INTERIM REPORT
NINE MONTHS ENDED
SEPTEMBER 30, 2016
(UNAUDITED)

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STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS

Management has compiled the unaudited interim condensed financial report as of September 30, 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 nine-month periods ended September 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 November 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.

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.

Table of contents

Overview – Chibougamau Mining Camp

CIM is a natural resources exploration and development corporation, with properties, located in the area of Chibougamau, Québec. It currently holds twelve exploration properties.

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 favour of Globex. On October 3, 2016, Globex announced that the 3% Gross Metal Royalty on a number of claims related to the Mont

Sorcier project had been reduced to 1%, but extended to claims acquired by CIM in 2016 and therefore applicable to the entire historical mineral deposit.

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

CIM is focused on finding economic mineral deposits and reviving production in the Chibougamau mining camp. It has established a short-term objective of defining NI 43-101 compliant resources on selected target properties.

The CIM shares trade on the TSX Venture Exchange under the symbol CBG, on the Stuttgart exchange under the symbol CLL, as well as on the OTC Markets (USA) under the symbol CMAUF.

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.

Geological Map of Chibougamau Area

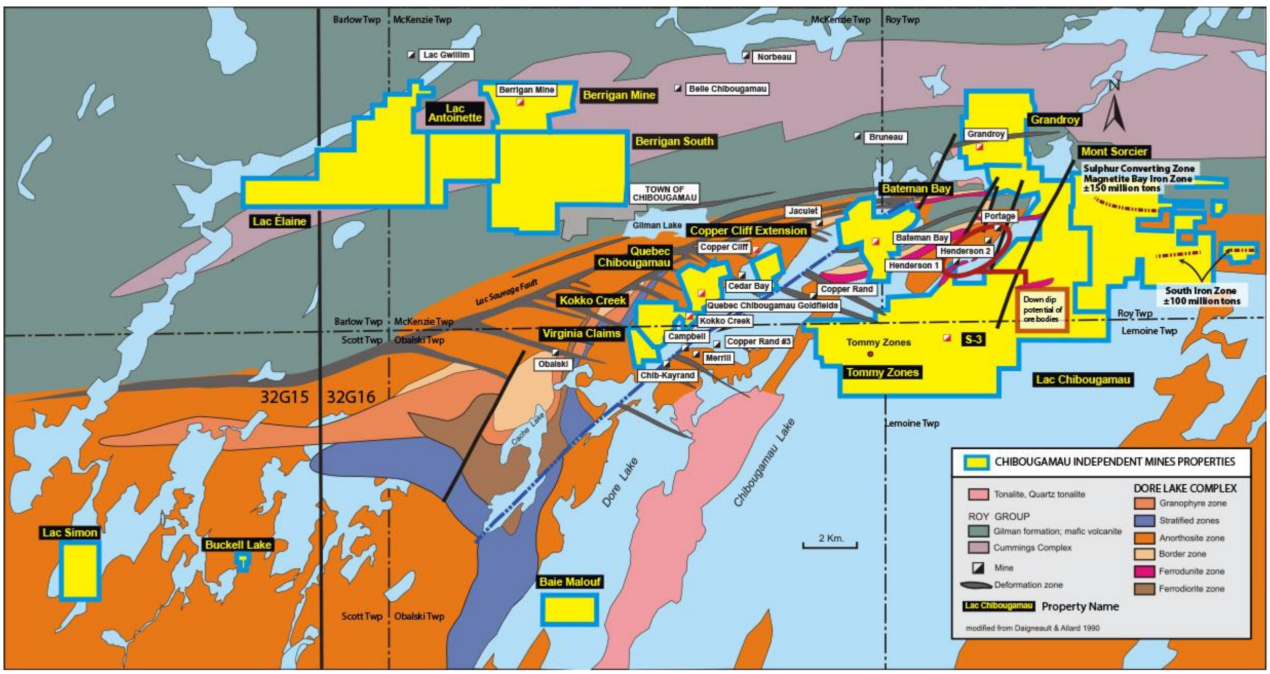

Figure 1

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 principally 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 historical 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).

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.

- On June 30, 2016, the principal and accrued interest of $116,887 on the loan from GJSL was repaid.

- At September 30, 2016, the Corporation had cash and cash equivalents of $426,804 (December 31, 2015 - $55,447) as well as cash reserved for exploration of $203,791 (December 31, 2015 – Nil).

- As a result of the completing our financing in June 2016, during the third quarter, we finalized work plans for the highest priority targets that were previously identified and began fieldwork which is reflected in the exploration expenditures of $52,030 (2015 - $2,533).

- During Q3 - 2016, administrative and compliance costs totalled $34,996 (2015 - $17,540), share based compensation was $35,648 (2015 - $Nil) and other expenses were $1,736 (2015 - $5,914) representing total expenses of $72,380 (2015 - $23,454).

- For the nine-month period ended September 30, 2016 administrative and compliance costs totalled $110,834 (2015 - $66,425), interest and financing costs were $18,625 (2015 - $13,703), share based compensation totalled $98,030 (2015 - Nil) and other expenses were $25,300 (2015 - Nil) representing a total of $252,789 (2015 - $80,128).

- For the three-month period ended September 30, 2016 CIM reported a loss of $39,077 (2015 - $61,313). For the nine -month period ended September 30, 2016, the Corporation reported a loss of $238,921 (2015 - $117,987).

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

Early in 2016, we saw both significant volatility in the world financial markets and downward pressures on all commodity prices much of which is a result of the declines in economic growth in a number of important world economies. Britain's Brexit vote to leave the European Union, the US Federal Reserve interest rate policy and widespread uncertainty over the US presidential election has motivated global investors to seek safe haven including gold.

In the first half of 2016, the price of Gold gained approximately 28 percent but is now trading in the range of U.S. $1,180 per ounce reflecting an number of factors including; U.S. interest rate increases, volatility in the financial markets, the election of Donald trump in the USA as well as slow economic growth in the world economy. Meanwhile, copper and zinc prices have risen with spot copper currently being U.S. $2.62 per pound and zinc trading at U.S. $1.23 per pound.

There are a number of research reports which predict significant increases in the price of Gold. In an October Commodities report, Scotiabank predicted that they expected Gold prices to average $1,260/oz. in 2016, $1,300/oz. in 2017, and $1,300 oz. in 2018. Current events may cast doubt upon these projections.

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. This change is reflected in CIM's October 3, 2016, press release announcing that it had optioned its Mont Sorcier Vanadium-Iron-Titanium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau to Vendome Resources Corp. (VDR-V).

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.

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.

During the third quarter of 2016, deferred exploration expenditures totalled $47,092 (2015 - $Nil) which resulted in total exploration for the nine-month period ended September 30, 2016 of $54,898 (2015 - $2,533). Details of the expenditures by property and by expenditure type are detailed in note 9 to the interim condensed financial statements for the nine-month period ended September 30, 2016.

Optioning of Mont Sorcier Property

On October 3, 2016, CIM announced that it had optioned its Mont Sorcier Vanadium-Iron-Titanium project in Roy Township, Quebec, 18 km east of the Town of Chibougamau to Vendome Resources Corp. (VDR-V). Subsequently on October 14, 2016, the terms of the agreement were amended. Under the amended agreement, Vendome will pay CIM, $150,000 and issue to CIM 2,750,000 consolidated Vendome shares. A minimum of $1 million of exploration will be undertaken in the first 24 months following signature of the agreement. CIM will retain a 2% Gross Metal Royalty (GMR) on all mineral production from the property.

In order to facilitate the deal, Globex Mining Enterprises Inc. (GMX-TSX), which held a 3% GMR on a number of claims, has reduced its royalty to 1% GMR, but Globex's royalty has now been extended to the recently enlarged claim group which covers the entire deposit.

Qualified Person

All scientific and technical information contained in this MD&A was prepared by the Corporation's geological staff under the supervision of Jack Stoch, 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	$	$	$	$	$	$	$	$
Total revenues	4,000	-	-	-	-	-	-	-
Total expenses	72,380	157,266	23,143	1,209,114	23,454	31,658	25,016	3,906,530
Other income (expenses)	1,582	(9,720)	(9,720)	39	(43,742)	(48,602)	48,602	48,613
Loss	(39,072)	(166,986)	(32,863)	(1,025,594)	(61,313)	(73,723)	17,049	(3,695,533)
Loss per share								
- Basic and diluted	(0.00)	(0.01)	(0.00)	(0.06)	(0.01)	(0.00)	0.00	(0.11)

Notes:

The basic and diluted 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.

During the last eight quarters, the Corporation has recorded no revenues with the exception of the third quarter of 2016, in which $4,000 was generated from the sale of the Buckell Lake property on which CIM now retains a royalty interest.

During each of the last eight quarters, the total expenses were generally limited to administrative, legal, transfer agent and filing fees as well as audit and accounting fees which are required to maintain the Corporation and meet the TSXV listing requirements. In the second and third quarters of 2016, the expenses also include share based compensation and payments of $62,382 (700,000 options were issued in Q2 – 2016) and $35,648 (300,000 options were issued in Q3 – 2016). The significant increase in expenses in the fourth quarter of 2014 and 2015 include additional 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 nine-month periods ended September 30, 2016.

Total expenses - Three months ended September 30, 2016 - $72,380 (September 30, 2015 - $23,454); Nine months ended September 30, 2016 - $252,789 (September 30, 2015 - $80,128).

In the third quarter of 2016, the total expenses were $72,380 compared to $23,454 in 2015. The increase of $48,926 in the expenses is mainly a result of transfer agent and filing fees of $15,124 and share-based compensation and payments of $35,648.

During the nine-month period ended September 30, 2016, the total expenses were $252,789 as compared to $80,128 in the comparable period in 2015. The increase of $172,661 mainly reflects increases in:

- project finder's fees - $25,000,
- share-based compensation and payments - $98,030,
- management services - $24,280,
- transfer agent and filing fees - $15,181,
- amortization of financing costs - $5,383 and
- other items - $4,787

The following paragraphs provide an overview of the nature of the expense incurred in the third quarter of 2016 and during the nine-month period ended September 30, 2016:

Administration

- During the third quarter of 2016, the administrative expenses totaled $3,542 as compared to $2,341 in 2015 representing an increase of $1,201 related to office supplies and maintenance costs.

- During the nine-month period ended September 30, 2016, the administration expenses totaled $11,913 as compared to $10,168 in the comparable period in 2015. The majority of the $1,745 increase relates to office supplies and maintenance costs.

Transfer Agent and filing fees

- During the third quarter of 2016, the transfer agent and filing fees were $15,124 as compared to $1,049 in 2015. The increase mainly represents timing differences related to expenses for the annual meeting, the additional costs associated with the share consolidation and the TSXV fees associated securing the approval of the increase in the number of stock options available for issuance under the Corporation's share option plan.

- During the nine--month period ended September 30, 2016, the transfer agent and filing fees totaled $39,092 as compared to $23,911. The increase is a result of the factors described above.

Legal

- The legal expenses of $170 in the third quarter of 2016 (September 30, 2015 - $ Nil) represent the costs of general corporate matters.

- During the nine-month period ended September 30, 2016, the legal expenses were $10,499 as compared to $6,966 in 2015. The increase is mainly attributable to the share consolidation and preparation for the 2016 financing.

Audit and accounting

- In the third quarter of 2016, the audit and accounting provision was $5,100 as compared to $6,650 in the comparable period in 2015. The decrease reflects the impact of final adjustments related to the 2015 year-end audit accrual.

- During the nine-month period ended September 30, 2016, the audit and accounting expenses totaled $17,550 as compared to $17,880 in the comparable period in 2015.

Project finder's fees

- During the third quarter of 2016, no project finder's fees were paid and no comparable expenses were incurred in 2015.

- During the nine-month period ended September 30, 2016, project finder's fees of $25,000 (Cash - $10,000; 300,000 CIM shares with a fair value of $0.05 per share) were incurred in identifying an appropriate financing organization and potential projects. No comparable expenses were incurred in 2015.

Share-based compensation and payments

- On September 22, 2016, 300,000 options which vested immediately were granted to a consultant at a strike price of $0.135 per share. The weighted average fair value of the granted options was $0.12 per share which is reflected in the share based compensation expense in the third quarter of 2016 of $35,648. No comparable expense was incurred in 2015.

- During the nine-months ended September 30, 2016, 700,000 options which vested immediately were granted at a strike price of $0.07 per share (fair value per share of $0.089) on June 27, 2016 and on September 22, 2016, 300,000 options which vested immediately were granted at a strike price of $0.135 per share (fair value per share of $0.12). The weighted average fair value of all granted options was $0.098 per share which is reflected in the share based compensation of $98,030 for the nine-month period ended September 30, 2016. No option grants were made during the nine-month period ended September 30, 2015.

Management Services

- During the three-month period ended September 30, 2016, management services fees of $11,060 (2015 – $7,500) were incurred.

- During the nine-month period ended September 30, 2016, management services fees of $31,780 (2015 – $7,500) were incurred. The increase reflects increased corporate activities related to the share consolidation, a private placement which closed in June 2016 and the amendments to the stock option plan.

Amortization of financing costs

- During the three-month period ended September 30, 2016, no amortization of the financing costs was incurred as the loan was repaid on June 30, 2016. During the three-month period ended September 30, 2015, amortization of $2,882 was reported.

- During the nine-month period ended September 30, 2016, amortization of financing costs of $12,060 (2015 - $6,677) were recorded. The expense in the current year is higher as the loan was paid off on June 30, 2016 rather than December 15, 2016 as originally intended, which resulted in an additional charge of $5,822 which represents the unamortized balance of the financing charges.

Interest expense on long-term loan

- During the three-month period ended September 30, 2016, no interest (2015 - $3,032) was reported on the long-term debt as it was repaid at June 30, 2016,

- During the nine-month period ended September 30, 2016, interest expense of $6,566 (2015 - $7,026) was recorded. The interest expense is lower as a result of the loan repayment on June 30, 2016.

Impairment of mineral properties and deferred exploration expenses

- For the three months ended September 30, 2016, an impairment provision of $1,736 was made representing the write-off of general exploration expenses.

- During the nine-month period ended September 30, 2016, the impairment expense of $300 represents the net impact of the write-off of general exploration of $2,421, a deferred exploration write-off of $747 against the Lac Chibougamau property and the offsetting impact of the Quebec refundable tax credit of $2,868.

Other income (expenses)

- The other income of $1,582 (2015 – expense of $43,742) in the three-month period and the expense of $17,858 (2015 – expense of $43,742) for the nine-month period ended September 30, 2016 represent an interest income of $1,582 and the decrease in the fair value of 972,040 Mag Copper Limited shares. The shares were valued at $0.01 per share at September 30, 2016 compared to $0.03 per share at December 31, 2015.

Income and mining tax

- During the three-month and nine-month periods ended September 30, 2016 a recovery of deferred taxes of $27,726 was reported as compared to $5,883 in the comparable period in 2015. The recovery in the current period represents the sale of tax benefits as a result of the eligible CEE incurred in the third quarter of 2016.

Financial position – September 30, 2016

Total assets

At September 30, 2016, the total assets were $893,888 which represented an increase of $627,024 from $266,864 at December 31, 2015. The change reflects the impact of the gross proceeds of $1,034,500 from the financings which closed in June 2016 less the exploration and administration activities as well as the $116,887 used to repay the loan and accrued interest owed to Jack Stoch Geoconsultant Services Limited.

Cash and cash equivalents, cash reserved for exploration

At September 30, 2016, CIM had cash and cash equivalents of $426,804 (December 31, 2015 - $55,447) and cash reserved for exploration of $203,791 (December 31, 2015 – Nil).

Liabilities

Current liabilities

At September 30, 2016, CIM had total current liabilities of $17,432 as compared to $127,973 at December 31, 2015). The December 31, 2015 balance included $98,262, due to Jack Stoch Geoconsultant Services Limited ("GJSL") under a loan arrangement secured in December 2014. This liability was repaid along with accrued interest on June 30, 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. At September 30, 2016, all amounts owing to Globex had been paid.

Other liabilities

At September 30, 2016, other liabilities of $122,274 were recorded as a result of the completion of the flow-through financing on June 24, 2016.

Deferred income tax

At September 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, contributed surplus, and the deficit which totaled $754,182 at September 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, (after giving effect to partially shares) 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 September 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 September 30, 2016.

Liquidity, working capital, cash flow and capital resources

At September 30, 2016, the Corporation had cash and cash equivalents of $426,804 (December 31, 2015 - $55,447). In addition, the Corporation had $203,791 (December 31, 2015 – Nil) of cash reserved for exploration.

Working Capital

The Corporation had working capital (based on current assets minus current liabilities) of $647,599 at September 30, 2016 compared to a working capital deficiency of $33,058 at December 31, 2015.

Cash Flow

During the nine-month period ended September 30, 2016, $115,252 (September 30, 2015 - $66,425) was used in operating activities and $26,687 (September 30, 2015 – generated $1,835) was used in changes in non-cash operating working capital items.

During the nine-month period ended September 30, 2016, financing activities generated $774,295 (2015 - $60,781). In 2016, these financing activities consisted of net proceeds from the private placement of $921,590 and offsetting repayments of related party liabilities to Globex of $30,408 and the repayment of the loan from GJSL plus accrued interest of $116,887. In the nine-months ended September 30, 2015, the financing activities consisted of a related party advance from Globex of $10,871 and advances from GJSL of $50,000.

In the nine months ended September 30, 2016, $57,208 (2015 - $2,533) was invested in deferred exploration expenses which was offset by a Quebec refundable tax credit of $2,868 and $5,178 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 $575,148 in the nine months ended September 30, 2016 as compared to a net decrease of $6,252 in the comparable period in 2015.

Capital Resources

The Corporation has no significant operating revenues and therefore relies on funds generated 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 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, payable and accruals 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, and interest rate risk.

(a) Credit Risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled $630,595 at September 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:

	September 30, 2016 $	December 31, 2015 $
Cash and cash equivalents	**426,804**	$ 55,447
Cash reserved for exploration	**203,791**	-
Investments	**9,721**	29,161
Taxes receivable	**22,123**	729
	662,439	$ 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 September 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).

September 30, 2016	Level 1 $	Level 2 $	Level 3 $	Total Financial Assets at fair Value $
Financial assets				
Cash and cash equivalents	-	426,804	-	426,804
Cash reserved for exploration		203,791	-	203,791
Investments	-	9,721	-	9,721
Taxes receivable	-	-	22,123	22,123
Total financial assets	-	640,316	22,123	662,439

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
Investments	-	29,161	-	29,161
Taxes receivable	-	-	729	729
	-	84,608	729	85,337

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 September 30, 2016, the Corporation had 37,228,542 common shares outstanding (December 31, 2015, after share consolidation – 16,238,542). In addition, at September 30, 2016, the Corporation had 8,345,000 warrants (December 31, 2015, after share consolidation – 500,000) as well as 1,602,100 stock options (December 31, 2015, after share consolidation – 667,700).

At September 30, 2016, 1,135 (December 31, 2015 - 935,535) stock options were available to be granted. On October 11, 2016, the TSXV approved an amendment which increased the number of shares issuable to 3,722,850 and on November 1, 2016, 14,600 options naturally expired which resulted in 2,135,350 options available for future grant.

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 49,068,742 at September 30, 2016 (December 31, 2015- 17,406,242 shares). As a result of the expiry of 14,600 stock options on November 1, 2016, CIM had fully diluted common shares of 49,054,142 at November 25, 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

	September 30, 2016	December 31, 2015
	$	$
	-	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		Nine months ended	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September30, 2015
	$	$	**$**	$
Management services for the period	**11,060**	7,500	**31,780**	7,500

As a result of completing the financing in June 2016 and the increase in exploration activities, fees of $11,060 were paid during the three-month period ended September 30, 2016 and $31,780 during the nine-month period ended September 30, 2016, reflecting increased corporate activities.

(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 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 2016, accrued interest of $6,565 was recorded along with the amortization of deferred financing costs of $6,238 and the write-off of unamortized financing costs of $5,822. On June 30, 2016, the principal and accrued interest of $116,887 was repaid.

	September 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 500,000 post consolidation 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 and nine-month periods ended September 30, 2016 or September 30, 2015.

During the nine-month periods ended September 30, 2016, the Directors were awarded 700,000 stock options which vested immediately and had a fair value 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 certain CIM assets. Limited exploration activities which have been undertaken confirmed our initial enthusiasm and we expect to continue to gain additional information which will focus our subsequent exploration efforts.

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 that 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 November 25, 2016.

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited - In Canadian dollars)

	Notes	Three months ended September 30, 2016	Three months ended September 30, 2015	Nine months ended September 30, 2016	Nine months ended September 30, 2015
		$	$	**$**	$
Continuing operations					
Revenues		**4,000**	-	**4,000**	-
Expenses					
Administration	13	**3,542**	2,341	**11,913**	10,168
Transfer agent and filing fees		**15,124**	1,049	**39,092**	23,911
Legal		**170**	-	**10,499**	6,966
Audit and accounting		**5,100**	6,650	**17,550**	17,880
Project finder's fees		**-**	-	**25,000**	-
Share-based compensation and payments	15	**35,648**	-	**98,030**	-
Management services	16 (b)	**11,060**	7,500	**31,780**	7,500
Amortization of financing costs		**-**	2,882	**12,060**	6,677
Interest expense on long-term loan		**-**	3,032	**6,565**	7,026
Impairment of mineral properties and deferred exploration expenses	7, 8, 9	**1,736**	-	**300**	-
		72,380	23,454	**252,789**	80,128
Loss from operations		**(68,380)**	(23,454)	**(248,789)**	(80,128)
Other income (expenses)					
Decrease in fair value of financial assets		**-**	(43,742)	**(19,440)**	(43,742)
Interest		**1,582**	-	**1,582**	-
		1,582	(43,742)	**(17,858)**	(43,742)
Loss before taxes		**(66,798)**	(67,196)	**(266,647)**	(123,870)
Income and mining tax (recovery)	12	**(27,726)**	(5,883)	**(27,726)**	(5,883)
Loss and comprehensive loss for the period		**(39,072)**	(61,313)	**(238,921)**	(117,987)
Loss per common share					
Basic and diluted	14	**(0.00)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**37,228,542**	16,238,542	**23,819,235**	16,238,542
Shares outstanding at end of period		**37,228,542**	16,238,542	**37,228,542**	16,238,542

The accompanying notes are an integral part of these interim condensed financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Cash Flows

(Unaudited - In Canadian dollars)

	Notes	Nine months ended September 30, 2016	2015
		$	$
Operating activities			
Loss and comprehensive loss for the period		**(238,921)**	(117,987)
Adjustments for:			
Decrease in fair value of financial assets		**19,440**	43,742
Shares issued to a finder	15	**15,000**	-
Share-based compensation and payments	15	**98,030**	-
Impairment of mineral properties and deferred exploration expenses	7, 8, 9	**300**	-
Amortization of financing costs		**12,060**	6,677
Interest expense		**6,565**	7,026
Deferred income and mining taxes	12	**(27,726)**	(5,883)
		(115,252)	(66,425)
Changes in non-cash operating working capital items	17	**(26,687)**	1,835
		(141,939)	(64,590)
Financing activities			
Related party payable - Globex Mining Enterprises Inc.		**(30,408)**	10,871
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	**(112,910)**	-
		774,295	60,871
Investing activities			
Deferred exploration expenses	9	**(54,898)**	(2,533)
Quebec refundable tax credit	9	**2,868**	-
Mineral properties acquisitions	8	**(5,178)**	-
		(57,208)	(2,533)
Net increase (decrease) in cash and cash equivalents		**575,148**	(6,252)
Cash and cash equivalents, beginning of period		**55,447**	58,912
Cash and cash equivalents, end of period		**630,595**	52,660
Cash and cash equivalents		**426,804**	52,660
Cash reserved for exploration		**203,791**	-
		630,595	52,660

Supplementary cash flow information (note 17)

The accompanying notes are an integral part of these interim condensed financial statements

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Financial Position

(Unaudited - In Canadian dollars)

	Notes	**September 30, 2016**	December 31, 2015
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**426,804**	55,447
Cash reserved for exploration	5	**203,791**	-
Investments	6	**9,721**	29,161
Taxes receivable		**22,123**	729
Prepaid expenses		**2,592**	9,578
		665,031	94,915
Mineral properties	8	**177,127**	171,949
Deferred exploration expenses	9	**51,730**	-
		893,888	266,864
Liabilities			
Current liabilities			
Payables and accruals	10	**17,432**	29,711
Amount due to Jack Stoch Geoconsultant Services Limited	16 (c)	**-**	98,262
		17,432	127,973
Related party payable - Globex Mining Enterprises Inc.	16 (a)	**-**	30,408
Other liabilities	11	**122,274**	-
Deferred income tax	12	**-**	-
Owners' equity			
Common shares	15	**8,975,255**	8,554,690
Warrants	15	**261,794**	21,369
Contributed surplus - equity settled reserve		**497,018**	273,388
Deficit		**(8,979,885)**	(8,740,964)
		754,182	108,483
		893,888	266,864

The accompanying notes are an integral part of these interim condensed financial statements

Approved by the board

"Jack Stoch"
Jack Stoch, Director

"Dianne Stoch"
Dianne Stoch, Director

CHIBOUGAMAU INDEPENDENT MINES INC.

Interim Condensed Statements of Equity

(Unaudited - In Canadian dollars)

	Notes	**Nine months ended September 30, 2016**	September 30, 2015	Year ended December 31, 2015
		$	$	$
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		**(240,425)**	-	-
Shares issued to a finder	15 (a)	**15,000**	-	-
Share issuance costs - commissions, legal and other	15 (a)	**(112,910)**	-	-
Share issuance costs - fair value of agent's options		**(125,600)**	-	-
Common shares		**8,975,255**	8,554,690	8,554,690
Warrants				
Beginning of period	15 (b)	**21,369**	21,369	21,369
Issued in connection with 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-based compensation and payments	15 (c)	**98,030**	-	-
Share issuance costs - fair value of agent's options		**125,600**	-	-
Expired warrants		**-**	-	-
End of period		**497,018**	273,388	273,388
Deficit				
Beginning of period		**(8,740,964)**	(7,597,383)	(7,597,383)
Loss and comprehensive loss for the period		**(238,921)**	(117,987)	(1,143,581)
End of period		**(8,979,885)**	(7,715,370)	(8,740,964)
Total Equity		**754,182**	1,134,077	108,483

The accompanying notes are an integral part of these interim condensed financial statements

Notes to the Interim Condensed Financial Statements
Periods ending September 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.

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 favour of Globex. On October 3, 2016, Globex announced that the 3% Gross Metal Royalty on a number of claims related to the Mont Sorcier project had been reduced to 1%, but extended to claims acquired by CIM in 2016 and therefore applicable to the entire historical mineral deposit.

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.

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.

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, on the Stuttgart exchange under the symbol CLL, as well as on the OTC Markets (USA) under the symbol CMAUF.

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 September 30, 2016 and September 30, 2015 on November 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 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.

3. Summary of significant accounting policies (continued)

(a) International Financial Reporting Standards adopted.

In preparing these interim condensed financial statements for the three months and nine months ended September 30, 2016 and as at September 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.

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.

3. Summary of significant accounting policies (continued)

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.

IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16 Lease which specifies how a Corporation will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. CIM currently has no leases or plans to lease significant assets. Management believes that the standard will have little or no impact on the Corporation's financial reporting.

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

	September 30, 2016 $	December 30, 2015 $
Bank balances	**426,804**	55,447

5. Cash reserved for exploration

	September 30, 2016 $	December 30, 2015 $
Bank balances	**203,791**	-

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, prior to December 31, 2017. 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

	September 30, 2016 $	December 30, 2015 $
Investments (i) (ii)	**9,721**	29,161

(i) At September 30, 2016, the fair market value of $9,721 represents 972,040 Mag Copper Limited shares valued at $0.01 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.

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 nine-month period ended September 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 2016 $**	**September 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	**1,204**	**-**	**3,770**
Nepton	-	**3,318**	**-**	**3,318**
	171,949	**5,178**	**-**	**177,127**

(i) Properties which have been fully impaired in previous periods are not reported.

	December 31, 2014 $	Additions 2015 $	Impairment 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 2016 $**	**September 30, 2016 $**
Bateman Bay	**-**	**14,972**	**-**	**14,972**
Berrigan South and Berrigan Mine	-	**16,419**	-	**16,419**
Copper Cliff Extension	-	**565**	-	**565**
Lac Chibougamau	-	**3,978**	**(747)**	**3,231**
Lac Elaine	**-**	**443**	-	**443**
Grandroy	-	**1,429**	-	**1,429**
Kokko Creek	**-**	**963**	**-**	**963**
Lac Antoinette	**-**	**443**	-	**443**
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	**-**	**3,853**	**-**	**3,853**
Malouf	**-**	**119**	**-**	**119**
Nepton	-	**9,001**	-	**9,001**
Virginia Option	-	**292**	-	**292**
General exploration	**-**	**2,421**	**(2,421)**	**-**
Quebec refundable tax credit	**-**	**(2,868)**	**2,868**	-
	-	**52,030**	**(300)**	**51,730**

9. Deferred exploration expenses (continued)

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

	December 31, 2014 $	Additions 2015 $	Impairment 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	(2,540)	(12,044)	14,584	-
	1,000,440	(7,249)	(993,191)	-

Deferred exploration expenses by expenditure type:

	September 30, 2016 $	December 31, 2015 $
Balance, beginning of period	**-**	1,000,440
Current exploration expenses		
Geology	**573**	725
Labour	**47,952**	1,293
Mining property tax and permits	**4,737**	2,767
Transport and road access	**1,636**	10
Quebec refundable tax credit	**(2,868)**	(12,044)
Total current exploration expenses	**52,030**	(7,249)
Impairment	**(300)**	(993,191)
Balance, end of period	**51,730**	-

10. Payables and accruals

	September 30, 2016 $	December 31, 2015 $
Trade payables and accrued liabilities	**17,432**	29,711

11. Other liabilities

	September 30, 2016	December 31, 2015
	$	$
Balance, beginning of period	**-**	-
Additions during the period	**150,000**	-
Reduction related to the incurrence of qualified exploration expenditures	**(27,726)**	-
Balance, end of period	**122,274**	-

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		**Nine months ended**	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
	$	$	**$**	$
Recovery of income and mining taxes	**(27,726)**	(5,883)	**(27,726)**	(5,883)

Deferred tax balances

	January 1, 2016	**Recognized in income or loss**	**September 30, 2016**
	$	**$**	**$**
Temporary differences			
Deferred tax assets			
Non-capital losses carry forward	347,856	58,256	406,112
Share issue expenses	30,008	**2,464**	**32,472**
Financial asset at FVTPL	5,883	**2,615**	**8,498**
Mining properties and deferred exploration expenses	85,617	**(13,426)**	**72,191**
	469,364	**49,909**	**519,273**
Less valuation allowance	(469,364)	**(49,909)**	**(519,273)**
Deferred tax liabilities	**-**	**-**	**-**

13. Expenses by nature

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

	Three months ended		Nine months ended	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
	$	$	**$**	$
Office supplies and maintenance	**811**	-	**2,351**	579
Shareholder information	**302**	-	**1,149**	442
Information technology	**-**	-	**1,215**	1,785
Advertising and promotion	**-**	-	**128**	274
Insurance	**2,303**	2,303	**6,908**	6,908
Other	**126**	38	**162**	180
	3,542	2,341	**11,913**	10,168

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.

Basic and diluted loss per common share

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

	Three months ended		Nine months ended	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
Numerator				
Loss for the period	**$ (39,072)**	$ (61,313)	**$ (238,921)**	$ (117,987)
Denominator				-
Weighted average number of common shares - basic and diluted [(i)]	**37,228,542**	16,238,542	**23,819,235**	16,238,542
Loss per share				
Basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)

(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 Shares: Voting

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

a) Changes in capital stock

		September 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 (iv)	**-**	**(238,510)**	-	-
Balance, end of period	**37,228,542**	**8,975,255**	16,238,542	8,554,690

(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. These are reflected as Project finder's fees in the Statements of Loss and Comprehensive Loss.

15. Share capital (continued)

Share Issuance costs

(iv) In connection with the private placement, CIM incurred cash share issuance costs of $112,910 (sales commissions to various securities dealers of $69,170, legal fees of $26,177 and other expenses of $17,563). No tax affect has been recorded on the share issuance costs as a full valuation allowance has been provided against the deferred tax assets.

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 $0.07 per share for a total of $125,600.

b) Warrants

		September 30, 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 post share consolidation 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.

(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:

	September 30, 2016	December 31, 2015
Stock price per share	**$ 0.07**	N/A
Exercise price per share	**$ 0.10**	N/A
Expected dividend yield	**Nil**	N/A
Expected stock price volatility	**264.6%**	N/A
Risk free interest rate	**0.63%**	N/A
Expected life	**18 months**	N/A
Fair value per warrant	**$ 0.03**	N/A

15. Share capital (continued)

c) Stock options

On September 7, 2012, the CIM Directors approved the adoption of the 2012 Stock Option Plan for directors, officers, employees and consultants who share primary responsibility for the management, growth and protection of the business of the Corporation.

The key terms of the plan are as follows:

(i) The original maximum number of shares that could be issued pursuant to the plan was a fixed number of 1,603,235 after reflecting the impact of the share consolidation in June 2016. On October 11, 2016, the TSXV approved an amendment which increased the number of shares issuable to 3,722,850 which resulted in 2,120,750 options available for future grant. 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 September 30, 2016, 1,602,100 (December 31, 2015 - 667,700) options were issued with a weighted average exercise price of $0.13 per share and a weighted average remaining contractual life of 3.79 years. In addition to the 1,602,100 options outstanding, 1,135 (December 31, 2015 – 935,535) options were available to be granted at September 30, 2016.

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

		September 30, 2016		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 - Contractor [(i)]	**300,000**	**0.14**	-	-
Granted - Directors and employees [(ii)]	**700,000**	**0.07**	-	-
Balance - end of period	**1,602,100**	**0.13**	667,700	0.07
Options exercisable	**1,602,100**	**0.13**	667,700	0.07

[(i)] On September 22, 2016, 300,000 options which vested immediately and expire on September 22, 2021 were granted at a strike price of $0.135 per share.

[(ii)] 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.

15. Share capital (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at September 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	4.74	0.07
0.09 - 0.15	512,500	512,500	4.04	0.13
0.17 - 0.22	362,500	362,500	1.86	0.20
0.38 - 0.59	12,500	12,500	0.76	0.44
0.60 - 0.66	14,600	14,600	0.09	0.66
	1,602,100	1,602,100	3.79	0.13

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 ended September 30, 2016 the total expense related to stock-based compensation costs and payments amounted to $35,648 (2015 – Nil) and for the nine-month period ended September 30, 2016 the total expense was $98,030 (2015 – Nil). The total expense has been recorded and presented separately in the Interim Condensed Statements of Loss and Comprehensive Loss.

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

	September 30, 2016	December 31, 2015
Expected dividend yield	**Nil**	N/A
Expected stock price volatility	**228.2%**	N/A
Risk free interest rate	**0.68%**	N/A
Expected life	**5 years**	N/A
Weighted average fair value of granted options	**$ 0.10**	N/A

16. Related party information

(a) Related party payables

	September 30, 2016	December 31, 2015
	$	$
Globex Mining Enterprises Inc.	**-**	30,408

16. Related party information (continued)

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		**Nine months ended**	
	September 30, 2016	September 30, 2015	**September 30, 2016**	September 30, 2015
	$	$	**$**	$
Management services	**11,060**	7,500	**31,780**	7,500

As a result of completing the financing in June 2016 and the increase in exploration activities, fees of $11,060 were paid during the three-month period ended September 30, 2016 and $31,780 during the nine month period ended September 30, 2016, reflecting increased corporate activities.

(c) Amount due to Jack Stoch Geoconsultant Services Limited ("GJSL")

On December 15, 2014, CIM entered into a $100,000 loan with GJSL with a December 15, 2016 maturity 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 2016, accrued interest of $6,565 was recorded along with the amortization of deferred financing costs of $6,238 and the write-off of unamortized financing costs of $5,822. On June 30, 2016, the principal and accrued interest of $116,887 was repaid

	September 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 500,000 post consolidation 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

16. Related party information (continued)

(d) Management and Director Compensation

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

During the three-month and nine-month periods ended September 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

	September 30, 2016 $	September 30, 2015 $
Taxes receivable	**(21,394)**	(679)
Prepaid expenses	**6,986**	7,203
Payables and accruals	**(12,279)**	(4,689)
	(26,687)	1,835

Non-cash financing and investing activities

	September 30, 2016 $	September 30, 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,

18. Financial instruments (continued)

- 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, payable and accruals 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 $630,595 at September 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:

	September 30, 2016 $	December 31, 2015 $
Cash and cash equivalents	**426,804**	55,447
Cash reserved for exploration	**203,791**	-
Investments	**9,721**	29,161
Taxes receivable	**22,123**	729
	662,439	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.

18. **Financial instruments (continued)**

(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 September 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).

September 30, 2016	Level 1	Level 2	Level 3	Total Financial Assets at fair Value
	$	$	$	$
Financial assets				
Cash and cash equivalents	-	426,804	-	426,804
Cash reserved for exploration	-	203,791	-	203,791
Investments	-	9,721	-	9,721
Taxes receivable	-	-	22,123	22,123
Total financial assets	-	640,316	22,123	662,439

There were no transfers between level 1 and level 2 during the period. The level 2 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
Investments	-	29,161	-	29,161
Taxes receivable	-	-	729	729
Total financial assets	-	84,608	729	85,337

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 September 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.