Chibougamau Independent Mines Inc.

INTERIM REPORT
THREE MONTHS ENDED
MARCH 31, 2016
(UNAUDITED)

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STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed financial report as of March 31, 2016 and 2015. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

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MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2016

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 May 25, 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 and 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 from Jack Stoch Geoconsultant Services Limited (“GJSL”) a related party to enable it to:
  - maintain its properties,
  - meet its ongoing administrative expenses as well as,
  - maintain its TSXV listing.

- On May 13, 2016, CIM announced in a press release that following the approval, by shareholders at the May 31, 2016 Annual Meeting, the Corporation anticipates completing a non-brokered private placement which would generate gross proceeds of $1.0 M. The TSXV conditionally accepted the private placement on May 17, 2016.- Further details, page 8.

- At March 31, 2016, the Corporation had cash and cash equivalents of $31,595 (December 31, 2015 -$55,447).

- During the three-month period ended March 31, 2016, administrative and compliance costs totalled $16,777 (2015 - $21,859) and interest and financing costs totalled $6,366 (2015 - $3,157).

- For the three-month period, CIM reported a loss of $32,863 (2015- Income of $17,049).

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.

However, in 2016, the price of Gold has gained approximately 20 percent since the beginning of the year and is 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. It has been virtually impossible for these junior companies to successfully complete equity financings. However, recently, we have seen some increased interest in corporate reorganizations and financings in this sector.

In order to protect CIM's property interests and its TSXV listing, during 2015, CIM reduced its administration expenses to a minimum level. This trend continued in the first quarter of 2016 and the Corporation has continued to explore various financing options.

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

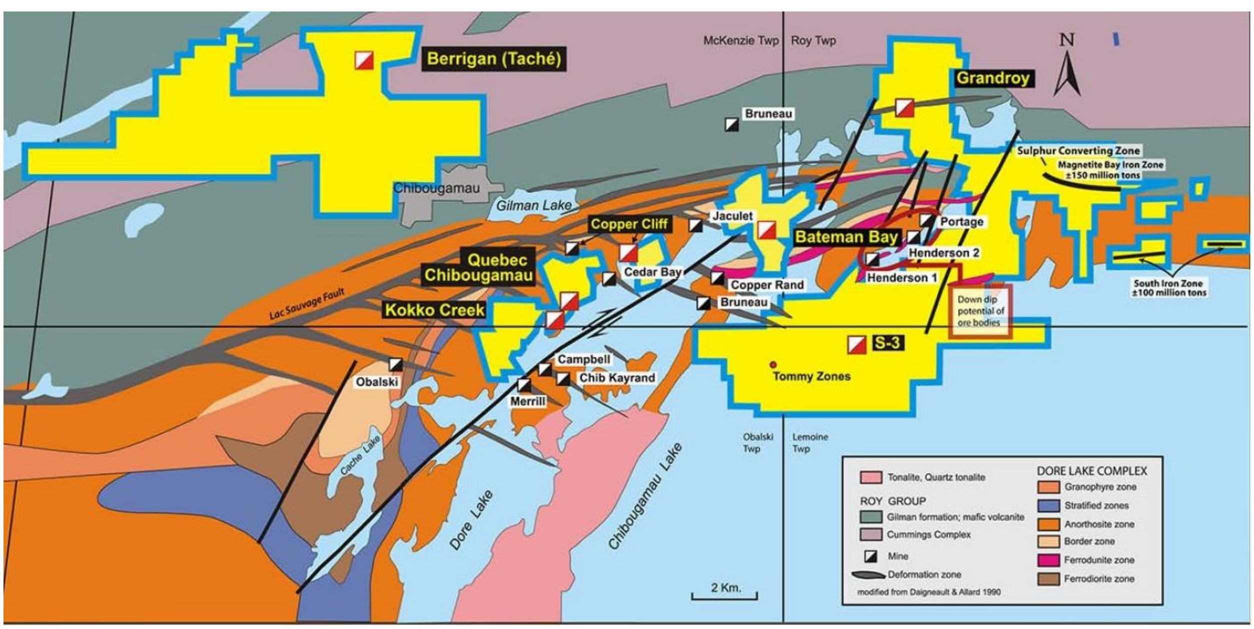

Figure 1

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 subsequent fiscal periods, the exploration expenditures have been as follows:

- Twelve-month period ended, December 31, 2014 - $43,314,
- Twelve-month period ended, December 31, 2015 - $4,795,
- Three-month period ended, March 31, 2016 - $747.

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.

SUMMARY OF QUARTERLY RESULTS

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

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	23,143	1,209,114	23,454	31,658	25,016	3,906,530	33,699	57,312
Other income (expenses)	(9,720)	39	(43,742)	(48,602)	48,602	48,613	(72,862)	(48,602)
Income (loss)	(32,863)	(1,025,594)	(61,313)	(73,723)	17,049	(3,695,533)	(102,838)	(98,955)
Income (loss) per share								
- Basic and diluted	$ (0.00)	$ (0.03)	$ (0.01)	$ (0.00)	$ 0.00	$ (0.11)	$ (0.00)	$ (0.00)

The loss of $32,863 in the first quarter of 2016 compares to a loss of $1,025,594 in the fourth quarter of 2015. The reduction in the loss in the first quarter reflects the lower impairment provision recorded in the current quarter.

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 $1,025,594 also reflected a deferred tax recovery of $183,481 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 THREE MONTHS ENDED MARCH 31, 2016

Total expenses three months ended March 31, 2016 - $23,143; (March 31, 2015 - $25,016)

The total expenses of $23,143 represent administration expenses, transfer agent and filing fees, legal, a provision for audit and accounting as well as amortization of financing costs and interest on the CIM loan. For the three-month period ended March 31, 2016 these expenses totaled $23,143 as compared to $25,016 in the comparable period last year.

Administration - March 31, 2016 – $3,492; (March 31, 2015 - $4,617)

- The nature of the administration expenses is further detailed in note 11 of the Interim Condensed Financial Statements. The administration expenses consist of office supplies and maintenance, shareholder information, information technology, advertising & promotion and part Xii.6 tax related to flow-through shares as well as insurance and other.

- During the first quarter of 2016, the administrative expenses totaled $3,492 as compared to $4,617 representing a reduction of $1,125 mainly related to the closing of Chibougamau office at the beginning of the first quarter of 2015.

Transfer Agent and filing fees – March 31, 2016 - $7,121; (March 31, 2015 - $9,461)

- In the first quarter of 2016, the transfer agent and filing fees totaled $7,121 as compared to $9,461 in 2015 with the difference a result of a negotiated reduction in fees and services.

Legal – March 31, 2016 - Nil; (March 31, 2015 – $2,681)

- In the first quarter of 2016, no legal expenses were recorded as compared to $2,681 in the first quarter of 2015. The reduction reflects lower activity levels.

Audit and accounting – March 31, 2016 - $5,100; (March 31, 2014 - $5,100)

- In the first quarter of 2016 and 2015, the audit and accounting provision was $5,100.

Management Services – March 31, 2016 – $2,500; (March 31, 2014 - Nil)

- In the first quarter of 2016, the management fees totaled $2,500 as compared to none in 2015.

Amortization of financing costs - March 31, 2016 - $3,102; (March 31, 2015 – $1,538)

- The amortization of financing costs totaled $3,102 In the first quarter of 2016, as compared to $1,538 in 2015. The $1,564 increase reflects the drawdown of the second and third tranches under the loan which occurred in the first and second quarters of 2015.

Interest expense - March 31, 2016 - $3,264; (March 31, 2015 - $1,619)

- In the first quarter of 2016, the interest expense totaled $3,264 as compared to $1,619 in 2015. The $3,264 represents the accrued interests for the long-term term loan which was secured on December 15, 2014. The $1,645 increase is proportional to the increased loan balance.

Impairment of mineral properties and deferred exploration expenses – March 31, 2016 – Recovery of $1,436; (March 31, 2015 - $Nil)

- For the three months ended March 31, 2016, an impairment provision recovery of $1,436 was recorded which represents the impact of claims renewal expenses of $747 on Lac Chibougamau Property and a Quebec refundable tax credit of $2,183.

Other income (expenses) - March 31, 2016 – ($9,720); (March 31, 2015 – $48,602))

- The other income (expenses) of $9,720 represents the decrease in the fair value of the 972,040 Mag Copper Limited shares (valued at $0.02 per share at March 31, 2016; valued at $0.03 per share at December 31, 2015).

Income and mining tax expense - March 31, 2016 - $Nil; (March 31, 2015 – $6,537)

- As a result of maintaining a full valuation allowance against the deferred tax assets, no deferred tax provision was recorded in the first quarter of 2016, whereas in the comparable period in 2015, an expense of $6,537 related to the change in the carrying value of the equity investments was recorded.

FINANCIAL POSITION – MARCH 31, 2016

Total assets

At March 31, 2016, the total assets were $235,131 which represented a decrease of $31,733 from the balance of $266,864 at December 31, 2015. The change mainly reflects the impact of the decrease of cash and cash equivalents along with the decrease in the value of investments.

Liabilities

Current liabilities

At March 31, 2016, CIM had total current liabilities of $124,418 (December 31, 2015 - $127,973). The payables and accruals represent accrued audit and legal fees. The decrease is mainly related to the payments made for 2015 year-end audit.

At March 31, 2016 and December 31, 2015, the amount due to Jack Stoch Geoconsultant Services Limited was reflected as a current liability as the scheduled maturity of the loan is December 15, 2016. Further details are provided on page 14.

Related party payable – Globex Mining Enterprises Inc.

At March 31, 2016, CIM owed Globex Mining Enterprises Inc. $35,093 (December 31, 2015 – $30,408) which represents unpaid management services and other miscellaneous payments made by Globex.

Deferred tax liabilities

At March 31, 2016 and December 31, 2015, no deferred tax liability was reported as the valuation allowance fully offsets the carrying value of the deferred tax assets.

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 $75,620 at March 31, 2016 (December 31, 2015 - $108,483). The reduction reflects the loss of $31,595 for the quarter ended March 31, 2016.

Common Shares

At March 31, 2016, the Corporation had 32,477,248 common shares outstanding which is unchanged from December 31, 2015.

Warrants

At March 31, 2016, 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 March 31, 2016, the Corporation had cash and cash equivalents of $31,595 (December 31, 2014 - $55,447). The decrease of $23,852 is mainly related to the operating activities during the first quarter of 2016.

Working Capital

The Corporation had a working capital deficiency (based on current assets minus current liabilities) of $61,594 at March 31, 2016 (December 31, 2015 - working capital deficiency of $33,058). The current assets of the Corporation at March 31, 2016 included equity investments with a fair value of $19,441. The Mag Copper Limited investments are considered to be non-active.

Cash Flow

During the first quarter ended March 31, 2016, $16,030 (March 31, 2015 - $21,859) **was used in operating activities** and $11,402 (March 31, 2015 - $6,989) was used from changes in non-cash operating working capital items and the **financing activities** for the period generated $4,685 (March 31, 2015 - $25,000).

These financing activities consisted of $4,685 Related party advances from Globex Mining Enterprises Inc in 2016 and $25,000 received under the loan arrangement with Jack Stoch Geoconsultant Services Limited in 2015.

In the first quarter of 2016, $1,105 (March 31, 2016 - $224) was invested in the acquisition of mineral properties and deferred exploration expenses while a Quebec refundable tax credit of $2,183 (2015 - $12,044) was received.

These operating, financing and investing activities resulted in a net decrease in the cash and cash equivalents of $23,852 for the first quarter of 2016 as compared to a decrease of $4,072 in 2015.

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 2016, CIM has no exploration work commitments, but must 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.

On May 13, 2016, the Corporation issued a press release highlighting (a) the 2:1 share consolidation as further detailed in the in the Management Information Circular dated, April 22, 2016, and (b) a non-brokered private placement.

At the Corporation’s annual meeting on May 31, 2016, shareholders will be asked to approve a special resolution to consolidate the issued and outstanding common shares of the Corporation on the basis of one share for every two common shares. The Corporation considers that without a share consolidation, it may be more difficult for the Corporation to affect future financings.

Non-Brokered Private Placement

In the May 13, 2016, press release, CIM also announced that following the share consolidation, it will effect a non-brokered private placement in a maximum amount of $1 million by issuing a maximum of 15 million units at a price of $0.05 per unit for maximum proceeds of $750,000 and 5 million “flow-through” shares at a price of $0.05 per share for maximum proceeds of $250,000, all on a post-consolidation basis.

Each of the units will consist of one common share in the capital of CIM and one-half of a common share purchase warrant. Each full warrant will entitle its holder to purchase one additional common share at an exercise price of $0.10 for a period of 18 months from the closing date of the private placement. In the event that the closing price of the common shares of CIM on the TSX Venture Exchange is at least $0.15 for a period of 20 consecutive trading days at any time starting four months after the closing date of the private placement, CIM, in its discretion, can accelerate the expiry date of the warrants by issuing a press release announcing a new expiry date, which will be 30 days after the date of the press release.

The press release further describes the commission arrangements to be paid. The TSXV conditionally accepted the private placement on May 17, 2016.

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 $31,595 at March 31, 2016 (December 31, 2015 - $31,595). 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:

		March 31 2016		December 31, 2015
Cash and cash equivalents	**$**	**31,595**	$	55,447
Investments		**19,441**		29,161
Taxes receivable (1)		**1,074**		729
	$	**52,110**	$	85,337

1) Taxes receivable of $1,074 (December 31, 2015 - $729) 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 $19,441 at March 31, 2016, 2015 (December 31, 2015 - $72,903) and as a result of a 10% increase or decrease would Income and Loss by $1,944 (December 31, 2015- $2,916).

(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).

March 31, 2016		Level 1		Level 2		Level 3		Total Financial Assets at fair Value
Financial assets								
Cash and cash equivalents	$	-	$	31,595	$	-	$	31,595
Taxes receivable		-		-		1,074		1,074
Equity investments		-		19,441		-		19,441
Total financial assets	$	-	$	51,036	$	1,074	$	52,110

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.

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

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
	$	-	$	84,608	$	729	$	85,337

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.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (Note 5) to the consolidated financial statements as at and for the year ended December 31, 2015.

OUTSTANDING SHARE DATA

At March 31, 2016 and December 31, 2015, the Corporation had 32,477,248 common shares outstanding. In addition, at March 31, 2015 and December 31, 2015, the Corporation had 1,000,000 warrants outstanding as well as 1,335,400 stock options (December 31, 2015 - 1,335,400) for fully diluted common share capital of 34,812,648 (December 31, 2015- 34,812,648 shares).

At March 31, 2016, 1,871,070 (December 31, 2015 – 1,871,070) options were available to be granted.

On April 4, 2016, 131,200 vested stock options expired which reduced the number of options outstanding at May 25, 2016 to 1,204,200. At May 25, 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 May 25, 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 March 31, 2016, CIM had a working capital deficiency of $61,594 and it incurred exploration expenditures of $747 in 2016. 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 May 25, 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 a system to convert mining claims to a map designated system which should mitigate this risk.

RELATED PARTY INFORMATION

(a) Related party payables

	March 31, 2016	December 31, 2015
	$ 35,093	$ 30,408

The amount due to Globex Mining Enterprises Inc. represents management services provided by Globex, but which remain unpaid at March 31, 2016 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, 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 $2,500 for the three-month period ended March 31, 2016 (March 31, 2015 - $Nil).

(c) Amount due to Jack Stoch Geoconsultant Services Limited

		March 31, 2016		December 31, 2015
Loan balance	$	**100,000**	$	100,000
Accrued interest		**13,586**		10,322
		113,586		110,322
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		**(12,911)**		(9,809)
		8,958		12,060
Balance, end of period	$	**104,628**	$	98,262

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 March 31, 2016, deferred financing costs of $8,958 (December 31, 2015 - $12,060) 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.

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) Director and Management Compensation

During the three month periods ended March 31, 2016 or March 31, 2015, none of the Directors or Management received any remuneration or benefits in these roles.

OUTLOOK

Despite the disappointment that CIM has encountered as a result of not being able to complete a financing in 2015, Management is continuing to pursue various options to introduce funding to maintain the corporation and build on the successful exploration activities which were completed in 2013.

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, in a press release dated May 13, 2016, the Corporation announced that following the approval by shareholders of a share consolidation, the Corporation anticipates entering into a non-brokered private placement which it is anticipated to generate gross proceeds of $1.0 M. Further details are outlined on page 8. If successfully completed this financing would provide the funds needed to undertake targeted exploration and maintain the Corporation's TSXV listing. Currently, management has estimated the ongoing administrative and compliance costs at $79,000 for 2016 based on very limited operations.

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 2015 and/or 2015 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 May 25, 2016.

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Loss and Comprehensive Loss

(Unaudited - in Canadian dollars)

	Notes		Three months ended March 31, 2016		2015
Continuing operations					
Expenses					
Administration	11	**$**	**3,492**	$	4,617
Transfer agent and filing fees			**7,121**		9,461
Legal			**-**		2,681
Audit and accounting			**5,100**		5,100
Management services	14 (b)		**2,500**		-
Amortization of financing costs			**3,102**		1,538
Interest expense on long-term loan			**3,264**		1,619
Impairment of mineral properties and deferred exploration expenses	6, 7, 8		**(1,436)**		-
			23,143		25,016
Loss from operations			**(23,143)**		(25,016)
Other income					
Increase (decrease) in fair value of financial assets			**(9,720)**		48,602
			(9,720)		48,602
Income (loss) before taxes			**(32,863)**		23,586
Income and mining tax					
Deferred tax provision	10		**-**		6,537
Income and mining tax			**-**		6,537
Income (loss) and comprehensive income (loss) for the period		**$**	**(32,863)**	$	17,049
Income (loss) per common share					
Basic and diluted	12	**$**	**0.00**	$	0.00
Weighted average number of common shares outstanding			**32,477,248**		32,477,248
Shares outstanding at end of period			**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

(Unaudited - in Canadian dollars)

	Notes		Three months ended March 31, 2016		2015
Operating activities					
Income (loss) and comprehensive income (loss) for the period		**$**	**(32,863)**	$	17,049
Adjustments for:					
Decrease (increase) in fair value of financial assets			**9,720**		(48,602)
Impairment of mineral properties and deferred exploration expenses	6, 7, 8		**(1,436)**		-
Amortization of financing costs			**3,102**		1,538
Interest expense			**3,264**		1,619
Deferred income and mining taxes	10		**-**		6,537
Quebec refundable tax credit	8		**2,183**		-
			(16,030)		(21,859)
Changes in non-cash operating working capital items	15		**(11,402)**		(6,989)
			(27,432)		(28,848)
Financing activities					
Related party payable - Globex Mining Enterprises Inc.			**4,685**		-
Amount due to Jack Stoch Geoconsultant Services Limited	14 (c)		**-**		25,000
			4,685		25,000
Investing activities					
Deferred exploration expenses	8		**(747)**		(224)
Mineral properties acquisitions	7		**(358)**		-
			(1,105)		(224)
Net increase (decrease) in cash and cash equivalents			**(23,852)**		(4,072)
Cash and cash equivalents, beginning of period			**55,447**		58,912
Cash and cash equivalents, end of period		**$**	**31,595**	$	54,840
Cash and cash equivalents		**$**	**31,595**	$	54,840
		$	**31,595**	$	54,840

Supplementary cash flow information (note 15)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Statements of Financial Position

(Unaudited - in Canadian dollars)

	Notes		**March 31, 2016**		December 31, 2015
Assets					
Current assets					
Cash and cash equivalents	4	**$**	**31,595**	$	55,447
Investments	5		**19,441**		29,161
Taxes receivable			**1,074**		729
Prepaid expenses			**10,714**		9,578
			62,824		94,915
Mineral properties	7		**172,307**		171,949
		$	**235,131**	$	266,864
Liabilities					
Current liabilities					
Payables and accruals	9	**$**	**19,790**	$	29,711
Amount due to Jack Stoch Geoconsultant Services Limited	14 (c)		**104,628**		98,262
			124,418		127,973
Related party payable - Globex Mining Enterprises Inc.	14 (a)		**35,093**		30,408
Owners' equity					
Common shares	13		**8,554,690**		8,554,690
Warrants	13		**21,369**		21,369
Contributed surplus - equity settled reserve			**273,388**		273,388
Deficit			**(8,773,827)**		(8,740,964)
			75,620		108,483
		$	**235,131**	$	266,864

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

(Unaudited - in Canadian dollars)

	Notes		**Three months ended March 31, 2016**		2015		Year ended December 31, 2015
Common shares		**$**	**8,554,690**	$	8,554,690	$	8,554,690
Warrants							
Beginning of period	13 (b)	**$**	**21,369**	$	21,369	$	21,369
Issued under private placement	13 (b)		**-**		-		-
End of period		**$**	**21,369**	$	21,369	$	21,369
Contributed surplus - equity settled reserve							
Beginning of period		**$**	**273,388**	$	273,388	$	273,388
Share-based compensation and payments			**-**		-		-
End of period		**$**	**273,388**	$	273,388	$	273,388
Deficit							
Beginning of period		**$**	**(8,740,964)**	$	(7,597,383)	$	(7,597,383)
Loss and comprehensive loss for the period			**(32,863)**		17,049		(1,143,581)
End of period		**$**	**(8,773,827)**	$	(7,580,334)	$	(8,740,964)
Total Equity		**$**	**75,620**	$	1,269,113	$	108,483

The accompanying notes are an integral part of these financial statements

Notes to the Interim Financial Statements
March 31, 2016.
(Unaudited - 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

Basis of Presentation

These interim condensed 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 Interim Condensed Statement of Loss and Comprehensive Loss. All financial information is presented in Canadian dollars.

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

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

2. Basis of presentation and going concern (continued)

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

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

Statement of compliance

These interim condensed consolidated financial statements have been prepared by Management in accordance with IAS 34, Interim Financial Reporting.

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied (Note 5) in the financial statements as at and for the year ended December 31, 2015.

Approval of financial statements

The Corporation's Board of Directors approved these interim condensed financial statements for the periods ended March 31, 2016 and March 31, 2015 on May 25, 2016.

3. Summary of significant accounting policies

These interim condensed financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual consolidated financial statements (Note 4) of the Corporation's audited financial statements for the year ended December 31, 2015 with the exception of the International Financial Reporting Standards adopted as described below.

The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements. Accordingly, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

(a) International Financial Reporting Standards adopted.

In preparing these interim condensed financial statements for the three months ended March 31, 2016 and as at March 31, 2016, the Corporation has adopted the following new standards or amendments which were previously detailed in the financial statements for the year end December 31, 2015.

3. Summary of significant accounting policies (continued)

Effective date	New amendments or interpretations
January 1, 2016	IAS 1 - *Presentation of financial statements (narrow scope amendments).*
	IFRS 10 *Consolidated financial statements and* IAS 28 *Investments in Associates and Joint Ventures.*
	IFRS 11 *Joint Arrangements:*
	IAS 16 *Property, Plant and Equipment and* IAS 38 *Intangible Assets:*

The adoption of these standards has not resulted in any material changes in the financial statements or reported results.

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

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

IFRS 9 Financial Instruments (replacement of IAS 39):

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

IAS 7 Statement of Cash Flows:

The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

The amendments to IAS 7 respond to investors' requests for information that helps them better understand changes in an entity's debt, which is important to their analysis of financial statements. These amendments are mandatory for annual periods beginning on or after January 1, 2017.

Management is in the process of evaluating the impacts of this standard on the Corporation.

IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses:

The International Accounting Standards Board (IASB) published amendments to IAS 12 on January 19, 2016. The amendments, Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12), clarify how to account for deferred tax assets (DTAs) related to debt instruments measured at fair value. Only four paragraphs (including one on commencement) have been added or amended in the Standard itself but there are several pages added to the Basis for Conclusions. The revisions apply for periods beginning on or after January 1, 2017, with early adoption permitted.

Management is in the process of evaluating the impacts of this standard on the Corporation, but it is unlikely to have any impact.

4. Cash and cash equivalents

	March 31, 2016	December 31, 2015
Bank balances	**$ 31,595**	$ 55,447

5. Investments

	March 31, 2016	December 31, 2015
Equity investments [(i),(ii)]	**$ 19,441**	$ 29,161

(i) At March 31, 2016, the fair market value of $19,441 represents 972,040 Mag Copper Limited shares valued at $0.02 per share.

(ii) 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.

6. Impairment provision mineral properties and deferred exploration expenses

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. General exploration expenses not allocated to specific projects are expensed as incurred.

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

During the three-month period ended March 31, 2016, no facts or circumstance changed that required revisions to the impairment provisions against the mineral properties. The deferred exploration expenditures of $747 and the Quebec refundable tax credit of $2,183 have been written off as no exploration plans or budgets are currently in place.

7. Mineral properties

	December 31,	**Additions**	**Impairment and write-offs**	**March 31,**
	2015	**2016**	**2016**	**2016**
Bateman Bay	$ 31,741	**$ -**	**$ -**	**$ 31,741**
Berrigan South and Berrigan Mine	53,075	**-**	**-**	**53,075**
Lac Chibougamau	81,396	**-**	**-**	**81,396**
Kokko Creek	3,171	**-**	**-**	**3,171**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	2,566	**-**	**-**	**2,566**
Nepton	-	**358**		**358**
	171,949	**$ 358**	**$ -**	**$ 172,307**

8. Deferred exploration expenses

	December 31,	**Additions**	**Impairment and write-offs**	**March 31,**
	2015	**2016**	**2016**	**2016**
Bateman Bay	**$ -**	**$ -**	**$ -**	**$ -**
Berrigan South and Berrigan Mine	**-**	-	-	**-**
Lac Chibougamau	**-**	**747**	**(747)**	**-**
Grandroy	**-**	-	-	**-**
Kokko Creek	**-**	-	-	**-**
Lac Antoinette	**-**	-	-	**-**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	**-**	-	-	**-**
Lac Simon	**-**	-	-	**-**
Quebec refundable tax credit	**-**	**(2,183)**	**2,183**	**-**
	$ -	**$ (1,436)**	**$ 1,436**	**$ -**

8. Deferred exploration expenses (continued)

Deferred exploration expenses by expenditure type:

	March 31, 2016	December 31, 2015
Balance, beginning of period	$ -	$ 1,000,440
Current exploration expenses		
Geology	-	725
Labour	-	1,293
Mining property tax and permits	747	2,767
Transport and road access	-	10
Quebec refundable tax credit	(2,183)	(12,044)
Total current exploration expenses	(1,436)	(7,249)
Impairment and write-offs	1,436	(993,191)
Balance, end of period	$ -	$ -

9. Payables and accruals

	March 31, 2016	December 31, 2015
Trade payables and accrued liabilities	$ 19,790	$ 29,711

10. Deferred income tax

Income and mining tax

	Three Months ended	
	March 31, 2016	March 31, 2015
Deferred tax provision	$ -	$ 6,537

Deferred tax balances

	January 1, 2016	Recognized in income or loss	Other	March 31, 2016
Temporary differences				
Deferred tax assets				
Non-capital losses carry forward	$ 347,856	$ 13,469	$ -	$ 361,325
Share issue expenses	30,008	(7,502)	-	22,506
Financial assets at FVTPL	5,883	1,307		7,190
Mining properties and deferred exploration expenses	85,617	200	-	85,817
	469,364	7,474	-	476,838
Less valuation allowance	(469,364)	(7,474)	-	(476,838)
Deferred tax assets	$ -	$ -	$ -	$ -

11. Expenses by nature

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

		Three months ended		
		March 31, 2016		March 31, 2015
Administration				
Office supplies & maintenance	**$**	**-**	$	275
Shareholder information		**-**		159
Information technology		**1,215**		1,785
Insurance		**2,303**		2,303
Other administrative expenses		**(26)**		95
	$	**3,492**	$	4,617

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

Basic and diluted loss per common share

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

		Three months ended		
		March 31, 2016		March 31, 2014
Numerator				
Income (loss) for the period	**$**	**(32,863)**	$	17,049
Denominator				-
Weighted average number of common shares - basic and diluted [(i)]		**32,477,248**		32,477,248
Income (loss) per share				
Basic and diluted	**$**	**0.00**	$	0.00

(i) Stock options have not been included in the diluted loss per share as they are anti-dilutive.

13. 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

	March 31, 2016		December 31, 2015	
	Number of shares	**Capital Stock**	Number of shares	Capital Stock
Balance, end of period	**32,477,248**	**$ 8,554,690**	32,477,248	$ 8,554,690

b) Warrants

	March 31 2016		December 31, December 31, 2015	
	Number of warrants	**Fair value**	Number of warrants	Fair value
Balance, beginning of period	**1,000,000**	**$ 21,369**	-	$ -
Issued in connection with loan from GJSL	-	-	1,000,000	21,369
Balance, end of period	**1,000,000**	**$ 21,369**	1,000,000	$ 21,369

As outlined in note 14 (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.

13. 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 March 31, 2016, 1,335,400 (December 31, 2015 - 1,335,400) options were issued with a weighted average exercise price of $0.14 per share and a weighted average remaining contractual life of 2.34 years. At that date, in addition to the 1,335,400 options outstanding, 1,871,070 (December 31, 2015 - 1,871,070) options were available to be granted.

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

			March 31, 2016			December 31, 2015
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance - beginning of period	**1,335,400**	**$**	**0.14**	1,940,400	$	0.16
Expired	-	**$**	-	(605,000)	$	0.20
Balance - end of year	**1,335,400**	**$**	**0.14**	1,335,400	$	0.14
Options exercisable	**1,335,400**	**$**	**0.14**	1,335,400	$	0.14

13. Share capital (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at March 31, 2016:

Range of prices	Number of Options Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price
0.05 - 0.08	425,000	3.21	0.06
0.09 - 0.12	725,000	2.36	0.10
0.17 - 0.22	25,000	1.26	0.22
0.25 - 0.36	29,200	0.59	0.33
0.38 - 0.59	131,200	0.01	0.59
	1,335,400	2.34	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.

14. Related party information

(a) Related party payables

	March 31. 2016	December 31, 2015
Globex Mining Enterprises Inc.	**$ 35,093**	$ 30,408

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.

(b) Management Services

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

	Three Months ended	
	March 31, 2016	March 31, 2015
Management services for the period	**$ 2,500**	$ -

14. Related party information (continued)

(c) Amount due to Jack Stoch Geoconsultant Services Limited

		March 31, 2016		December 31, 2015
Loan balance	$	**100,000**	$	100,000
Accrued interest		**13,586**		10,322
		113,586		110,322
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		**(12,911)**		(9,809)
		8,958		12,060
Balance, end of period	$	**104,628**	$	98,262

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 March 31, 2016, deferred financing costs of $8,958 (December 31, 2015 - $12,060) 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.

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) Director and Management Compensation

During the three month periods ended March 31, 2016 or March 31, 2015, none of the Directors or Management received any remuneration or benefits in these roles.

15. Supplementary cash flows information

Changes in non-cash working capital items

	March 31, 2016	March 31, 2015
Taxes receivable	**$ (345)**	$ (2,776)
Prepaid expenses	**(1,136)**	3,203
Payables and accruals	**(9,921)**	(7,416)
	$ (11,402)	$ (6,989)

16. 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. 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's overall strategy remains unchanged from 2015.

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 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.

16. Financial instruments (continued)

(a) Credit risk

The Corporation had cash and cash equivalents of $31,595 at March 31, 2016 (December 31, 2015 - $55,447). 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:

		March 31, 2016		December 31, 2015
Cash and cash equivalents	**$**	**31,595**	$	55,447
Investments		**19,441**		29,161
Taxes receivable [(i)]		**1,074**		729
	$	**52,110**	$	85,337

(i) Taxes receivable of $1,074 (December 31, 2015 - $729) 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 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 $19,441 at March 31, 2016 (December 31, 2015 - $29,161) and as a result a 10% increase or decrease would impact Income and Loss by $1,944 (December 31, 2015 - $2,916).

16. Financial instruments (continued)

(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).

March 31, 2016	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Cash and cash equivalents	$ -	$ 31,595	$ -	$ 31,595
Taxes receivable	-	-	1,074	1,074
Equity investments	-	19,441	-	19,441
Total financial assets	$ -	$ 51,036	$ 1,074	$ 52,110

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.

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

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

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

17. 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.

18. Commitments and contingencies

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

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

   At March 31, 2016, 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.