Chibougamau Independent Mines Inc.

INTERIM REPORT
SIX MONTHS ENDED
JUNE 30, 2016
(UNAUDITED)

86, 14th Street, Rouyn-Noranda, Quebec J9X 2J1 CANADA
Telephone: (819) 797-5242 Fax: (819) 797-1470
info@chibougamaumines.com www.chibougamaumines.com

STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed financial report as of June 30, 2016 and 2015. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-month and the six-month periods ended June 30, 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 August 19, 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.

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The Corporation's number of outstanding options, options available for grant, and warrants and the accompanying exercise prices were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in Corporation's financial statements for the second quarter of 2016 have been retrospectively restated to reflect the share consolidation.

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Highlights and summary

- CIM began operations in 2013 and incurred $1,434,645 of deferred exploration expenses. In 2014 and 2015, limited exploration expenditures were incurred as sufficient funding was not available. 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 June 24, 2016, the Corporation issued 15,690,000 Units (“units”) under a private placement. Each unit is comprised of one (1) common share in the capital stock and one-half (1/2) of a common share purchase warrant of the Corporation at a price of $0.05 per unit which generated gross proceeds of $784,500. On the same date, the Corporation issued 5,000,000 flow-through shares at a price of $0.05 per FT share which generated gross proceeds of $250,000.

- At June 30, 2016, the Corporation had cash and cash equivalents of $519,007 (December 31, 2015 -$55,447) as well as cash reserved for exploration of $250,000 (December 31, 2015 – Nil).

- During the three-month period ended June 30, 2016, administrative and compliance costs totalled $57,625 (2015 - $27,026), interest and financing costs were $12,259 (2015 - $4,632) and other expenses including shared-based compensation of $87,382 (2015 – Nil).

- For the six-month period ended June 30, 2016 administrative and compliance costs totalled $75,838 (2015 - $48,885), interest and financing costs were $18,625 (2015 - $7,789) and other expenses including share-based compensation of $85,946 (2015 – Nil).

- For the three-month period ended June 30, 2016 CIM reported a loss of $166,986 (2015- $73,723). For the six-month period ended June 30, 2016, the Corporation reported a loss of $199,849 ($56,674).

- As a result of the completing our financing in June 2016, we are in the process of developing work plans for the highest priority targets that were previously identified with an objective of advancing our knowledge of these first-class properties.

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. The slowdown in growth around the world is now being reflected in a series of shocks, most recently Brexit. This increasingly uncertain economic outlook will likely trigger even more accommodative monetary policies internationally to provide a greater cushion.

However, in 2016, the price of Gold has gained approximately 28 percent since the beginning of the year and is now trading in the range of U.S. $1,340 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, many junior mining companies were unable to successfully complete equity financings. However, since February of 2016, we have seen some increased interest in reorganizations and financings in this sector.

Overview – Chibougamau Mining Camp

In 2010, Globex Mining Enterprises Inc. ("Globex") acquired a significant number of properties in the Chibougamau Mining Camp. Under a Plan of Arrangement, effective December 29, 2012, ten properties were transferred from Globex to CIM subject to a 3% "gross metal royalty" in favor of Globex.

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

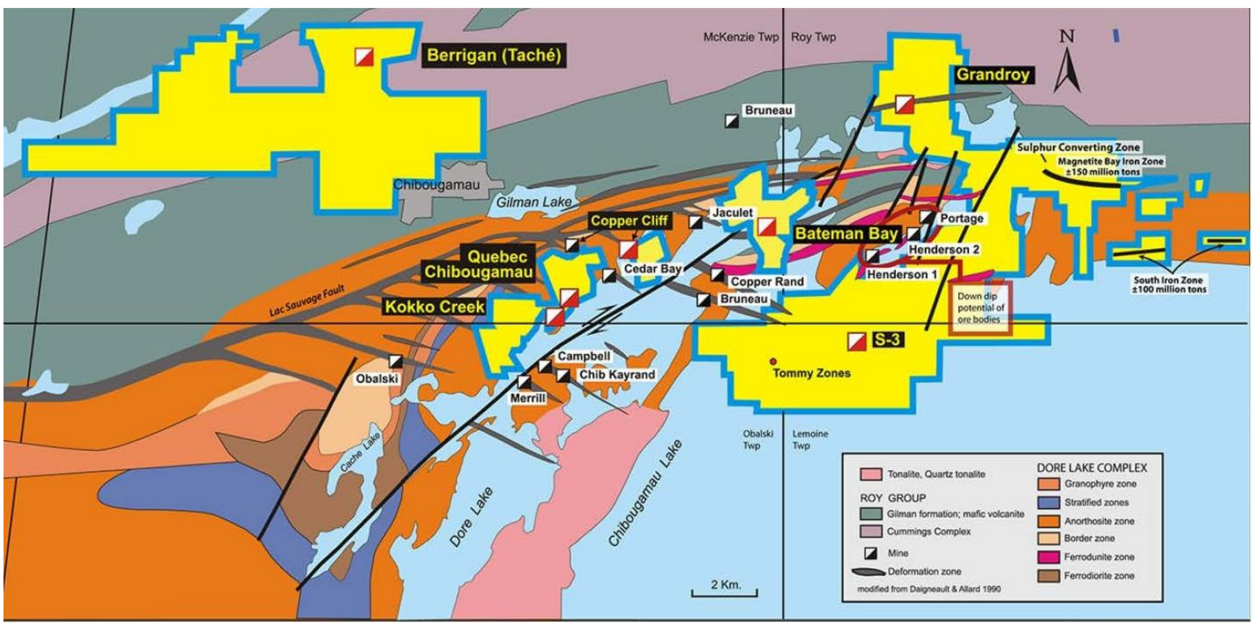

Figure 1

CIM owns half of the Chibougamau mining camp (9,326 hectares (23,044 acres)), which is one of the major mining camps in Quebec. It is a copper/gold camp which was explored in the past for copper while most of the gold was ignored when gold was in the US $35 to US $60 per ounce range. As a result, CIM believes that there is significant potential.

The CIM assets include:

- Five former producing copper/gold mines,
- Down/dip of three of the largest copper/gold deposits in the camp,
- Two unmined deposits (Berrigan (Au, Ag, Zn) and Bateman Bay (Cu, Au)),
- An unmined historical quarter billion tonne iron/titanium/vanadium body, as well as
- Numerous drill-ready copper/gold zones (known mineralization from historical drilling supported by

deep penetration geophysics and indicates potential at depth along strike and identified as a drill target by CIM).

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.

Past exploration and future plans

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,
- Six month ended June 30, 2016, - $5,623.

As a result of the exploration work done in 2013, CIM identified a number of exploration targets of merit and as a result of the completion of the financing earlier this year, CIM will update the geological studies of the various properties and then undertake sampling and drilling. Currently, it perceives the Berrigan property and the Bateman - Jaculet #3 zone as priority projects.

In addition to advancing these projects, we are currently considering a proposal to option or sell a property for cash, shares, and a royalty arrangement which would result in major drilling on this property.

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	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenses	157,266	23,143	1,209,114	23,454	31,658	25,016	3,906,530	33,699
Other income (expenses)	(9,720)	(9,720)	39	(43,742)	(48,602)	48,602	48,613	(72,862)
Income (loss)	(166,986)	(32,863)	(1,025,594)	(61,313)	(73,723)	17,049	(3,695,533)	(102,838)
Income (loss) per share								
- Basic and diluted	$ (0.01)	$ (0.00)	$ (0.06)	$ (0.01)	$ (0.00)	$ 0.00	$ (0.11)	$ (0.00)

Notes:

The basic and diluted income (loss) per share for each of the last eight quarters have been adjusted to reflect the impact of the share consolidation on a one (1) post-share for two (2) pre-share basis which was effective June 9, 2016.

The loss of $166,986 in the second quarter of 2016 compares to a loss of $32,863 in the first quarter of 2016 with the increase mainly a result of shared based compensation expenses of $62,382 incurred in the second quarter and other expenses incurred in connection the completion of the financing which was finalized in June 2016.

On an overall basis, the total expenses have been limited to administrative expenses necessary to retain the corporation's corporate activities and its TSXV listing. In the fourth quarters of 2015 and 2014, the expenses increased as a result of the impairment provisions recorded against the deferred exploration and mineral proprieties (2015 provision - $1,182,985; 2014 provision - $3,882,162).

The variations in the other income (expenses) represent the increase or decrease in the fair value of Mag Copper shares which the Corporation holds.

Results of operations for the three-month and six-month periods ended June 30, 2016.

Total expenses - Three months ended June 30, 2016 - $157,266 (June 30, 2015 - $31,658); Six months ended June 30, 2016 - $180,409 (June 30, 2015 - $56,674).

In the second quarter of 2016, the total expenses were $157,266 compared to $31,658 in 2015. The increase of $125,608 in the expenses is mainly a result of Project finder's fess of $25,000, Share based compensation and payments of $62,382 and management services charges of $18,220 none of which were incurred in the comparable period in 2015.

During the six-month period ended June 30, 2016, the total expenses were $180,409 as compared to $56,674 in the comparable period in 2015. The increase of $123,735 mainly reflects increases in:

- Finder's fees - $25,000,
- share based compensation and payments - $62,382,
- management services - $20,720,
- amortization of financing costs - $8,265 and
- other items - $7,368

The following paragraphs provide an overview of the nature of the expense incurred in the second quarter of 2016 and during the six-month period ended June 30, 2016:

Administration

- During the second quarter of 2016, the administrative expenses totaled $4,879 as compared to $3,210 in 2015 representing an increase of $1,669 related to office supplies and maintenance costs.

- During the six-month period ended June 30, 2016, the administration expenses totaled $8,371 as compared to $7,827 in the comparable period in 2015. The majority of the $544 increase relates to office supplies and maintenance.

Transfer Agent and filing fees

- During the second quarter of 2016, the transfer agent and filing fees were $16,847 as compared to $13,401 in 2015. The increase mainly represents the additional costs associated with the share consolidation and the issuance of shares under the private placement which closed in June 2016.

- During the six-month period ended June 30, 2016, the transfer agent and filing fees totaled $23,968 as compared to $22,862.

Legal

- The legal expenses of $10,329 in the second quarter of 2016 represent the costs of general corporate matters, expenses related to the share consolidation and costs related to the Corporation's annual meeting. The expenses are $6.044 more than the $4,285 incurred in the comparable period in 2015 as a result of the preparation for the financing and share consolidation.

- During the six-month period ended June 30, 2016, the legal expenses were $10,329 as compared to $6,966 in the comparable period in 2015. The increase is mainly attributable to the share consolidation and preparation for the 2016 financing.

Audit and accounting

- In the second quarter of 2016, the audit and accounting provision was $7,350 as compared to $6,130 in the comparable period in 2015. The increase reflects the impact of final adjustments related to the 2015 year-end audit accrual.

- During the six-month period ended June 30, 2016, the audit and accounting expenses totaled $12,450 as compared to $11,230 in the comparable period in 2015.

Finder's fees

- In the second quarter of 2016, a finder's fees of $25,000 (Cash - $10,000; 300,000 CIM shares with a fair value of $0.05 per share) was incurred in identifying an appropriate financing organization. No comparable expenses were incurred in 2015.

Share-based compensation

- On June 27, 2016, 700,000 options which vested immediately were granted at a strike price of $0.07 per share. The weighted average fair value of the granted options was $0.09 per share.

- No comparable option grants took place either during the three-month period or six-month periods ended June 30, 2015.

Management Services

- During the three-month period ended June 30, 2016, management services fees of $18,220 (2015 – Nil) were incurred. During the six-month period ended June 30, 2016, management service fees of $20,720 were incurred.

- No Management Service fees were recorded during either the three-month or the six-month periods ended June 30, 2015 as a result of the very low level of activities in the respective periods and the inability to pay these charges.

Amortization of financing costs

- During the three-month period ended June 30, 2016, amortization of the financing costs of $8,958 (2015 - $2,257) were recorded. During the six-month period ended June 30, 2016, amortization of $12,070 (2015 - $3,795) was reported.

- As a result of the loan being paid off on June 30, 2016 rather than December 15, 2016 as originally intended, the amortization in the second quarter of 2016 and for the six-month period include a charge of $5,822 which represents the unamortized balance of the financing charges which were being amortized over the period to the originally planned maturity.

Interest expense

- The interest expense of $3,301 (2015 -$2,375) during the three-month period and $6,565 (2015 - $3,944) in the six-month period ended June 30, 2016, represents accrued interest on the long-term loan.

- The interest in both periods in 2016 is higher than the previous year as the third tranche of the loan of $25,000 was only received on June 15, 2015.

Impairment of mineral properties and deferred exploration expenses

- For the three months ended June 30, 2016, no impairment provision was made as a result of the low level of activity.

- During the six-month period ended June 30, 2016, the recovery of $1,436 represents the impact of the Quebec refundable tax credit.

Other income (expenses)

- The other expense of $9,720 (2015 - $48,602) in the three-month period and $19,440 (2015 – Nil) for the six-month period ended June 30, 2016 represent the decrease in the fair value of 972,040 Mag Copper Limited shares. The shares were valued at $0.01 per share at June 30, 2016; $0.02 per share at March 31, 2016 and $0.03 per share at December 31, 2015.

Income and mining tax

- During the three-month and six-month periods ended June 30, 2016 no recovery of deferred taxes was reported as a result of the history of losses in previous periods. In the second quarter of 2015, a deferred income tax recovery of $6,537 related to the change in the carrying value of the equity investments was recorded.

Financial position – June 30, 2016

Total assets

At June 30, 2016, the total assets were $973,605 which represented an increase of $706,741 from the balance of $266,864 at December 31, 2015. The change mainly reflects the impact of the gross proceeds of $1,034,500 raised in the financings closed in June 2016.

Cash and cash equivalents, cash reserved for exploration

At June 30, 2016, CIM had cash and cash equivalents of $519,007 (December 31, 2015 - $55,447) and cash reserved for exploration of $250,000 (December 31, 2015 – Nil).

Liabilities

Current liabilities

At June 30, 2016, CIM had total current liabilities of $55,452 (December 31, 2015 - $127,973). At December 31, 2015, the current liabilities included $98,262, due to GJSL on December 15, 2016 related to the loan arrangement secured in December 2014. Further details are provided on page 13. This liability was repaid along with accrued interest on June 30, 2016.

The payables and accruals of $55,452 at June 30, 2016 (December 31, 2015 - $29,711) represent accrued audit and legal fees. The increase of $25,741 from December 31, 2015, mainly reflects legal fees related to the Corporation's annual meeting, the share consolidation and the closing of the financing, all of which were completed in the second quarter of 2016.

Related party payable – Globex Mining Enterprises Inc.

At December 31, 2015, CIM owed Globex Mining Enterprises Inc. $30,408 which represented unpaid management services and other miscellaneous payments made by Globex. On June 30, 2016, these liabilities were reduced to $6,845 as a result of a cash payment.

Other liabilities

At June 30, 2016, other liabilities of $150,000 were recorded as a result of the completion of the flow-through financing on June 24, 2016.

Deferred income

At June 30, 2016, no deferred tax liability or asset was reported as a result of the future uncertainties related to the utilization of the tax assets. The position remained unchanged from December 31, 2015.

The deferred tax estimates 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 $761,308 at June 30, 2016 (December 31, 2015 - $108,483). The increase mainly reflects the proceeds from the financing which closed in June 2016.

Common Shares

At December 31, 2015, the Corporation had 32,477,248 common shares outstanding and following the share consolidation on June 9, 2016, had 16,238,542 shares outstanding. As a result of the private placement which closed on June 24, 2016, 20,690,000 shares were issued. On June 27, 2016, 300,000 shares were issued to a finder which resulted in 37,228,542 shares outstanding at June 30, 2016.

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 GJSL. As a result of the share consolidation, the number of warrants outstanding were reduced to 500,000. On June 24, 2016, 7,845,000 warrants were issued in connection with the private placement which resulted in 8,345,000 warrants outstanding at June 30, 2016.

Liquidity, working capital, cash flow and capital resources

At June 30, 2016, the Corporation had cash and cash equivalents of $519,007 (December 31, 2015 - $55,447). In addition, the Corporation had $250,000 (December 31, 2015 – Nil) of cash reserved for exploration.

Working Capital

The Corporation had working capital (based on current assets minus current liabilities) of $735,272 at June 30, 2016 compared to a working capital deficiency of $33,058 at December 31, 2015.

Cash Flow

During the six-month period ended June 30, 2016, $83,655 (June 30, 2015 - $48,885) **was used in operating activities** and $24,052 (June 30, 2015 - $2,136 used) was generated from changes in non-cash operating working capital items.

During the six-month period ended June 30, 2016, **financing activities** generated $784,842 (2016 - $52,248). In 2016, these financing activities consisted of net proceeds from the private placement of $925,292 and offsetting repayments of related party liabilities to Globex of $23,563 and the repayment of the loan from GJSL plus accrued interest of $116,887. In the six months ended June 30, 2015, the financing activities consisted of a related party advance from Globex of $2,248 and advances from GJSL of $50,000.

In the six months ended June 30, 2016, $7,806 (2015 - $2,166) was invested in deferred exploration expenses and $3,873 was spent on mineral property acquisitions (2015 - Nil).

These operating, financing and investing activities resulted in a net increase in the cash and cash equivalents of $713,560 in the six months ended June 30, 2016 as compared to a net decrease of $939 in the comparable period 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.

On June 24, 2016, the Corporation issued 15,690,000 Units ("units") of the Corporation under a private placement. Each unit is comprised of one (1) common share in the capital stock and one-half (1/2) of a common share purchase warrant of the Corporation at a price of $0.05 per unit, for gross proceeds of $784,500. On the same date, the Corporation issued 5,000,000 post-consolidation common shares on a flow-through basis at a price of $0.05 per FT share which generated gross proceeds of $250,000.

Based on the current cash position and exploration strategy, the Corporation will likely not need additional capital resources to carry out its exploration and development plans for the next twelve months.

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 as well as cash reserved for exploration which totaled $769,007 at June 30, 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:

	June 30, 2016	December 31, 2015
Cash and cash equivalents	**$ 519,007**	$ 55,447
Cash reserved for exploration	**250,000**	-
Investments	**9,721**	29,161
Taxes receivable	**6,075**	729
	$ 784,803	$ 85,337

(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 $9,721 at June 30, 2016 (December 31, 2015 - $29,161) and as a result a 10% increase or decrease would impact Income and Loss by $972 (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).

June 30, 2016	Level 1	Level 2	Level 3	Total Financial Assets at fair Value
Financial assets				
Cash and cash equivalents	$ -	$ 519,007	$ -	$ 519,007
Cash reserved for exploration		250,000	-	250,000
Equity investments	-	9,721	-	9,721
Total financial assets	$ -	$ 778,728	$ -	$ 778,728

There were no transfers between level 1 and level 2 during the period. 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, 2015	Level 1	Level 2	Level 3	Total Financial Assets at fair Value
Financial assets				
Cash and cash equivalents	$ -	$ 55,447	$ -	$ 55,447
Equity investments	-	29,161	-	29,161
	$ -	$ 84,608	$ -	$ 84,608

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 June 30, 2016, the Corporation had 37,228,542 common shares outstanding (December 31, 2015, after share consolidation – 16,238,542). In addition, at June 30, 2016, the Corporation had 8,345,000 warrants (December 31, 2015, after share consolidation – 500,000) as well as 1,302,100 stock options (December 31, 2015, after share consolidation – 667,700).

In connection with the private placement which closed on June 24, 2016, CIM granted agents' options to various securities dealers entitling the holders to acquire up to 1,019,400 additional units, each comprised of one common share and one-half of a common share purchase warrant, and up to 364,000 additional common shares of CIM. The agents' options may be exercised at a price of $0.05 per unit or share as the case may be, for a period of two years. Under these arrangements, 1,893,100 shares may be issued.

Based on the common shares, warrants, stock options, and agent's options, CIM had fully diluted common shares of 48,768,742 (December 31, 2015- 17,406,242 shares).

At June 30, 2016, 301,135 (December 31, 2015 - 935,535) stock options were available to be granted.

There have been no changes in the common shares, warrants or options outstanding during the period from June 30, 2016 to August 19, 2016.

Risks and uncertainties

The Corporation, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as operational and safety risks related to the very nature of its activities. It is also subject to risks related to other factors, such as metal prices and financial market conditions. Further details with respect to the following risks were outlined in the Corporation's December 31, 2015 Annual MD&A.

a) Financing risk
b) Cash flow
c) Listing risk
d) Permits and licenses
e) Government regulations
f) Environmental risks
g) Exploration and development risks
h) Title matters

Related party information

(a) Related party payables

	June 30, 2016	December 31, 2015
	$ 6,845	$ 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 GJSL 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		**Six months ended**	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Management services for the period	**$ 18,220**	$ -	**$ 20,720**	$ -
	$ 18,220	$ -	**$ 20,720**	$ -

In 2015, no charges were recorded as they did not appear recoverable as a result of the cash resources of the Corporation. As a result of the financing completed in June 2016, fees of $18,220 were recorded and paid during the three-month period ended June 30, 2016.

(c) Amount due to Jack Stoch Geonconsultant Services Limited

On December 15, 2014, CIM entered into a $100,000 loan with GJSL with a December 15, 2016 maturity date and at an annual interest rate of 12%, compounded and payable on maturity. The loan was secured by a hypothec and security interest on all of CIM's assets. In consideration for the loan, CIM issued 500,000 non-transferrable common share purchase warrants to GJSL each of which entitles GJSL to purchase one common share of CIM at a price of $0.10 per share until December 15, 2016.

During the six-month period ended June 30, 2016, accrued interest of $6,565 was recorded along with the amortization of deferred financing costs of $6,238. On June 30, 2016, the principal and accrued interest of $116,887 was repaid and unamortized financing costs of $5,822 were written-off.

		June 30, 2016		December 31, 2015
Loan balance	**$**	**100,000**	$	100,000
Accrued interest		**16,887**		10,322
		116,887		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		**(16,047)**		(9,809)
Write-off of unamortized financing costs		**(5,822)**		-
		-		12,060
Repayment of loan balance plus accrued interest		**(116,887)**		-
Balance, end of period	**$**	**-**	$	98,262

(d) Management and Director Compensation

None of the key management personnel received any remuneration or other benefits during the three-month periods ended June 30, 2016 or June 30, 2015 or the six-month periods ended June 30, 2016 or June 30, 2015.

During the three-month and six-month periods ended June 30, 2016, the Directors were awarded 700,000 stock options which had a fair value of $0.09 per share and resulted in a share based compensation expense of $62,382.

Outlook

As we indicated in our March 31, 2016 MD&A, we recognized that favourable attitudes were appearing towards the successful completion of financings in the junior mining sector. We were extremely pleased to successfully complete our private placements in June 2016, which provided the funding we believe is needed to significantly advance our understanding of the CIM assets.

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 our Chibougamau Mining Camp Properties.

In our forward planning for the remainder of 2016 and into 2017, we recognized that the economic uncertainties and market challenges are factors which need to be considered.

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 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 August 19, 2016.

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited - In Canadian dollars)

	Notes	Three month ended 2016	June 30, 2015	Six months ended 2016	June 30, 2015
Continuing operations					
Expenses					
Administration	13	**$ 4,879**	$ 3,210	**$ 8,371**	$ 7,827
Transfer agent and filing fees		**16,847**	13,401	**23,968**	22,862
Legal		**10,329**	4,285	**10,329**	6,966
Audit and accounting		**7,350**	6,130	**12,450**	11,230
Finder's fees		**25,000**	-	**25,000**	-
Share-based comnpensation and payments	15	**62,382**	-	**62,382**	-
Management services	16 (b)	**18,220**	-	**20,720**	-
Amortization of financing costs		**8,958**	2,257	**12,060**	3,795
Interest expense on long-term loan		**3,301**	2,375	**6,565**	3,994
Impairment of mineral properties and deferred exploration expenses	7, 8, 9	**-**	-	**(1,436)**	-
		157,266	31,658	**180,409**	56,674
Loss from operations		**(157,266)**	(31,658)	**(180,409)**	(56,674)
Other income (expenses)					
Decrease in fair value of financial assets		**(9,720)**	(48,602)	**(19,440)**	-
		(9,720)	(48,602)	**(19,440)**	-
Loss before taxes		**(166,986)**	(80,260)	**(199,849)**	(56,674)
Income and mining tax					
Recovery of deferred tax	12	**-**	(6,537)	**-**	-
Income and mining tax		**-**	(6,537)	**-**	-
Loss and comprehensive loss for the period		**$ (166,986)**	$ (73,723)	**$ (199,849)**	$ (56,674)
Loss per common share					
Basic and diluted	14	**$ (0.01)**	**$ (0.00)**	**$ (0.01)**	**$ (0.00)**
Weighted average number of common shares outstanding		**17,843,267**	16,238,624	**17,040,905**	16,238,624
Shares outstanding at end of period		**37,228,542**	16,238,624	**37,228,542**	16,238,624

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Cash Flows

(Unaudited - In Canadian dollars)

	Notes	Six months ended June 30, 2016	2015
Operating activities			
Loss and comprehensive loss for the period		**$ (199,849)**	$ (56,674)
Adjustments for:			
Decrease in fair value of financial assets		**19,440**	-
Shares issued to a finder	15	**15,000**	-
Share-based compensation and payments	15	**62,382**	-
Impairment of mineral properties and deferred exploration expenses	7, 8, 9	**(1,436)**	-
Amortization of financing costs		**12,060**	3,795
Interest expense		**6,565**	3,994
Quebec refundable tax credit	9	**2,183**	-
		(83,655)	(48,885)
Changes in non-cash operating working capital items	17	**24,052**	(2,136)
		(59,603)	(51,021)
Financing activities			
Related party payable - Globex Mining Enterprises Inc.		**(23,563)**	2,248
Amount due to Jack Stoch Geoconsultant Services Limited	16 (c)	**(116,887)**	50,000
Issuance of common shares	15	**1,034,500**	-
Share issuance costs	15	**(109,208)**	-
		784,842	52,248
Investing activities			
Deferred exploration expenses	9	**(7,806)**	(2,166)
Mineral properties acquisitions	8	**(3,873)**	-
		(11,679)	(2,166)
Net increase (decrease) in cash and cash equivalents		**713,560**	(939)
Cash and cash equivalents, beginning of period		**55,447**	58,912
Cash and cash equivalents, end of period		**$ 769,007**	$ 57,973
Cash and cash equivalents		**$ 519,007**	$ 57,973
Cash reserved for exploration		**250,000**	-
		$ 769,007	$ 57,973

Supplementary cash flow information (note 17)

The accompanying notes are an integral part of these financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Financial Position

(Unaudited - In Canadian dollars)

	Notes		**June 30, 2016**		December 31, 2015
Assets					
Current assets					
Cash and cash equivalents	4	**$**	**519,007**	$	55,447
Cash reserved for exploration	5		**250,000**		-
Investments	6		**9,721**		29,161
Taxes receivable			**6,075**		729
Prepaid expenses			**5,921**		9,578
			790,724		94,915
Mineral properties	8		**175,822**		171,949
Deferred exploration expenses	9		**7,059**		-
		$	**973,605**	$	266,864
Liabilities					
Current liabilities					
Payables and accruals	10	**$**	**55,452**	$	29,711
Amount due to Jack Stoch Geoconsultant Services Limited	16 (c)		**-**		98,262
			55,452		127,973
Related party payable - Globex Mining Enterprises Inc.	16 (a)		**6,845**		30,408
Other liabilities	11		**150,000**		-
Deferred income tax	12		**-**		-
Owners' equity					
Common shares	15		**8,978,957**		8,554,690
Warrants	15		**261,794**		21,369
Contributed surplus - equity settled reserve			**461,370**		273,388
Deficit			**(8,940,813)**		(8,740,964)
			761,308		108,483
		$	**973,605**	$	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.

Interim Condensed Statements of Equity

(Unaudited - In Canadian dollars)

	Notes		**Six months ended June 30, 2016**		2015		Year ended December 31, 2015
Common shares							
Beginning of period		**$**	**8,554,690**	$	8,554,690	$	8,554,690
Fair value of common shares issued under private placement	15 (a)		**784,500**		-		-
Fair value of flow-through shares issued under private placement	15 (a)		**100,000**		-		-
Fair value of warrants	15 (a)		**(240,425)**		-		-
Shares issued to a finder			**15,000**		-		-
Share issuance costs - commissions, legal and other	15		**(109,208)**		-		-
Share issuance costs - fair value of agent's options	15		**(125,600)**		-		-
End of period		**$**	**8,978,957**	$	8,554,690	$	8,554,690
Warrants							
Beginning of period		**$**	**21,369**	$	21,369	$	21,369
Issued under private placement	15 (b)		**240,425**		-		-
End of period		**$**	**261,794**	$	21,369	$	21,369
Contributed surplus - equity settled reserve							
Beginning of period		**$**	**273,388**	$	273,388	$	273,388
Share issuance costs - fair value of agent's options			**125,600**		-		-
Share-based compensation and payments	15 (c)		**62,382**		-		-
End of period		**$**	**461,370**	$	273,388	$	273,388
Deficit							
Beginning of period		**$**	**(8,740,964)**	$	(7,597,383)	$	(7,597,383)
Loss and comprehensive loss for the period			**(199,849)**		(56,674)		(1,143,581)
End of period		**$**	**(8,940,813)**	$	(7,654,057)	$	(8,740,964)
Total Equity		**$**	**761,308**	$	1,195,390	$	108,483

The accompanying notes are an integral part of these financial statements

Notes to the Interim Condensed Financial Statements
Periods ending June 30, 2016 and 2015
(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).

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The Corporation's number of outstanding options, options available for grant, and warrants and the accompanying exercise prices were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these financial statements have been retrospectively restated to reflect the share consolidation.

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.

2. Basis of presentation and going concern (continued)

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

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

Statement of compliance

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

The preparation of interim condensed 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 June 30, 2016 and June 30, 2015 on August 19, 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 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 financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements. Accordingly, the interim condensed financial statements should be read in conjunction with the 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 and six months ended June 30, 2016 and as at June 30, 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 2 Share based payment (amendments published in June 2016)

On June 20, 2016, the IASB published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

These changes are effective for annual periods beginning on or after January 1, 2018. Management is in the process of evaluating the impacts of these changes on the Corporation.

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.

3. Summary of significant accounting policies (continued)

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.

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 Unrealized 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

	June 30, 2016	December 31, 2015
Bank balances	**$ 519,007**	$ 55,447

5. Cash reserved for exploration

	June 30, 2016	December 31, 2015
Bank balances	**$ 250,000**	$ -

The Corporation raises flow-through funds for exploration under subscription agreements which require the Corporation to incur prescribed resource expenditures. The Corporation must use these funds for exploration of mining properties in accordance with restrictions imposed by the financing. If the Corporation does not incur the resource expenditures, then it will be required to indemnify these shareholders for any tax and any other costs payable by them.

6. Investments

	June 30, 2016	December 31, 2015
Equity investments	**$ 9,721**	$ 29,161

At June 30, 2016, the fair market value of $9,721 represents 972,040 Mag Copper Limited shares valued at $0.01 per share. At December 31, 2015, the fair market value of $29,161 represents 972,040 Mag Copper Limited shares valued at $0.03 per share.

7. 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.

During the six-month period ended June 30, 2016, no facts or circumstance changed that required revisions to the impairment provisions against the mineral properties or deferred exploration.

8. Mineral properties

	December 31, 2015	**Additions 2016**	**Impairment and write-offs 2016**	**June 30, 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**
Lac Simon	-	**656**	**-**	**656**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	2,566	**-**	**-**	**2,566**
Nepton	-	**3,217**	**-**	**3,217**
	171,949	**$ 3,873**	**$ -**	**$ 175,822**

For the year ended December 31, 2015, the $189,794 impairment provision represented 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, 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. Deferred exploration expenses

	December 31, 2015	**Additions 2016**	**Impairment and write-offs 2016**	**June 30, 2016**
Bateman Bay	**$ -**	**$ 594**	**$ -**	**$ 594**
Berrigan South and Berrigan Mine	-	**926**	-	**926**
Copper Cliff Extension	-	**565**	-	**565**
Lac Chibougamau	-	**3,075**	**(747)**	**2,328**
Grandroy	-	**561**	-	**561**
Kokko Creek	**-**	**-**	**-**	**-**
Lac Antoinette	**-**	**-**	**-**	**-**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	**-**	**1,007**	**-**	**1,007**
Malouf	**-**	**119**	**-**	**119**
Lac Simon	-	-	-	-
Nepton	-	**688**	-	**688**
Virginia Option	-	**271**	-	**271**
Quebec refundable tax credit recovery	**-**	**(2,183)**	**2,183**	**-**
	$ -	**$ 5,623**	**$ 1,436**	**$ 7,059**

During the year ended December 31, 2015, an impairment provision of $993,191 was recorded to write-off the carrying value of the deferred exploration expenses as the Corporation had no plans or budgets in place for these properties at that time.

	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)	$ -

9. Deferred exploration expenses (continued)

Deferred exploration expenses by expenditure type:

	June 30, 2016	December 31, 2015
Balance, beginning of period	$ -	$ 1,000,440
Current exploration expenses		
Geology	-	725
Labour	4,756	1,293
Mining property tax and permits	3,050	2,767
Transport and road access	-	10
Quebec refundable tax credit	(2,183)	(12,044)
Total current exploration expenses	5,623	(7,249)
Impairment and write-offs	1,436	(993,191)
Balance, end of period	$ 7,059	$ -

10. Payables and accruals

	June 30, 2016	December 31, 2015
Trade payables and accrued liabilities	$ 55,452	$ 29,711

11. Other liabilities

	June 30, 2016	December 31, 2015
Balance, beginning of period	$ -	$ -
Additions during the period	150,000	-
Balance, end of period	$ 150,000	$ -

On June 24, 2016, the Corporation issued 5,000,000 post-consolidation common shares on a flow-through (FT share) basis at a price of $0.05 per share. The fair market value of the FT shares was based on the closing price of the Units issued in the private placement, minus the value of the warrants which resulted in an ascribed value of $0.02 per share. The excess of the issue price of the FT shares and the fair value of $150,000 ($0.03 per share) has been reflected in Other Liabilities.

12. Deferred income tax

Recovery of income and mining taxes

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Recovery of income and mining taxes	$ -	$ (6,537)	$ -	$ -

12. Deferred income tax (continued)

Deferred tax balances

	January 1, 2016	Recognized in income or loss	June 30, 2016
Temporary differences			
Deferred tax assets			
Non-capital losses carry forward	$ 347,856	**$ 37,360**	**$ 385,216**
Share issue expenses	30,007	**11,436**	**41,443**
Financial asset at FVTPL	5,883	**2,615**	**8,498**
Mining properties and deferred exploration expenses	85,617	**(387)**	**85,230**
	469,363	**51,024**	**520,387**
Less valuation allowance	(469,363)	**(51,024)**	**(520,387)**
Deferred tax assets	**$ -**	**$ -**	**$ -**

13. Expenses by nature

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

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Office supplies and maintenance	**$ 1,548**	$ 304	**$ 1,548**	$ 579
Shareholder information	**847**	283	**847**	442
Information technology	**-**	-	**1,215**	1,785
Advertising and promotion	**128**	274	**128**	274
Insurance	**2,302**	2,303	**4,605**	4,605
Other	**54**	46	**28**	142
	$ 4,879	3,210	**$ 8,371**	$ 7,827

14. Loss per common share

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The weighted average number of shares outstanding has been adjusted to reflect the effect of this share consolidation.

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.

14. Loss per common share (continued)

Basic and diluted loss per common share

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

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Numerator				
Loss for the period	**$ (166,986)**	$ (73,723)	**$ (199,849)**	$ (56,674)
Denominator				-
Weighted average number of common shares - basic and diluted (i)	**17,843,267**	16,238,624	**17,040,905**	16,238,624
Loss per share				
Basic and diluted	**$ (0.01)**	$ (0.00)	**$ (0.01)**	$ (0.00)

(i) Stock options "in the money" (strike price less than average common share market price) 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.

On June 9, 2016, the Corporation completed a share consolidation on a one (1) post-share for two (2) pre-share basis. The Corporation's number of outstanding options, options available for grant, and warrants and the accompanying exercise prices were adjusted on the same basis. Unless otherwise stated, the number of shares, options, warrants and the exercise prices of options and warrants presented in these financial statements have been retrospectively restated to reflect this share consolidation.

Common: Voting

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

a) Changes in capital stock

	June 30, 2016		December 31, 2015	
Fully paid common shares	**Number of shares**	**Capital Stock**	**Number of shares**	**Capital Stock**
Balance, beginning of period	**16,238,542**	**$ 8,554,690**	16,238,542	$ 8,554,690
Private placements				
Common shares (i)	**15,690,000**	**784,500**	-	-
Flow-through shares (ii)	**5,000,000**	**100,000**	-	-
Fair value of warrants	**-**	**(240,425)**	-	-
Shares issued to a finder (iii)	**300,000**	**15,000**	-	-
Share issuance costs (v)	**-**	**(234,808)**	-	-
Balance, end of period	**37,228,542**	**$ 8,978,957**	16,238,542	$ 8,554,690

15. Share capital (continued)

(i) On June 24, 2016, the Corporation issued 15,690,000 Units ("units") of the Corporation under a private placement. Each unit is comprised of one (1) common share in the capital stock and one-half (1/2) of a common share purchase warrant of the Corporation at a price of $0.05 per unit, for gross proceeds of $784,500. Each full warrant entitles the holder to acquire one additional post consolidation common share of CIM at a price of $0.10 for a period of 18 months (December 24, 2017). The ascribed value of the half warrants is $240,425 ($0.03 per warrant).

In the event that the closing price of the shares on the TSXV is at least $0.15 for a period of not less than twenty (20) consecutive trading days at any time subsequent to four months after the Closing date (June 24, 2016), the warrants will expire, at the sole discretion of the Issuer, on the 30th day after the date on which the Issuer issues a press release announcing the new expiry date of the warrants and provides written notice of such expiry date.

(ii) On June 24, 2016, the Corporation issued 5,000,000 post-consolidation Flow-through common shares ("FT") at a price of $0.05 per FT share. The fair market value of the FT shares was based on the closing price of the units as described above minus the value of the warrants which resulted in an ascribed value of $0.02 per share. The excess of the issue price of the FT shares and the fair value which totalled $150,000 ($0.03 per share) has been reflected in Other Liabilities.

(iii) On June 27, 2016, 300,000 common shares were issued to a finder at a deemed price of $0.05 per share. In addition, the finder was paid a cash sales commission of $10,000.

Share Issuance costs

(iv) In connection with the private placement, CIM incurred cash share issuance costs of $109,208 (sales commissions to various securities dealers of $69,170, legal fees of $26,177 and other expenses of $13,861). No tax affect was recorded on the share issuance costs.

In addition, CIM granted agents' options to various securities dealers entitling the holders to acquire up to 1,019,400 additional units, each comprised of one common share and one-half of a common share purchase warrant, and up to 364,000 additional common shares of CIM. The agents' options may be exercised at a price of $0.05 per unit or share as the case may be, for a period of two years. Under these arrangements, 1,893,100 shares may be issued. The fair value of the options or warrants has been estimated using the Black Scholes Model at $.07 per share for a total of $125,600.

b) Warrants

		June30, 2016			**December 31, 2015**	
	Number of warrants		**Fair value**	Number of warrants		Fair value
Balance, beginning of period	**500,000**	**$**	**21,369**	-	$	-
Issued in connection with loan from GJSL [(i)]	-		-	500,000		21,369
Issued in connection with private placement [(ii)]	**7,845,000**		**240,425**			
Balance, end of period	**8,345,000**	**$**	**261,794**	500,000	$	21,369

(i) On December 14, 2014, 500,000 non-transferrable common share purchase warrants were issued to Jack Stoch Geoconsultant Services Limited (GJSL) in connection with a loan which entitles GJSL to purchase one common share of CIM at a price of $0.10 per share until December 15, 2016.

15. Share capital (continued)

(ii) On June 24, 2016, 7,845,000 warrants were issued in connection with a private placement. Each warrant entitles the holder to acquire one additional common share of Globex at a price of $0.10 for a period of 18 months. These warrants expire on December 24, 2017. The fair value of each warrant has been estimated at $0.03 per warrant, which resulted in a fair value of $240,425 for the 7,845,000 warrants.

In the event that the closing price of the shares on the TSXV is at least $0.15 for a period of not less than twenty (20) consecutive trading days at any time subsequent to four months after the Closing date (June 24, 2016), the warrants will expire, at the sole discretion of the Issuer, on the 30th day after the date on which the Issuer issues a press release announcing the new expiry date of the warrants and provides written notice of such expiry date.

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

- Stock price - $0.07 per share
- Exercise price $0.10 per share
- Expected life – 18 months
- Annualized volatility - 264.6%
- Annual rate of dividends - Nil
- Interest rate – 0.63%

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 1,603,235. 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 June 30, 2016, 1,302,100 (December 31, 2015 - 667,700) options were issued with a weighted average exercise price of $0.12 per share and a weighted average remaining contractual life of 3.77 years. In addition to the 1,302,100 options outstanding, 301,135 (December 31, 2015 – 935,535) options were available to be granted. The following is a summary of the share purchase option transactions under the Plan for the relevant period:

15. Share capital (continued)

	June 30, 2015			December 31, 2015		
	Number of options		**Weighted average exercise price**	Number of options		Weighted average exercise price
Balance - beginning of period	**667,700**	**$**	**0.07**	970,200	$	0.08
Expired	**(65,600)**		**1.18**	(302,500)		0.10
Granted - Directors and employees	**700,000**		**0.07**	-		-
Balance - end of period	**1,302,100**	**$**	**0.12**	667,700	$	0.07
Options exercisable	**1,302,100**	**$**	**0.12**	667,700	$	0.07

(i) On June 27, 2016, 700,000 stock options which vested immediately and expire on June 27, 2021 were granted at a strike price of $0.07 per share.

The following table summarizes information regarding the stock options outstanding and exercisable as at June 30, 2016:

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	700,000	700,000	4.99	0.07
0.09 - 0.12	212,500	212,500	2.96	0.12
0.17 - 0.22	362,500	362,500	2.11	0.20
0.38 - 0.59	12,500	12,500	1.01	0.44
0.60 - 0.66	14,600	14,600	0.34	0.66
	1,302,100	1,302,100	3.77	0.12

Share-based compensation

The Corporation uses the Black-Scholes model to estimates the fair value 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.

During the three-month period and six month periods ended June 30, 2016 the total expense related to stock-based compensation costs and payments amounting to $62,382 (2015 – Nil) has been recorded and presented separately in the Interim Condensed Statements of Loss and Comprehensive Loss.

15. Share capital (continued)

The following assumptions were used to estimate the weighted average fair value of the granted options:

		June 30, 2016	December 31, 2015
Expected dividend yield		**Nil**	N/A
Expected stock price volatility		**226.44%**	N/A
Risk free interest rate		**0.72%**	N/A
Expected life		**5 years**	N/A
Weighted average fair value of granted options	**$**	**0.09**	N/A

16. Related party information

(a) Related party payables

		June 30, 2016		December 31, 2015
Globex Mining Enterprises Inc.	**$**	**6,845**	$	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 GJSL 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				Six months ended			
		June 30, 2016		June 30, 2015		June 30, 2016		June 30, 2015
Management services for the period	**$**	**18,220**	$	-	**$**	**20,720**	$	-
	$	**18,220**	$	-	**$**	**20,720**	$	-

In 2015, no charges were recorded as they did not appear recoverable as a result of the cash resources of the Corporation. As a result of the financing completed in June 2016, fees of $18,220 were recorded and paid during the three-month period ended June 30, 2016.

(c) Amount due to Jack Stoch Geoconsultant Services Limited

On December 15, 2014, CIM entered into a $100,000 loan with GJSL with a December 15, 2016 maturity date and at an annual interest rate of 12%, compounded and payable on maturity. The loan was secured by a hypothec and security interest on all of CIM's assets. In consideration for the loan, CIM issued 500,000 non-transferrable common share purchase warrants to GJSL each of which entitles GJSL to purchase one common share of CIM at a price of $0.10 per share until December 15, 2016.

16. Related party information (continued)

		June 30, 2016		December 31, 2015
Loan balance	$	**100,000**	$	100,000
Accrued interest		**16,887**		10,322
		116,887		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		**(16,047)**		(9,809)
Write-off of unamortized financing costs		**(5,822)**		-
		-		12,060
Repayment of loan balance plus accrued interest		**(116,887)**		-
Balance, end of period	**$**	**-**	$	98,262

During the six-month period ended June 30, 2016, accrued interest of $6,565 was recorded along with the amortization of deferred financing costs of $6,238. On June 30, 2016, the principal and accrued interest of $116,887 was repaid and unamortized financing costs of $5,822 were written-off.

(d) Management and Director Compensation

None of the key management personnel received any remuneration or other benefits during the three-month periods ended June 30, 2016 or June 30, 2015 or the six-month periods ended June 30, 2016 or June 30, 2016.

During the three-month and six-month periods ended June 30, 2016, the Directors were awarded 700,000 stock options which vested immediately and had a fair value of $62,382.

17. Supplementary cash flows information

Changes in non-cash working capital items

	June 30, 2016	June 30, 2015
Taxes receivable	**$ (5,346)**	$ (1,425)
Prepaid expenses	**3,657**	4,533
Payables and accruals	**25,741**	(5,244)
	$ 24,052	$ (2,136)

Non-cash financing and investing activities

	June 30, 2016	December 31, 2015
Fair value of warrants issued	**$ 240,425**	$ -

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. The Corporation's overall strategy remains unchanged from 2015.

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.

Based on the current cash position and exploration strategy, the Corporation will likely not 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.

(a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled $769,007 at June 30, 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.

18. Financial instruments (continued)

The maximum exposure to credit risk was:

	June 30, 2016	December 31, 2015
Cash and cash equivalents	**$ 519,007**	$ 55,447
Cash reserved for exploration	**250,000**	-
Investments	**9,721**	29,161
Taxes receivable	**6,075**	729
	$ 784,803	$ 85,337

(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.

The Corporation currently holds equity investments with a fair market value of $9,721 at June 30, 2016 (December 31, 2015 - $29,161) and as a result a 10% increase or decrease would impact Income and Loss by $972 (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 market data (unobservable inputs).

18. Financial instruments (continued)

June 30, 2016	Level 1		Level 2		Level 3		Total Financial Assets at fair Value
Financial assets							
Cash and cash equivalents	$	-	$ 519,007	$	-	$	519,007
Cash reserved for exploration		-	250,000		-		250,000
Equity investments		-	9,721		-		9,721
Total financial assets	$	-	$ 778,728	$	-	$	778.728

There were no transfers between level 1 and level 2 during the period. 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, 2015	Level 1		Level 2		Level 3		Total Financial Assets at fair Value
Financial assets							
Cash and cash equivalents	$	-	$ 55,447	$	-	$	55,447
Equity investments		-	29,161		-		29,161
Total financial assets	$	-	$ 84,608	$	-	$	84,608

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 June 30, 2016, 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 the period end, 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.