a number of organizational capabilities including compliance, corporate secretarial, risk management support and advisory services.

FOURTH QUARTER TRANSACTIONS

As a result of not closing a financing in the fourth quarter, CIM management recognized the need to review the carrying value of the mining properties and deferred exploration considering the status of the claims and assessment credits, as well as budgets and plans for the properties.

The impairment provision of $1,182,985 (2014 - $3,908,407) reflects the current challenges related to raising sufficient financing to explore the CIM properties.

SUMMARY OF QUARTERLY RESULTS

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

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	1,209,114	23,454	31,658	25,016	3,906,530	33,699	57,312	77,530
Other income (expenses)	39	(43,742)	(48,602)	48,602	48,613	(72,862)	(48,602)	(97,201)
Income (loss)	(1,025,594)	(61,313)	(73,723)	17,049	(3,695,533)	(102,838)	(98,955)	(156,198)
Income (loss) per share								
- Basic and diluted	$ 0.04	$ (0.00)	$ (0.00)	$ 0.00	$ (0.11)	$ (0.00)	$ (0.00)	$ (0.01)

The loss of $1,025,594 in the fourth quarter of 2015 compares to a loss of $61,313 in the third quarter of 2015. The difference in the total expenses of $1,185,660 reflects the impairment provision which was recorded in the fourth quarter of 2015 of $1,182,985 and differences of $2,675 in other expenses. In the fourth quarter of 2015, other income of $39 represented interest income as the fair value of financial assets remained unchanged. The loss for the quarter of $927,715 also reflected a deferred tax recovery of $272,338 mainly as a result of the recognition of the impairment provisions.

During 2015, the quarterly expenses represented administrative and compliance costs and they were reasonably consistent on a quarterly basis with a slight increase in the second quarter as a result of costs related to the Corporations annual meeting. The variations in other income (expenses) represent changes in the fair value of the 972,040 Mag Copper Limited shares held by CIM.

The 2014 fourth quarter loss of $3,695,533 was higher than the loss of $102,838 in the third quarter of 2014 mainly as a result of the impairment provision of $3,882,162 which was recorded as a result of the management review of the carrying values of the mining properties and deferred exploration expenses.

During 2014, with the exception of the impairment provision in the fourth quarter, the administrative expenses were reasonably consistent with a slight variation in Q1 as a result of the write off of general exploration expenses of $20,296 and in Q2 there was a stock based compensation expense of $23,298 which did not occur in the other quarters. The variations in other income (expenses) represent changes in the fair value of the Mag Copper Limited shares held by CIM.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2015

Total expenses year ended December 31, 2015 - $1,289,242 (December 31, 2014 - $4,075,071)

The total expenses of $1,289,242 were $2,785,829 lower than last year's total of $4,075,071 mainly as a result of the decrease in the impairment provision in the current year.

Administration

- The nature of the administration expenses is further detailed in note 13 to the financial statements. The administration expenses consist of office supplies and maintenance, shareholder information, information technology, advertising & promotion as well as insurance and other.

- During 2015, the administrative expenses totaled $12,506 as compared to $18,981 representing a reduction of $6,475 with $4,931 related to lower office supplies & maintenance and the remainder of $1,544 related to other administrative items.

Transfer Agent and filing fees

- During 2015, the transfer agent and filing fees totaled $24,743 as compared to $30,194 in 2014. The reduction reflects lower levels of activities and rate reductions.

Legal

- During 2015 the legal expenses totaled $17,510 as compared to $15,088 in 2014. The legal expenses represent costs associated with the respective annual meetings as well as other corporate matter.

Audit and accounting

- The audit and accounting expenses for 2015 of $21,880 represent a reduction of $6,310 reflecting additional year-end planning efforts by management.

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 Service fees of $10,000 during the year ended December 31, 2015 (December 31, 2014 - $50,400) represent Globex's estimate of the specific costs related to performing these services. The charges in 2015 were significantly lower than the previous year as there was very little activity with virtually no exploration expenditures.

Share-based compensation

- During 2015, there have been no stock options issued and as a result no expenses have been reported in the current year. The share based compensation expense of $23,298 during the year ended December 31, 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.

Amortization of financing costs

- During the year ended December 31, 2015, $9,559 of amortization of financing costs related to the long-term term loan which was secured on December 15, 2014 was recorded. In 2014, the $250 represents the amortization of the financing costs from December 16, 2014 to the end of the year.

Interest expense on long-term loan

- The interest expense of $10,059 represents accrued interest on the long-term loan during the year ended December 31, 2015. The $263 of accrued interest in 2014 represents accrued interest on the long-term loan for the period from December 16, 2014 to December 31, 2014.

Impairment of mineral properties and deferred exploration expenses

- IFRS 6, *Exploration for and Evaluation for Mineral Resources*, outlines facts and circumstance which indicate that an entity should test exploration and evaluation assets for impairment. In CIM's case, the relevant circumstances include; (a) whether the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed and (b) substantive expenditure on further exploration for and evaluation of mineral resources is neither budgeted nor planned. Under the Canadian Viewpoint developed by the Chartered Professional Accountants of Canada and the Prospectors and Developers Association of Canada, it is also recommended that if the market capitalization of the corporation is less than the carrying value of the net assets, then an entity should carefully consider the reasons for this occurrence.

- In the year ended December 31, 2014, CIM considered these factors which resulted in an impairment provision of $3,908,407. The Corporation retained property and exploration values for the following properties which were deemed projects of merit:

    - Bateman Bay,
    - Berrigan South and Berrigan Mine,
    - Lac Chibougamau.
    - Kokko Creek,
    - Mont Sorcier (Sulphur Converting Property and Magnetite Bay).

- During the year ended December 31, 2015, the Corporation evaluated various financing alternatives which would have funded exploration activities on the CIM properties, but was not able to close an appropriate arrangement. Various options continue to be evaluated. As a result of not closing a financing during 2015, late in the fourth quarter, CIM management reviewed the carrying value of the mining properties and deferred exploration expenses considering the status of the claims and assessment credits, as well as budgets and plans for the properties.

- During the year ended December 31, 2015, an impairment provision of $1,182,985 (Mineral properties - $189,794; deferred exploration expense - $993,191) was recorded as no substantive expenditures have been planned or budgeted in 2016. The deferred exploration expenditures have been fully impaired as; (a) during the last two years no significant work programs have been undertaken, (b) no significant expenditures are currently planned or budget for 2016 and (c) a reliable estimate of a recoverable amount cannot be developed at a reasonable cost.

- For the mineral properties, an impairment provision of $189,794 was recorded which reduced the carrying value of the mineral properties to $171,949 which represents management's estimate of the fair market value less selling costs for prime exploration properties with similar location and characteristics. The net recoverable amount was derived by deflating the December 31, 2014 carrying values by the average change during the year in the following factors; ((i) GDXJ Index, (ii) TSX Mining Index, (iii) CIM market capitalization), and (iv) full impairment of the mineral properties). On a combined a basis, the average of these factors represents a decline of approximately 52%.

- These factors have been selected by management as they reflect the nature of the operations, state of development, challenges in the junior mining sector, and past practices employed in developing net recoverable amount estimates. In 2012, the majority of the mineral property values were confirmed by independent valuations. During 2013, exploration expenditures totaled $1,434,285 and in each of the following years, the exploration expenditures were quite limited.

- The impairment provisions by property follow:

Mineral properties

	December 31, 2014	**Additions 2015**	**Impairment and write-offs 2015**	**December 31, 2015**
Bateman Bay	$ 66,776	**$ -**	**$ (35,035)**	**$ 31,741**
Berrigan South and Berrigan Mine	111,658	**-**	**(58,583)**	**53,075**
Lac Chibougamau	171,239	**-**	**(89,843)**	**81,396**
Kokko Creek	6,672	**-**	**(3,501)**	**3,171**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	5,398	**-**	**(2,832)**	**2,566**
	$ 361,743	**$ -**	**$ (189,794)**	**$ 171,949**

Deferred exploration expenses

	December 31, 2014	**Additions 2015**	**Impairment and write-offs 2015**	**December 31, 2015**
Bateman Bay	$ 257,286	**$ 151**	**$ (257,437)**	**$ -**
Berrigan South and Berrigan Mine	330,568	**1,639**	**(332,207)**	**-**
Lac Chibougamau	134,348	**192**	**(134,540)**	**-**
Grandroy	-	**301**	**(301)**	**-**
Kokko Creek	86,955	**123**	**(87,078)**	**-**
Lac Antoinette	-	**746**	**(746)**	**-**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	193,823	**1,536**	**(195,359)**	**-**
Lac Simon	-	**107**	**(107)**	**-**
Quebec refundable tax credit recovery	(2,540)	**(12,044)**	**14,584**	**-**
	$ 1,000,440	**$ (7,249)**	**$ (993,191)**	**$ -**

- Management has estimated the net recoverable amount at $171,949, but recognized that this estimate could range between a reduction of $171,949 representing a complete write-off of the mineral property carrying values and an increase of $477,595 to $649,545 representing the market capitalization of the Corporation at December 31, 2015.

- While the Corporation has made an impairment provision against the properties, all of the claims are in good standing and assessment credits are up to date for 2015. In 2016, in order to retain the various properties in good standing, CIM has no work commitments, but needs to spend approximately $8,200 for mining property tax and permits.

- Management still strongly believes that the exploration targets identified in 2013 should be further explored and it also believes that an economic recovery will take place in the future resulting in a recovery of these carrying costs. The exact recovery remains subject to significant uncertainty and will be subject to a number of factors including the successful negotiation of option, joint venture, or sale arrangements. Discussions are currently continuing to explore these various options. The impairment provisions have no impact on the Corporation’s cash flow or the cash and cash equivalents.

Other income (expenses)

- The other expense of $43,703 during the year ended December 31, 2015 (December 31, 2014 - $170,052) mainly represent the decrease in the fair value of 972,040 Mag Copper Ltd shares which are held by the Corporation.

Income and mining taxes (recovery)

- During the year end December 31, 2015, CIM recorded an income and mining tax recovery of $189,364 as compared to $191,599 in 2014. The difference in the recovery is mainly a result of the impact of the reversal of permanent tax differences related to the initial carrying value of properties which were acquired in 2012 under the "spin-out" of assets from Globex.

FINANCIAL POSITION – DECEMBER 31, 2015

Total assets

At December 31, 2015, the total assets were $266,864 which represented a decrease of $1,238,868 from the balance of $1,505,732 at December 31, 2014. The change mainly reflects the impact of the impairment provision against mineral properties and deferred exploration of $1,182,985.

Liabilities

Current liabilities

At December 31, 2015, CIM had total current liabilities of $127,973 (December 31, 2014 - $20,278). The payables and accruals represent accrued audit and legal fees. The increase mainly reflects fourth quarter legal fees which were outstanding at December 31, 2015.

At December 31, 2015, the amount due to Jack Stoch Geoconsultant Services Limited was reflected as a current liability as the original maturity date of the loan was set as December 15, 2016. The maturity remains unchanged. This loan was reflected as a long term liability at December 31, 2014. Further details are provided on page 18.

Related party payable – Globex Mining Enterprises Inc.

At December 31, 2015, CIM owed Globex Mining Enterprises Inc. $30,408 (December 31, 2014 – $15,382) which represented unpaid management services and other miscellaneous payments made by Globex.

Deferred tax liabilities

At December 31, 2015, no deferred tax liability was reported as compared to a liability of $189,364 at December 31, 2014. The change of $189,364 reflects the impact of the reduction in the carrying value of mining properties as a result of the impairment provision.

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. They reflect the Canadian Eligible Exploration Expenditures which have been renounced to shareholders under flow-through share arrangements and therefore not available as a reduction in taxable income.

Owners' equity

Owners' equity of the Corporation, consists of common shares, warrants, and the deficit which totaled $108,483 at December 31, 2015 (December 31, 2014 - $1,252,064). The reduction reflects the loss of $1,143,581 for the year ended December 31, 2015.

Common Shares

At December 31, 2015, the Corporation had 32,477,248 common shares outstanding which is unchanged from December 31, 2014.

Warrants

At December 31, 2015, there were 1,000,000 warrants outstanding which were issued on December 15, 2014 in connection with the loan from Jack Stoch Geoconsultant Services Ltd. These warrants have an ascribed value of $21,369.

LIQUIDITY, WORKING CAPITAL, CASH FLOW AND CAPITAL RESOURCES

At December 31, 2015, the Corporation had cash and cash equivalents of $55,447 (December 31, 2014 - $58,912).

Working Capital

The Corporation had a working capital deficiency (based on current assets minus current liabilities) of $33,058 at December 31, 2015 (December 31, 2014 - working capital of $123,271). The current assets of the Corporation at December 31, 2015 included equity investments with a fair value of $29,161. The Mag Copper Limited investments are considered to be non-active.

Cash Flow

During the year ended December 31, 2015, $86,600 (December 31, 2014 - $142,798) **was used in operating activities** and $10,860 (December 31, 2014 - $7,146) was generated from changes in non-cash operating working capital items.

In the year end December 31, 2015, the **financing activities** for the year generated $65,026 (December 31, 2014 - $64,882). These financing activities consisted of the $50,000 received under the loan arrangement with Jack Stoch Geoconsultant Services Limited and related party advances from Globex Mining Enterprises Inc. of $15,026.

In the year ended December 31, 2015, $4,795 (December 31, 2014 - $43,656) was invested in the acquisition of mineral properties and deferred exploration expenses while a Quebec refundable tax credit recovery of $12,044 (2014 - $2,540) was received.

These operating, financing and investing activities resulted in a net decrease in the cash and cash equivalents of $3,465 for the year ended December 31, 2015 as compared to a decrease of $111,886 in 2014.

Capital Resources

The Corporation has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

In August 2014, CIM announced a private placement of up to 4,000,000 Quebec "flow-through" shares at a price of $.10 per share and up to 2,500,000 units at a price of $0.08 per unit, each unit being comprised of one common share and one-half of a common share warrant. Unfortunately, due to market conditions the private placement could not be closed at terms which were favourable to shareholders.

As a result, on December 15, 2014, CIM entered into a loan arrangement with Jack Stoch Geoconsultant Services Limited which provided $100,000. The loan was designed to provide the Corporation with sufficient cash to meet the ongoing listing requirements as a TSXV listed company which include adequate working capital or financial resources of the greater of: (a) $50,000 and (b) the funding required to maintain operations and fund general and administrative expenses for a period of 6 months.

The Corporation has met all of its 2015 property assessment requirements. In 2016, CIM has no work commitments, but needs to spend approximately $8,200 for mining property tax and permits. Currently, management has estimated the ongoing administrative and compliance costs at $79,000 for 2016 based on very limited operations. The Corporation is currently pursuing various options to generate short-term financial liquidity including option or joint venture arrangements.

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.

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 $55,447 at December 31, 2015 (December 31, 2014 - $58,912). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation.

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

The maximum exposure to credit risk was:

		December 31 2015		December 31, 2014
Cash and cash equivalents	**$**	**55,447**	$	58,912
Investments		**29,161**		72,903
Taxes receivable [1]		**729**		714
	$	**85,337**	$	132,529

1) Taxes receivable of $729 (December 31, 2014 - $714) 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 equity investments with a fair market value of $29,161 at December 31, 2015 (December 31, 2014 - $72,903) and as a result of a 10% increase or decrease would Income and Loss by $2,916 (December 31, 2014 - $7,290).

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

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

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

December 31, 2015		Level 1		Level 2		Level 3		Total Financial Assets at fair Value
Financial assets								
Cash and cash equivalents	$	-	$	55,447	$	-	$	55,447
Taxes receivable		-		-		729		729
Equity investments		-		29,161		-		29,161
Total financial assets	$	-	$	84,608	$	729	$	85,337

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, 2014		Level 1		Level 2		Level 3		Total Financial Assets at fair Value
Financial assets								
Cash and cash equivalents	$	-	$	58,912	$	-	$	58,912
Taxes receivable		-		-		714		714
Equity investments		-		72,903		-		72,903
	$	-	$	131,815	$	714	$	132,529

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

SIGNIFICANT ACCOUNTING ASSUMPTIONS, JUDGMENTS AND ESTIMATES

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

(a) Fair value of investments

CIM holds common shares of Mag Copper Ltd., a junior mining company which is in the development stage. CIM attempts to determine the fair value of these shares based on published price quotations in an active market. However, as a result of the strategic nature or volume of trading in the market, the quoted price may not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

(b) Impairment of mineral properties and deferred exploration expenses

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties as well as deferred exploration expenses. If the Corporation determines that there has been an impairment, then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount.

As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount and represents a measurement uncertainty as future conditions could result in a material change.

The ultimate recoverable amount of the mineral properties will be determined through the Corporation entering into a joint venture or option agreement or sale of mineral properties.

Note 8 further describes the assumption used in estimating the net recoverable amounts.

(c) Estimate of share-based compensation

The estimate of share-based compensation requires the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation and payment costs.

(d) Deferred tax balances

The Corporation uses the asset and liability method in accounting for deferred income taxes and mining duties. Under this method, deferred income taxes are recognized for future income tax in preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate plans which may impact taxable income in future periods.

(e) Estimate of fair value of Warrants:

The estimate of the fair value of warrants requires the Corporation to select an appropriate valuation model and consideration of inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares and interest rates. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the warrants.

OUTSTANDING SHARE DATA

At December 31, 2015 and December 31, 2014, the Corporation had 32,477,248 common shares outstanding. In addition, at December 31, 2015 and December 31, 2014, the Corporation had 1,000,000 warrants outstanding as well as 1,335,400 stock options (December 31, 2014 - 1,940,400) for fully diluted common share capital of 34,812,648 (December 31, 2014- 35,417,648 shares).

At December 31, 2015, 1,871,070 (December 31, 2014 - 1,266,070) options were available to be granted.

On April 4, 2016, 131,200 vested stock options expired which reduced the number of options outstanding at December 31, 2015 of 1,335,400 to 1,204,200. At April 15, 2016, the Corporation had 32,477,248 common share outstanding, 1,000,000 warrants outstanding as well as 1,204,200 stock options for fully diluted common share capital of 34,681,448

At April 15, 2016, 2,002,270 (December 31, 2015 - 1,871,070) options were available to be granted.

RISKS AND UNCERTAINTIES

(a) Financing Risk

The Corporation must periodically obtain new funds in order to pursue its activities. At the present time, obtaining financing at a reasonable price is a challenge and may continue for the foreseeable future.

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

(b) Cash Flow

The Corporation's properties are currently being maintained for future exploration potential. The Corporation has no source of operating cash flow. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

(c) Listing Risk

The Corporation is a TSXV Tier 2 listed issuer and in accordance with Policy 2.5 - Continued Listing Requirements, the Corporation is subject to a number of requirements including a working capital requirement (greater of $50,000 or an amount required to maintain operations and cover general and administrative expenses for a period of 6 months) as well as activity levels including exploration expenditures of $50,000 in the most recently completed financial year.

At December 31, 2015, CIM had a working capital deficiency of $33,058 and it incurred $4,795 of exploration expenditures in 2015. Under the TSXV Continued Listing policy, a Tier 2 issuer may be notified that it does not meet a requirement and be given a six-month period to meet it. As of March 14, 2016, CIM has not received any such notification.

(d) Permits and Licenses

The Corporation's operations may require permits and licenses from different governmental authorities. There cannot be any assurance that the Company will obtain all the required permits and licenses in order to continue the exploration and development of its properties.

(e) Government Regulations

All of the Corporation's exploration projects are located in Quebec and have been affected by revisions to Quebec's Mining Act. After several months of deliberations and uncertainty, on December 10, 2013, the Quebec Assembly adopted the proposed new Mining Act, Bill 70 (Québec) ("Bill 70"). Bill 70 is seen as the replacement for the existing Mining Act, 1987 (Quebec) and retains many of the rules in relation to rights and ownership contained within it; however, a number of significant changes included in Bill 70 are now in effect. These include:

1) changes with respect to the rights of municipalities and surface rights owners to oversee mining activities;
2) increased financial and disclosure obligations for mining rights holders in a bid to create further responsibility and transparency;
3) further environmental and economic obligations;
4) further consultation requirements with Aboriginal groups; and
5) increased powers of the Minister, and
6) significant increased costs.

CIM believes that some of these changes have adversely impacted the efficiency and effectiveness of our exploration activities and created additional unwarranted expenses and delays.

(f) Environmental Risks

The Corporation's operations are and will be subject to provincial and local environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards, land use standards, land reclamation and labour standards. They also set forth limitations on the generation, transportation, storage and disposal of liquid and waste materials.

Environmental legislation is evolving in a way which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increased responsibility for companies and their officers, directors and employees. At this time, it is not certain that these changes will not adversely affect the Corporation's operations.

Environmental hazards may exist on the Corporation's properties which are unknown to management at the present time and which have been caused by previous owners or operators of the properties.

(g) Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Corporation's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing its mineral deposits, the Corporation will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Corporation. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Corporation has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Corporation has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Corporation may determine that it is impractical to commence or continue commercial production.

(h) Title Matters

The staked mining claims in which the Corporation has an interest have not been surveyed and, accordingly the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land compromising the claims may be in doubt. Although, the Corporation has taken all possible measures to ensure proper title to its properties and royalty interests, including filing of necessary documents and payments to local regulatory authorities, there is no guarantee that the title of any of its properties will not be challenged.

The Quebec governments is currently working on system to convert mining claims to a map designated system which should mitigate this risk.

RELATED PARTY INFORMATION

(a) Related party payables

	December 31, 2015	December 31, 2014
	$ 30,408	$ 15,382

The amount due to Globex Mining Enterprises Inc. represents management services provided by Globex, but which remain unpaid at December 31, 2015 as well as other miscellaneous payments made by Globex.

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 through Jack Stoch Geoconsultant Services Limited (GJSL), a private company which is the principal shareholder of CIM, and therefore can significantly influence the operations of both entities.

(b) Management Services

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

The Management services charges of $10,000 during the year ended December 31, 2015 (December 31, 2014 - $50,400) represents Globex's estimate of the specific costs related to performing these services. The costs in 2015 were significantly reduced over the previous year as a result of the limited activities in the current year.

(c) Amount due to Jack Stoch Geonconsultant Services Limited

	December 31, 2015	December 31, 2014
Loan balance	$ 100,000	$ 50,000
Accrued interest	10,322	263
	110,322	50,263
Deduct: deferred financing costs		
Fair value of 1,000,000 warrants issued	21,369	21,369
Fees paid to TSXV	500	500
	21,869	21,869
Amortization of financing costs	(9,809)	(250)
	12,060	21,619
Balance, end of year	$ 98,262	$ 28,644

On December 15, 2014, CIM entered into a $100,000 loan with GJSL under which $50,000 was advanced on that date and two further advances of $25,000 were made on March 15, 2015 and June 15, 2015. The proceeds from the loan have been used for working capital. The loan will mature on December 15, 2016 and will bear interest at an annual rate of 12%, compounded and payable on the maturity date. The loan is secured by a hypothec and security interest on all of CIM's assets.

In consideration for the loan, CIM has issued 1,000,000 non-transferrable common share purchase warrants to GJSL each of which will entitle GJSL to purchase one common share of CIM at a price of $0.05 until December

15, 2016.

At December 31, 2015, deferred financing costs of $12,060 (December 31, 2014 - $21,619) have been presented as a deduction against the amounts due to GSJL. This amount is being amortized to the statement of loss and comprehensive loss over the term of the debt using the effective interest rate method.

(d) Director and Management Compensation

During the years ended December 31, 2015 and 2014 none of the Directors or Management received any remuneration or benefits in these roles other than stock options.

On June 16, 2014, Ray Zalnieriunas was granted 400,000 options (200,000 of which were a replacement for options which had been received under the plan of arrangement and expired on June 15, 2014). The options granted to Ray Zalnieriunas had a fair market value of $21,600 ($0.054 per share).

OUTLOOK

Despite the disappointment that CIM encountered as a result of not being able to complete a financing in 2015, Management believes that the Corporation holds first-class properties and has access to the human and corporate resources necessary to advance the exploration and development of the Chibougamau Mining Camp Properties should proper financing be available. Management and directors have continued to demonstrate their commitment to these properties by continuing to hold 26% of the outstanding shares of the Corporation.

As outlined in the Capital resources section of this MD&A, Management is continuing to explore Currently, management has estimated the ongoing administrative and compliance costs at $79,000 for 2016 based on very limited operations.

The Corporation is currently pursuing various options to generate short-term financial liquidity including option or joint venture arrangements.

In our forward planning for the remainder of 2016 and into 2017, we have recognized that the economic uncertainties and market challenges may somewhat impede the speed at which these plans can be executed as it is likely that additional financing will be required in order to undertake a large drilling program on many of our high priority targets and to expand known zones of economic grade mineralization.

ADDITIONAL INFORMATION

This analysis should be read in conjunction with the comparative financial statements for the year ended December 31, 2015 and the year ended December 31, 2014 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 2014 and/or 2014 MD&A, please send your request to:

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information contained in this MD&A are the responsibility of CIM's management and have been approved by the Board of Directors on April 15, 2016.

Responsibilities for Financial Statements

The management of the Corporation is responsible for the preparation of the financial statements and the financial information contained in the Annual Report. The accompanying financial statements of Chibougamau Independent Mines Inc. have been prepared by management and approved by the Board of Directors of the Corporation. Financial information contained elsewhere in this report is consistent with the financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards and where appropriate reflect management's best estimates and judgments based on currently available information.

Chibougamau Independent Mines Inc. maintains adequate accounting systems and administrative controls to produce reliable financial statements and provide reasonable assurance that assets are properly safeguarded.

Deloitte LLP, "Comptables Professionnels agréés", have been appointed by the shareholders to conduct an independent audit of the Corporation's financial statements. Their report outlines the nature of their audit and expresses their opinion of the financial statements of the Corporation.

The Board of Directors of the Corporation is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board of Directors carries out this responsibility through its Audit Committee, which is composed solely of independent directors. The Audit Committee is also responsible for making recommendations with respect to the appointment, the remuneration and the terms of engagement of the Corporation's auditors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the financial statements, management's discussion and analysis, the external auditor's report, and examines the fees and expenses for audit services, and considers the engagement of reappointment of the external auditors. Deloitte LLP, the external auditors, have full and free access to the Audit Committee. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to shareholders.

"Jack Stoch"
Jack Stoch
President and Chief Executive Officer

"James Wilson"
James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

Deloitte LLP
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Independent Auditor's Report

To the Shareholders of
Chibougamau Independent Mines Inc.

We have audited the accompanying financial statements of Chibougamau Independent Mines Inc., which comprise the statements of financial position as at December 31, 2015 and December 31, 2014, and the statements of loss and comprehensive loss, statements of equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chibougamau Independent mines Inc. as at December 31, 2015 and December 31, 2014 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 matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(s) Deloitte LLP [1]

April 15, 2016

[1] CPA auditor, CA, public accountancy permit No. A121501

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Loss and Comprehensive Loss

(In Canadian dollars)

	Notes	**December 31, 2015**	December 31, 2014
Continuing operations			
Expenses			
Administration	13	**$ 12,506**	$ 18,981
Transfer agent and filing fees		**24,743**	30,194
Legal		**17,510**	15,088
Audit and accounting		**21,880**	28,190
Management services	16 (b)	**10,000**	50,400
Share-based compensation		**-**	23,298
Amortization of financing costs		**9,559**	250
Interest expense on long-term loan		**10,059**	263
Impairment of mineral properties and deferred exploration expenses	8, 9, 10	**1,182,985**	3,908,407
		1,289,242	4,075,071
Loss from operations		**(1,289,242)**	(4,075,071)
Other income (expenses)			
Interest income		**39**	55
Decrease in fair value of financial assets		**(43,742)**	(170,107)
		(43,703)	(170,052)
Loss before taxes		**(1,332,945)**	(4,245,123)
Recovery of Income and mining tax	12	**(189,364)**	(191,599)
Loss and comprehensive loss for the year		**$ (1,143,581)**	$ (4,053,524)
Loss per common share			
Basic and diluted	14	**$ (0.04)**	$ (0.12)
Weighted average number of common shares outstanding		**32,477,248**	32,477,248
Shares outstanding at end of year		**32,477,248**	32,477,248

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Cash Flows

(In Canadian dollars)

	Notes	December 31, 2015	December 31, 2014
Operating activities			
Loss and comprehensive loss for the year		**$ (1,143,581)**	$ (4,053,524)
Adjustments for:			
Share-based compensation		**-**	23,298
Decrease in fair value of financial assets		**43,742**	170,107
Impairment of mineral properties and deferred exploration expenses		**1,182,985**	3,908,407
Amortization of financing costs		**9,559**	250
Interest expense		**10,059**	263
Recovery of income and mining tax		**(189,364)**	(191,599)
		(86,600)	(142,798)
Changes in non-cash operating working capital items	17	**10,860**	7,146
		(75,740)	(135,652)
Financing activities			
Amount due to Jack Stoch Geoconsultant Services	16 (c)	**50,000**	50,000
Related party payable - Globex Mining Enterprises Inc.	16 (a)	**15,026**	15,382
Financing cost related to the amount due to Jack Stoch Geoconsultant Services Limited		**-**	(500)
		65,026	64,882
Investing activities			
Acquisition of mineral properties	9	**-**	(342)
Deferred exploration expenses	10	**(4,795)**	(43,314)
Quebec refundable tax credit recovery		**12,044**	2,540
		7,249	(41,116)
Net decrease in cash and cash equivalents		**(3,465)**	(111,886)
Cash and cash equivalents, beginning of year		**58,912**	170,798
Cash and cash equivalents, end of year		**$ 55,447**	$ 58,912

Supplementary cash flow information (note 17)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Financial Position

(In Canadian dollars)

	Notes		**December 31, 2015**		December 31, 2014
Assets					
Current assets					
Cash and cash equivalents	6	**$**	**55,447**	$	58,912
Investments	7		**29,161**		72,903
Taxes receivable			**729**		714
Prepaid expenses			**9,578**		11,020
			94,915		143,549
Mineral properties	9		**171,949**		361,743
Deferred exploration expenses	10		**-**		1,000,440
		$	**266,864**	$	1,505,732
Liabilities					
Current liabilities					
Payables and accruals	11	**$**	**29,711**	$	20,278
Amount due to Jack Stoch Geoconsultant Services Limited	16 (c)		**98,262**		-
			127,973		20,278
Related party payable - Globex Mining Enterprises Inc.	16 (a)		**30,408**		15,382
Amount due to Jack Stoch Geoconsultant Services Limited	16 (c)		**-**		28,644
Deferred income tax	12		**-**		189,364
Owners' equity					
Common shares	15		**8,554,690**		8,554,690
Warrants	15		**21,369**		21,369
Contributed surplus - equity settled reserve			**273,388**		273,388
Deficit			**(8,740,964)**		(7,597,383)
			108,483		1,252,064
		$	**266,864**	$	1,505,732

The accompanying notes are an integral part of these financial statements

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Equity

(In Canadian dollars)

	Notes		**December 31, 2015**		December 31, 2014
Common shares		**$**	**8,554,690**	$	8,554,690
Warrants					
Beginning of year	16 (c)	**$**	**21,369**	$	-
Issued under a loan from a related party	16 (c)		**-**		21,369
End of year		**$**	**21,369**	$	21,369
Contributed surplus - equity settled reserve					
Beginning of year		**$**	**273,388**	$	250,090
Share-based compensation and payments			**-**		23,298
End of year		**$**	**273,388**	$	273,388
Deficit					
Beginning of year		**$**	**(7,597,383)**	$	(3,543,859)
Loss and comprehensive loss for the year			**(1,143,581)**		(4,053,524)
End of year		**$**	**(8,740,964)**	$	(7,597,383)
Total Equity		**$**	**108,483**	$	1,252,064

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements
Years ended December 31, 2015 and 2014
(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).

CIM is a natural resources exploration and development corporation, with properties, located in the area of Chibougamau, Québec. It holds exploration properties that were transferred from Globex as of December 29, 2012. It is focused on reviving production in the Chibougamau gold-copper mining camp. It has established short-term objectives of defining NI 43-101- compliant resources and reserves on selected target properties.

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

The CIM shares trade on the TSX Venture Exchange under the symbol CBG and on the Stuttgart exchange under the symbol CLL.

2. Basis of presentation and going concern

a) Statement of Compliance

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

b) Basis of Presentation

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

2. Basis of presentation and going concern (continued)

Since its incorporation, the Corporation has accumulated a deficit of $8,740,964 (December 31, 2014 - $7,597,383). The Corporation's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The 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.

CIM is in the development stage and is subject to the risks and challenges particular to companies at this stage. There is no assurance that CIM's projects will be successful. As a result, there is substantial doubt regarding CIM's ability to continue to operate as a going concern. The Corporation's continuing operations are dependent on the ability to secure adequate financing, the discovery of economically-recoverable mineral reserves, securing and maintaining title or beneficial interests in the mining properties and on future profitable production or proceeds from the disposition of mineral property interests.

On December 15, 2014, CIM entered into a $100,000 loan with Jack Stoch Geoconsultant Services Limited ("GJSL", "GEO") which provided working capital support for the Corporation during the year ended December 31, 2015. The Corporation is in the process of securing funding through option or joint venture arrangements. There is no assurance that any such activities will generate sufficient funds for continued operations.

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

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

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

c) Approval of Financial Statements

The Corporation's Board of Directors approved these financial statements for the years ended December 31, 2015 and December 31, 2014 on April 15, 2016.

3. New and Revised International Financial Reporting Standards

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

Certain new standards are not yet effective, and have not been applied in preparing these consolidated financial statements.

Amendments to IAS 1 – Presentation of financial statements:

In December 2014, IASB published narrow-scope amendments to IAS 1 Presentation of financial statements. These amendments address, among others, the concept of materiality and aggregation and disaggregation of disclosure in the notes to the financial statements as well in the statement of financial position and statement of profit or loss and other comprehensive income. Amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The entity is currently assessing the expected impact of these amendments on its 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 had 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 on the Corporation.

IFRS 15, Revenue from Contracts with Customers:

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

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

IFRS 15 is currently 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 on the Corporation, and they have recognized that under this standard they will need to consider at the outset all forms of payments under the contract and the likelihood that all of the obligations will be met. This new standard may result in revenue recognition timing differences.

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

IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures:

This amendment deals with the recognition of the gain or loss when a transaction involves a business. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IFRS 11 Joint Arrangements:

This amendment offers new guidance on the acquisition of an interest in a joint operation that constitutes a business. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets:

This amendment offers clarification of acceptable methods of depreciation and amortization and prohibits the use of revenue-based methods to calculate the depreciation of property, plant and equipment and intangible assets. It is effective for annual periods on or after January 1, 2016. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

4. Summary of significant accounting policies

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

a) Functional and Presentation Currency

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

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

c) Cash reserved for exploration

The cash reserve for exploration consists of cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. These funds are earmarked for funding prescribed resource expenditures.

4. Summary of significant accounting policies (continued)

d) Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

The table below illustrates the classification and measurement of the financial assets under IAS 39:

Financial Assets	Measurement category under IAS 39
Cash and cash equivalents	Loans and receivables
Equity investments	Financial assets at FVTPL
Taxes receivable	Loans and receivables

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

4. Summary of significant accounting policies (continued)

The Corporation has designated all of its investments as at FVTPL upon initial recognition.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognized in income or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables and refundable tax credit and mining duties) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Corporation has transferred substantially all the risk and rewards of ownership of the financial assets.

Financial liabilities

The Corporation's financial liabilities includes accounts payable and accrued liabilities.

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

Derecognition of financial liabilities

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

e) Mineral properties

All direct costs related to the acquisition of mineral properties are capitalized, at their cost at the date of acquisition, by property.

4. Summary of significant accounting policies (continued)

f) Deferred exploration expenses

All costs incurred prior to obtaining the legal rights to undertake exploration and evaluation activities are recognized in the statements of loss as incurred. Exploration expenses arising following the acquisition of the right to explore are capitalized on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical costs and deferred exploration costs, and are carried at historical cost less any impairment losses recognized. The Corporation classifies exploration assets as tangible or intangible according to the nature of the assets acquired.

General exploration costs not related to specific properties and general exploration administrative expenses are charged to the Statement of Loss and Comprehensive Loss in the year in which they are incurred.

If an exploration project is successful, then the related expenditures are transferred to mining assets and amortized over the estimated life of the ore reserves on a unit of production basis.

The recoverability of deferred exploration and evaluation expenses is dependent upon the discovery of economically recoverable ore reserves, the ability of the Corporation to obtain the necessary financing to complete the development of ore reserves and future profitable production or proceeds from the disposal thereof.

g) Impairment of non-financial assets

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Typically, one or more of the following facts and circumstance indicate the need to test for impairment:

(a) The right to explore the property has expired or will expire in the near future with no expectation of renewal.

(b) Substantive expenditures on further exploration for and evaluation of mineral resources is neither budgeted or planned.

(c) No commercially viable quantities of mineral resources have been discovered and it has been decided to discontinue such activities in the specific area.

(d) Sufficient work has been performed to indicate that, the carrying value of the expenditures are unlikely to be recovered in full from successful development or by sale.

If any such indicators exists, then the asset’s recoverable amount is estimated. Impairment testing and the estimation of recoverable amount is applied at the individual mining property level as the Corporation considers these to be the equivalent of cash generating units (CGU’s). The recoverable amount of an individual property is generally its fair value less costs of disposal. CIM’s properties are at various stages in the exploration cycle. The estimates of the net recoverable amounts are based on management’s estimates of the fair values using benchmarks and appropriate indices.

4. Summary of significant accounting policies (continued)

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

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

h) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

i) Current and deferred taxes

Taxes, comprising both income and resource taxes accounted for as income taxes, are recognized in the statement of loss, except where they relate to items recognized in other comprehensive income or directly in equity, in which case the related taxes are recognized in other comprehensive income or equity. Taxes on income are recorded using the tax rate that would be applicable to expected annual income.

The current income tax charge is based on taxable income for the period. Taxable income differs from net income (loss) as reported in the statement of loss and comprehensive loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible.

Deferred tax is recognized, using the asset and liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Summary of significant accounting policies (continued)

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of each reporting period, CIM reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will enable the deferred tax asset to be recovered. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is adjusted to the extent that it is no longer probable that sufficient taxable income will be available to ensure that all or part of the asset will be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and CIM intends to settle its current tax assets and liabilities on a net basis.

j) Share-based compensation

The Corporation uses the fair value method to record stock options. The fair value of all share purchase options is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. The Corporation uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, do not necessarily provide a reliable single measure of the fair value of CIM’s share purchase options.

k) Flow-Through shares

The Corporation raises funds through the issuance of “flow-through” shares which entitle investors to prescribed resource tax benefits and credits once CIM has renounced these benefits to the investors in accordance with applicable tax legislation. The Corporation considers the issuance of flow-through shares in substance: (a) an issue of an ordinary share; and (b) the sale of tax deductions. The sale of tax deductions has been measured based on the relative fair value method.

At the time, the flow-through shares are issued; the sale of tax deductions is deferred and presented as an Other Liability. When CIM fulfills its obligation; the Other Liability is reduced; the sale of tax deductions is recognized in the statement of loss and comprehensive loss as a reduction of the deferred tax expense; and a deferred tax liability is recognized in accordance with IAS 12, Income Taxes, for the taxable temporary differences between the carrying value of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

4. Summary of significant accounting policies (continued)

l) Loss per share

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

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

The number of additional shares is calculated by assuming that outstanding dilutive stock options were exercised and the proceeds from such exercise were used to acquire common stock at the average market price during the reporting periods.

m) Share capital

The Corporation's common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

n) Warrants

Warrants are classified as equity as they are derivatives over the Corporation's own equity that will be settled only by the Corporation exchanging a fixed amount of cash for a fixed number of the Corporation's own equity instruments. When shares and warrants are issued at the same time, the proceeds are allocated first to warrants, based on an estimate of the fair value using the Black-Scholes pricing model, and the residual is allocated to the common shares.

When warrants expire, the ascribed value is transferred to Contributed Surplus of the Corporation.

o) Financing costs

Financing costs related to long-term debt are capitalized as a reduction of long-term debt and amortized using the effective interest rate method.

5. Significant accounting assumptions, judgments and estimates

The preparation of financial statements under the principles of IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Information about such judgments and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarized below. Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are:

a) Fair value of investments

Under the Plan of Arrangement, CIM received common shares of a Junior Mining Company which is in the development stage. CIM attempts to determine the fair value of these shares based on published price quotations in an active market. However, as a result of the strategic nature or volume of trading in the market, the quoted price may not be representative of the price that these shares could be sold to a willing arm's length party. These valuation issues could also impact the fair value measurement of financial assets at each period end.

b) Impairment of mineral properties and deferred exploration expenses

At the end of each reporting period, the Corporation considers whether there has been an impairment of its mineral properties as well as deferred exploration expenses. If the Corporation determines that there has been an impairment, then it must estimate the recoverable amount and selling costs resulting in a net recoverable amount. As a result of the limited information available, it requires significant management judgment in estimating a net recoverable amount and represents a measurement uncertainty as future conditions could result in a material change.

The ultimate recoverable amount of the mineral properties will be determined through the Corporation entering into a joint venture or option agreement or sale of mineral properties.

Note 8 further describes the assumption used in estimating the net recoverable amounts.

c) Estimate of share-based compensation

The estimate of share-based compensation requires the selection of an appropriate valuation model and consideration of the inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares, the probable life of options granted, interest rates, and the time of exercise of those options. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the share-based compensation.

d) Deferred tax balances

The Corporation uses the asset and liability method in accounting for deferred income taxes. Under this method, deferred income taxes are recognized for the future income tax. In preparing these estimates, management is required to interpret, substantially enacted legislation as well as economic and business conditions along with management's tax and corporate plans which may impact taxable income in future periods.

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

e) Estimate of fair value of warrants

The estimate of the fair value of warrants, requires the Corporation requires the selection of an appropriate valuation model and consideration of inputs necessary for the model chosen. The Corporation has made estimates of the volatility of its own shares and interest rates. The Corporation uses the Black-Scholes valuation model to calculate the fair value of the warrants.

6. Cash and cash equivalents

	December 31, 2015	December 31, 2014
Bank balances	**$ 55,447**	$ 58,912

7. Investments

	December 31, 2015	December 31, 2014
Equity investments [(i),(ii)]	**$ 29,161**	$ 72,903

(i) At December 31, 2015, the fair market value of $29,161 represents 972,040 Mag Copper Limited shares valued at $0.03 per share. On September 9, 2015, Mag Copper Limited consolidated its shares on a basis of five for one.

(ii) At December 31, 2014, the fair market value of $72,903 represents 4,860,200 Mag Copper Limited shares valued at $0.015 per share.

8. Impairment provision mineral properties and deferred exploration expenses

During the year ended December 31, 2015, the Corporation evaluated various financing alternatives which would have funded exploration activities, but was not able to close an appropriate arrangement. Various options continue to be evaluated.

At each period end, the Corporation considers the facts and circumstances which suggest that the carrying value of properties and exploration and evaluation assets may exceed the recoverable amounts.

The impairment provisions represent a charge against properties on which claims have lapsed or will be dropped in the near future as well as a charge against deferred exploration expenses on properties on which there are no immediate substantive expenditures planned or budgeted, and the Corporation does not have an active option or joint venture agreement.

In the year ended December 31, 2014, an impairment provision of $3,908,407 (2014 Mineral properties - $3,520,419; deferred exploration expenses - $387,988) was recorded. The impairment provision was made against the carrying value of the mineral properties and deferred exploration mainly as there were no substantive planned expenditures for 2015. The recoverable amounts represented management's assessment of the impact of changes in; (a) gold and copper prices, (b) financing challenges for junior exploration companies' estimates as well as (c) external benchmark prices for properties with similar location and characteristics.

8. Impairment provision mineral properties and deferred exploration expenses (continued)

During the year ended December 31, 2015, an impairment provision of $1,182,985 (Mineral properties - $189,794; deferred exploration expense - $993,191) was recorded as no substantive expenditures have been planned or budgeted in 2016.

The deferred exploration expenditures have been fully impaired as; (a) during the last two years no significant work programs have been undertaken, (b) no significant expenditures are currently planned or budget for 2016 and (c) a reliable estimate of a recoverable amount cannot be developed at a reasonable cost.

After the impairment provision of $189,794, the carrying value of the mineral properties of $171,949 represents management's current estimate of the fair market value less selling costs for prime exploration properties with similar location and characteristics. The net recoverable amount was derived by deflating the December 31, 2014 carrying values by the average change during the year in the following factors; ((i) GDXJ Index, (ii) TSX Mining Index, (iii) CIM market capitalization, and (iv) full impairment of the mineral properties). On a combined a basis, the average of these factors represents a decline of approximately 52%.

These factors have been selected by management as they reflect the nature of the operations, state of development, challenges in the junior mining sector, and past practices employed in developing net recoverable amount estimates.

Management has estimated the net recoverable amount at $171,949, but recognized that this estimate could range between a reduction of $171,949 representing a complete write-off of the mineral property carrying values and an increase of $477,595 to $649,545 representing the market capitalization of the Corporation at December 31, 2015.

While impairment provisions have been made against these properties, management believes that a recovery will take place in the future representing a substantial portion, if not all of the costs. The exact recovery remains subject to significant uncertainty and will be subject to a number of factors including the successful negotiation of option, joint venture, or sale arrangements. Discussions are currently continuing to explore these various options. The impairment provisions have no impact on the Corporation's cash flow or the cash and cash equivalents.

9. Mineral properties

	December 31, 2014	**Additions 2015**	**Impairment and write-offs 2015**	**December 31, 2015**
Bateman Bay	$ 66,776	**$ -**	**$ (35,035)**	**$ 31,741**
Berrigan South and Berrigan Mine	111,658	**-**	**(58,583)**	**53,075**
Lac Chibougamau	171,239	**-**	**(89,843)**	**81,396**
Kokko Creek	6,672	**-**	**(3,501)**	**3,171**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	5,398	**-**	**(2,832)**	**2,566**
	361,743	**$ -**	**$ (189,794)**	**$ 171,949**

9. Mineral properties (continued)

Impairment and write-off

For the year ended December 31, 2015, the $189,794 (December 31, 2014 - $3,520,419) impairment provision represents management's estimate of the decline in the carrying value of the properties reflecting recent changes in gold and copper prices, the financing challenges for junior exploration companies, external benchmark prices for properties with similar characteristics, as well as CIM's short-term priorities and exploration plans.

	December 31, 2013	Additions 2014	Impairment and write-offs 2014	December 31, 2014
Bateman Bay	$ 647,058	$ -	$ (580,282)	$ 66,776
Berrigan South and Berrigan Mine	1,081,962	-	(970,304)	111,658
Lac Chibougamau	1,657,935	-	(1,486,696)	171,239
Copper Cliff Extension	18,375	-	(18,375)	-
Grandroy	69,675	-	(69,675)	-
Kokko Creek	64,650	-	(57,978)	6,672
Lac Élaine (Berrigan West)	141,377	123	(141,500)	-
Lac Antoinnette	81,297	-	(81,297)	-
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	52,091	219	(46,912)	5,398
Québec Chibougamau Goldfields	63,500	-	(63,500)	-
Virginia Property	3,900	-	(3,900)	-
	$ 3,881,820	$ 342	$ (3,520,419)	$ 361,743

10. Deferred exploration expenses

	December 31, 2014	**Additions 2015**	**Impairment and write-offs 2015**	**December 31, 2015**
Bateman Bay	$ 257,286	**$ 151**	**$ (257,437)**	**$ -**
Berrigan South and Berrigan Mine	330,568	**1,639**	**(332,207)**	**-**
Lac Chibougamau	134,348	**192**	**(134,540)**	**-**
Grandroy	-	**301**	**(301)**	**-**
Kokko Creek	86,955	**123**	**(87,078)**	**-**
Lac Antoinette	-	**746**	**(746)**	**-**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	193,823	**1,536**	**(195,359)**	**-**
Lac Simon	-	**107**	**(107)**	**-**
Quebec refundable tax credit recovery	(2,540)	**(12,044)**	**14,584**	**-**
	$ 1,000,440	**$ (7,249)**	**$ (993,191)**	**$ -**

Additions

During the year ended December 31, 2015, expenditures which totaled $4,795 (2014 - $43,314) were incurred on the properties.

10. Deferred exploration expenses (continued)

Impairment and write-off

During the year ended December 31, 2015, an impairment provision of $993,191 has been recorded to write-off the carrying value of the deferred exploration expenses (December 31, 2014 - $387,988).

	December 31, 2013	Additions 2014	Impairment and write-offs 2014	December 31, 2014
Bateman Bay	$ 256,042	$ 1,244	$ -	$ 257,286
Berrigan South and Berrigan Mine	329,948	620	-	330,568
Lac Chibougamau	270,910	10,213	(146,775)	134,348
Copper Cliff Extension	25,211	223	(25,434)	-
Grandroy	67,340	449	(67,789)	-
Kokko Creek	86,677	278	-	86,955
Lac Élaine (Berrigan West)	119,522	585	(120,107)	-
Lac Antoinette	-	242	(242)	-
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	190,931	2,892	-	193,823
Québec Chibougamau Goldfields	800	-	(800)	-
Virginia Property	-	140	(140)	-
Buckell Lake	111	-	(111)	-
Lac Simon	162	183	(345)	-
General exploration and other	-	26,245	(26,245)	-
Quebec refundable tax credit recovery	-	(2,540)	-	(2,540)
	$ 1,347,654	$ 40,774	$ (387,988)	$ 1,000,440

Deferred exploration expenses by expenditure type:

	December 31, 2015	December 31, 2014
Balance, beginning of period	**$ 1,000,440**	$ 1,347,654
Current exploration expenses		
Claim staking	**-**	575
Geology	**725**	19,031
Laboratory analysis and sampling	**-**	28
Labour	**1,293**	11,281
Mining property tax and permits	**2,767**	8,129
Reports, maps and supplies	**-**	2,510
Transport and road access	**10**	1,760
Quebec refundable tax credit recovery	**(12,044)**	(2,540)
Total current exploration expenses	**(7,249)**	40,774
Impairment and write-offs	**(993,191)**	(387,988)
Balance, end of period	**$ -**	$ 1,000,440

11. Payables and accruals

		December 31, 2015		December 31, 2014
Trade payables and accrued liabilities	**$**	**29,711**	$	20,278
	$	**29,711**	$	20,278

12. Deferred income tax

Income and mining taxes (recovery)

		December 31, 2015		December 31, 2014
Deferred tax provision for income tax	**$**	**(189,364)**	$	(191,599)

Tax expense reconciliation

		December 31, 2015		December 31, 2014
Loss before income taxes	**$**	**(1,332,945)**	$	(4,245,123)
Combined tax rates		**26.9%**		26.9%
Income tax provisions calculated at combined rates		**(358,562)**		(1,141,938)
Adjustments for share-based compensation		**-**		6,267
Impairment of mineral properties		**43,240**		882,642
Taxable income at different rates		**5,883**		22,879
Adjustments related to previous taxation years		**(187)**		-
Non deductible amortization of financing costs		**2,571**		123
Income tax provision		**(307,055)**		(230,027)
Unrecognized tax asset		**117,691**		38,428
Income tax provisions (recovery)	**$**	**(189,364)**	$	(191,599)

At December 31, 2015, the Corporation had non-capital loss carry forwards of $1,327,864 available to reduce future years' income for tax purposes. The non-capital losses will expire as follows:

2031	$	547
2032		175,459
2033		653,814
2034		255,113
2035		242,931
	$	1,327,864

12. Deferred income tax (continued)

Deferred tax balances

		January 1, 2015		**Recognized in income or loss**		**Other**		**December 31, 2015**
Temporary differences								
Deferred tax assets								
Non-capital losses carry forward	$	291,656	**$**	**56,200**	**$**	**-**	**$**	**347,856**
Share issue expenses		60,015		**(30,007)**		**-**		**30,008**
Financial asset at FVTPL		-		**5,883**		**-**		**5,883**
		351,671		**32,076**		**-**		**383,747**
Deferred tax liabilities								
Mining properties and deferred deferred exploration expenses		189,364	**$**	**(103,747)**		**-**	**$**	**85,617**
Less valuation allowance		(351,671)		**(117,693)**		**-**		**(469,364)**
Deferred tax liabilities	$	189,364	**$**	**(189,364)**	**$**	**-**	**$**	**-**

		January 1, 2014		Recognized in income or loss		Other		December 31, 2014
Temporary differences								
Deferred tax assets								
Non-capital losses carry forward	$	223,221	$	68,435	$	-	$	291,656
Share issue expenses		90,022		(30,007)		-		60,015
		313,243		38,428		-		351,671
Deferred tax liabilities								
Financial assets at FVTPL		22,879		(22,879)		-		-
Mining properties and deferred deferred exploration expenses		358,084		(168,720)		-		189,364
Less valuation allowance		(313,243)		(38,428)				(351,671)
Deferred tax liabilities	$	380,963	$	(191,599)	$	-	$	189,364

13. Expenses by nature

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

		December 31, 2015		December 31, 2014
Administration				
Office supplies & maintenance	**$**	**579**	$	5,510
Shareholder information		**442**		466
Information technology		**1,785**		904
Advertising & Promotion		**274**		-
Part XII.6 Tax related to Flow-through shares		**-**		(2,704)
Insurance		**9,210**		8,925
Other administrative expenses		**216**		5,880
	$	**12,506**	$	18,981

14. Loss per common share

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

Basic and diluted loss per common share

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

		December 31, 2015		December 31, 2014
Numerator				
Loss for the period	**$**	**(1,143,581)**	$	(4,053,524)
Denominator				-
Weighted average number of common shares - basic and diluted [(i)]		**32,477,248**		32,477,248
Income (loss) per share				
Basic and diluted	**$**	**(0.04)**	$	(0.12)

(i) At December 31, 2015, stock options have not been included in the diluted loss per share as they are anti-dilutive.

15. 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

	December 31, 2015		December 31, 2014	
	Number of shares	**Capital Stock**	Number of shares	Capital Stock
Balance, end of year	**32,477,248**	**$ 8,554,690**	32,477,248	$ 8,554,690

b) Warrants

	December 31, 2015		December 31, 2014	
	Number of warrants	**Fair value**	Number of warrants	Fair value
Balance, beginning of year	**1,000,000**	**$ 21,369**	-	$ -
Issued in connection with loan from GJSL	-	-	1,000,000	21,369
Balance, end of year	**1,000,000**	**$ 21,369**	1,000,000	$ 21,369

As outlined in note 16 (c), CIM issued 1,000,000 non-transferrable common share purchase warrants to GJSL each of which will entitle GJSL to purchase one common share of CIM at a price of $0.05 until December 15, 2016.

If the loan is reduced or repaid during the first year of its term, a pro rata number of the warrants must have their term reduced to the later of one year from issuance of the Warrants and 30 days from the reduction or repayment of the loan.

The warrants have been valued using the Black-Scholes Model with the following assumptions:

- Stock Price - $0.03 per share
- Exercise Price - $0.05 per share
- Expected life 24 months
- Annualized volatility - 170%
- Annual rate of dividends - Nil
- Interest rate - 1.02%

The fair value of each warrant has been estimated at $0.021 per warrant which results in a fair value for the 1,000,000 warrants of $21,369 with this amount being reported as a deferred financing cost in note 16.

15. Share capital (continued)

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 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. 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.

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

At December 31, 2015, 1,335,400 (December 31, 2014 - 1,940,400) options were issued with a weighted average exercise price of $0.14 per share and a weighted average remaining contractual life of 2.59 years. At that date, in addition to the 1,335,400 options outstanding, 1,871,070 (December 31, 2014 - 1,266,070) options were available to be granted.

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

	December 31, 2015		December 31, 2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance - beginning of period	**1,940,400**	**$ 0.16**	1,810,400	$ 0.20
Expired	**(605,000)**	**0.20**	(295,000)	0.26
Granted - Directors and employees	**-**	**-**	425,000	0.06
Balance - end of period	**1,335,400**	**$ 0.14**	1,940,400	$ 0.16
Options exercisable	**1,335,400**	**$ 0.14**	1,940,400	$ 0.16

15. Share capital (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at December 31, 2015:

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	3.46	0.06
0.09 - 0.12	725,000	725,000	2.61	0.10
0.17 - 0.22	25,000	25,000	1.51	0.22
0.25 - 0.36	29,200	29,200	0.84	0.33
0.38 - 0.59	131,200	131,200	0.26	0.59
	1,335,400	1,335,400	2.59	0.14

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 5 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. No stock options were issued during the year ended December 31, 2015 whereas 425,000 stock options were issued in the comparable period in 2014.

In the year ended December 31, 2015, no share-based compensation expense has been recorded. During the year ended December 31, 2014, the total expense related to share-based compensation of $23,298 related to 425,000 options which were issued on June 17, 2014 to employees and directors, has been recorded and presented separately in the Statements of Loss and Comprehensive Loss.

16. Related party information

(a) Related party payables

	December 31, 2015	December 31, 2014
Globex Mining Enterprises Inc.	**$ 30,408**	$ 15,382

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 through Jack Stoch Geoconsultant Services Limited (GJSL), a private company which is the principal shareholder of CIM, and therefore can significantly influence the operations of both entities.

16. Related party information (continued)

(b) Management Services

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

The Management Service Fees of $10,000 during the year ended December 31, 2015 (December 31, 2014 - $50,400) represent Globex's estimate of the specific costs related to performing these services.

(c) Amount due to Jack Stoch Geoconsultant Services Limited

		December 31, 2015		December 31, 2014
Loan balance	**$**	**100,000**	$	50,000
Accrued interest		**10,322**		263
		110,322		50,263
Deduct: deferred financing costs				
Fair value of 1,000,000 warrants issued		**21,369**		21,369
Fees paid to TSXV		**500**		500
		21,869		21,869
Amortization of financing costs		**(9,809)**		(250)
		12,060		21,619
Balance, end of year	**$**	**98,262**	$	28,644

On December 15, 2014, CIM entered into a $100,000 loan with GJSL under which $50,000 was advanced on that date and two further advances of $25,000 were made on March 15, 2015 and June 15, 2015. The proceeds from the loan have been used for working capital. The loan will mature on December 15, 2016 and bears interest at an annual rate of 12%, compounded and payable on the maturity date. The loan is secured by a hypothec and security interest on all of CIM's assets.

In consideration for the loan, CIM issued 1,000,000 non-transferrable common share purchase warrants to GJSL each of which entitles GJSL to purchase one common share of CIM at a price of $0.05 until December 15, 2016.

At December 31, 2015, deferred financing costs of $12,060 (December 31, 2014 - $21,619) have been presented as a deduction against the amount due to GJSL. This amount is being amortized to the statement of loss and comprehensive loss over the term of the debt, using the effective interest rate method.

16. Related party information (continued)

The loan agreement provides that if GJSL has advanced 100% of the loan amount and CIM does not repay the loan on the maturity date of December 15, 2016, GJSL will have the right, at its sole discretion, to convert the unpaid loan and all accrued interest thereon into common shares of CIM. Any such shares would be issued at a price per share equal to the volume weighted average trading price of the common shares of CIM, on the TSX Venture Exchange, or such other stock exchange on which the shares of CIM are then listed or quoted, for a period of 20 trading days immediately preceding the maturity date, less a discount of 15%, subject to any minimum issue price established by the TSX Venture Exchange or such other stock exchange.

The TSX Venture Exchange approved the loan and the warrants to be issued to GJSL on April 2, 2015. Any conversion of the loan into shares of CIM upon its maturity will be subject to the prior approval of the TSX Venture Exchange.

(d) Transactions with Key Management Personnel

None of the key management personnel received any remuneration or other benefits during the years ended December 31, 2015 or December 31, 2014.

17. Supplementary cash flows information

Changes in non-cash working capital items

	December 31, 2015	December 31, 2014
Taxes receivable	**$ (15)**	$ 44,969
Prepaid expenses	**1,442**	(1,613)
Payables and accruals	**9,433**	(36,210)
	$ 10,860	$ 7,146

Non-cash financing and investing activities

	December 31, 2015	December 31, 2014
Fair value of warrants issued	**$ -**	$ 21,369

18. 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.

18. Financial instruments (continued)

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

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

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

The Corporation will need additional capital resources to complete or carry out its exploration and development plans for the next twelve months.

The Corporation is not subject to any externally imposed capital requirements. The Corporation's overall strategy remains unchanged from 2014.

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

Financial risk management objectives

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

(a) Credit risk

The Corporation had cash and cash equivalents of $55,447 at December 31, 2015 (December 31, 2014 - $58,912). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation. The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major Canadian financial institutions.

The maximum exposure to credit risk was:

		December 31, 2015		December 31, 2014
Cash and cash equivalents	**$**	**55,447**	$	58,912
Investments		**29,161**		72,903
Taxes receivable (i)		**729**		714
	$	**85,337**	$	132,529

(i) Taxes receivable of $729 (December 31, 2014 - $714) represent G.S.T. and Q.S.T. recoverable and therefore are not subject to credit risks.

18. Financial instruments (continued)

(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 transactions out of the ordinary course of business.

(c) Equity market risk

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

The Corporation currently holds equity investments with a fair market value of $29,161 at December 31, 2015 (December 31, 2014 - $72,903) and as a result a 10% increase or decrease would impact Income and Loss by $2,916 (2014 - $7,290).

(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 market data (unobservable inputs).

December 31, 2015	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ -	$ 55,447	$ -	$ 55,447
Taxes receivable	-	-	729	729
Equity investments	-	29,161	-	29,161
Total financial assets	$ -	$ 84,608	$ 729	$ 85,337

18. Financial instruments (continued)

There were no transfers between level 1 and level 2 during the year. The level 2 equity investments have been measured using the quoted price of the shares on the market which has been determined to be non-active. For all other financial assets and liabilities, the fair value is equal to the carrying value.

December 31, 2014		Level 1		Level 2		Level 3		Total financial assets at fair value
Financial assets								
Cash and cash equivalents	$	-	$	58,912	$	-	$	58,912
Taxes receivable		-		-		714		714
Equity investments		-		72,903		-		72,903
Total financial assets	$	-	$	131,815	$	714	$	132,529

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

19. 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.

20. Commitments and contingencies

a) At year-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 December 31, 2015, 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.

CORPORATE INFORMATION

Board of Directors

Jack Stoch
Director
Toronto, Ontario Canada

Dianne Stoch
Director
Toronto, Ontario Canada

Independent Directors

Samuel R. Bosum (1)(2)
Director
Oujé-Bougoumou, Quebec Canada

David LeClaire (1)(2)
Director
Aurora, Ontario Canada

Rimant (Ray) Zalnieriunas (1)(2)
Director
Larder Lake, Ontario Canada

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

Stock Exchange Listings

Canada - Trading Symbol: **CBG**
Toronto Stock Exchange Venture

Germany - Trading Symbol: **CLL**
Stuttgart Stock Exchange

CUSIP No. 167101 10 4

Officers

Jack Stoch
President and Chief Executive Officer

James Wilson
Chief Financial Officer, Treasurer and Corporate Secretary

Dianne Stoch
Executive Vice President

Auditors

Deloitte LLP "Comptables Professionnels agréés"
Rouyn-Noranda, Quebec Canada

Legal Counsel

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

Transfer Agent & Registrar

Computershare Investor Services Inc.
Montreal, Quebec Canada

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Annual Meeting of Shareholders

May 31, 2016 at 9:30 a.m.
The Offices of the Corporation
86, 14th Street
Rouyn-Noranda, Quebec Canada