# INTERIM REPORT
# NINE MONTHS ENDED
# SEPTEMBER 30, 2017
# (UNAUDITED)

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**STATEMENT CONCERNING THE INTERIM CONDENSED FINANCIAL STATEMENTS**

Management has compiled the unaudited interim condensed financial report as of September 31, 2017 and 2016. The statements have not been audited or reviewed by the Corporation's auditors or any other firm of chartered professional accountants.

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

## For the three-month and nine-month periods ended September 30, 2017

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 23, 2017, and should be read in conjunction with the audited annual financial statements and the related notes, for the two years ended December 31, 2016 and December 31, 2015.

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## 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. On September 10, 2012, Globex and CIM entered into an Arrangement which resulted in the reorganization of the Corporation's capital and the receipt of cash and cash equivalents, certain investments held by Globex as well as the transfer of ten properties from Globex to CIM. 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 (''TSXV'') under the symbol CBG, on the Stuttgart and Frankfurt exchanges under the symbol CLL1, 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**

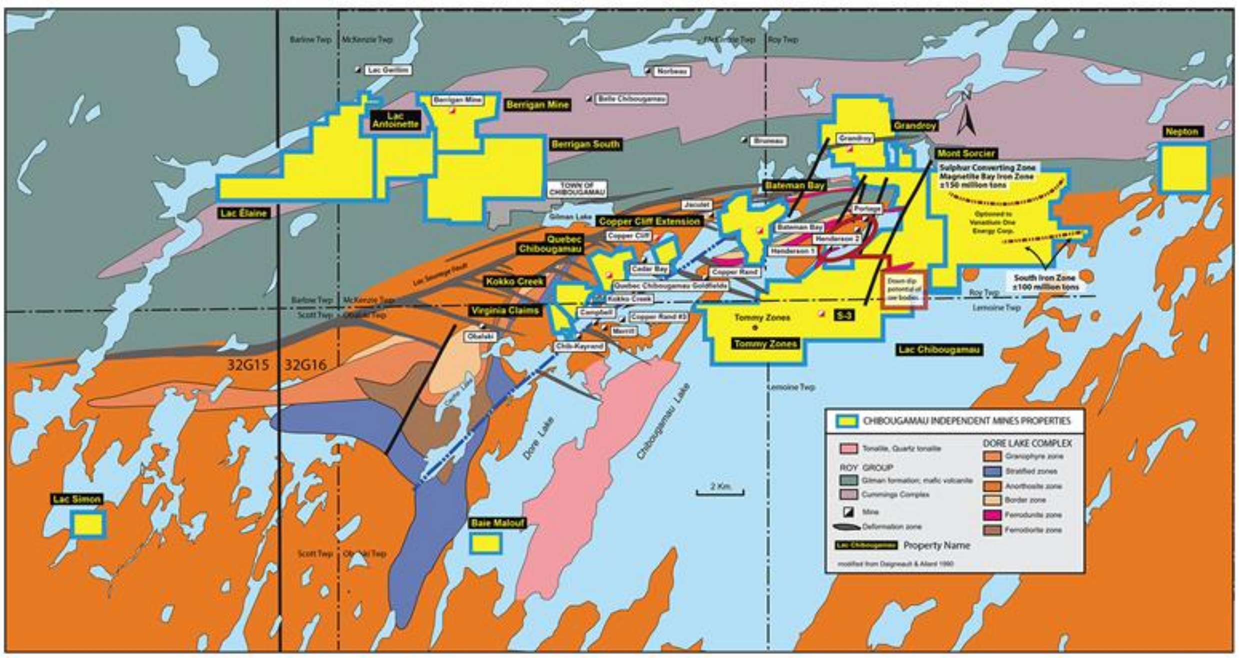


**Figure 1**

CIM owns half of the Chibougamau mining camp (10,349 hectares (25,572 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).

CIM began operations in 2013 and spent $1,434,285 on deferred exploration expenses. In 2014 and 2015, limited exploration expenditures were incurred as sufficient funding was not available.

On June 24, 2016, the Corporation issued 15,690,000 Units (“units”) under a private placement which generated gross proceeds of $784,500. On the same date, the Corporation issued 5,000,000 flow-through shares (‘’FT shares’’) at a price of $0.05 per FT share which generated gross proceeds of $250,000. As a result of completing this financing, in 2016, $289,310 (2015 - $4,795) of deferred exploration expenses were incurred including drilling costs of $155,644. These expenditures were mainly directed towards gaining a further understanding of the Bateman Bay and Berrigan South and Berrigan Mine properties.

## Highlights and summary

- During the three-month period ended September 30, 2017, $69,361 of exploration expenditures were incurred with $16,458 being spend on Bateman Bay, $37,303 being spent on Berrigan South and Berrigan Mine, $7,134 being spent on Nepton and $3,222 being spent on Grandroy and the remaining $5,244 was spent on the other properties.

- During the first nine months of 2017, $223,620 of exploration expenditures were incurred with $97,049 being spent on Berrigan South and Berrigan Mine, $70,150 being spend on Bateman Bay, $20,308 being spent on Grandroy, $12,664 being spent on Lac Chibougamau, $8,418 being spent on Kokko Creek, $7,134 being spent on Nepton and the remaining $7,897 was spent on the other properties.

- In 2016, CIM announced the sale of the Buckell Lake property and optioning of the Mont Sorcier property. In the fourth quarter of 2016, CIM received 2,750,000 Vendome Resources Corp. (name changed to Vanadium One Energy Corp. on January 13, 2017, “Vanadium”) common shares under an option agreement. On March 1, 2017, CIM received a further $150,000. These transactions are reflected in the net option income reported for the nine-month period ended September 30, 2017 of $148,779.

- During the three-month period ended September 30, 2017, no gain or loss on the sale of investments was reported while during the nine-month period ended September 30, 2017, a gain on the sale of investments of $9,415 was reported. This gain reflects a loss of $5,170 on the sale of 1,300,500 Vanadium One Energy Corp. shares (gross proceeds - $163,895) and a gain of $14,585 on the sale of 333,608 Mag Copper Limited shares (gross proceeds - $19,446).

- During the three-month period ended September 30, 2017, the total expenses were $52,251 as compared to $72,380 in 2016 with the decrease representing a reduction in share-based compensation and payments of $35,648, a $22,749 increase in the professional fees and outside services as well as a net decrease of $7,230 in miscellaneous expenses.

- For the nine-month period ended September 30, 2017, the total expenses were $226,137 as compared to $252,789 in the comparable period in 2016 with the decreased mainly representing a reduction in share-based compensation and payments of $98,030 and a reduction in the amortization of financing costs and interest expenses on long-term debt of $18,625 as well as an increase in professional fees and outside services of $82,250.

- For the three-month period ended September 30, 2017, CIM reported net loss of $115,341 (2016 – $39,072) and for the nine-month period ended September 30, 2017, the Corporation reported net loss of $165,047, as compared to a loss of $238,921 in 2016.

- The net decrease of $73,784 during the first nine months of 2017 is mainly related to the option income of $148,779 in 2017 as compared to no option income in 2016, a decrease in share-based compensation and payments of $98,030 which mainly accounts for the difference in the results.

- At September 30, 2017, CIM had cash and cash equivalents of $370,949 (December 31, 2016 -$388,912).

## 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 was a result of the declines in economic growth in a number of important world economies. During the latter part of 2016, there was also a recognition of the rebalancing between supply and demand for a number of commodities including copper and zinc. Following the U.S. election, the stock markets and commodities prices reflected an anticipation of global growth fuelled by solid growth in China and an improved outlook in Europe as well as anticipated tax cuts and infrastructure spending plans in the U.S.

During 2017, we have seen modest economic growth in a number of European economies, China, Canada and the U.S. On the commodities front, at times, we have seen volatility in the nickel and zinc prices reflecting political inputs in producer countries as well as short-term trader activities. There has been a decline in the LME Zinc stocks. At this time, there appears to be consensus that the commodity prices will increase over the near-term forecast period as a result of both the lack of new production capacity coming on stream and the recent decline in the U.S. dollar. Commodities are priced globally in U.S. currency so their prices typically move in the opposite direction from the U.S. dollar.

In the past four months, gold prices have moved within a 5.0 percent range which is partly following a trend in other markets, with assets supported by low interest rates, but reflects other factors unique to the metal. It is currently trading in the USD$ 1,290 per ounce range.

While these trends are generally positive, a number of factors including political risks, potential interest rate hikes in a number of countries and the U.S. President's governing approach and lack of detailed policy direction represent possible uncertainties which could impact growth targets and near-term metal prices.

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 market trend 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 Vanadium One Energy Corp.

## 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.

Following the completion of the June 2016, financing, in the third quarter, an exploration team reviewed the results of the exploration work completed in 2013 and undertook a site investigation. This review resulted in the identification of several new structural features and mineralization on the Berrigan Property and the new interpretation extended the potential copper mineralization encountered in the 2013 drill program on the Bateman-Jaculet property.

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,
- Twelve-month period ended, December 31, 2016 - $289,310.

In the fourth quarter of 2016, CIM spent $234,412 on exploration with $64,786 being spent on Bateman Bay (including drilling of $47,637) and $163,543 on the Berrigan South and Berrigan mine (including drilling of $108,007) with the remainder of $6,083 being spent on the other properties.

On January 18, 2017, CIM issued a press release indicating that the recent drilling on the Bateman Bay property had intersected the C3 mineralized zone and the Corporation planned a down-hole electromagnetic survey to better define the strike and depth potential of the copper-gold zone followed by step-out drilling. Hole BJ-16-15 at a vertical depth of 170 m intersected 3.65 % Cu, 0.88 gpt Au over 6.33 meters and Hole BJ-16-16 at a vertical depth of 260 m, 90 meters below hole BJ-16-15, intersected 3.61 % Cu, 1.72 gpt Au over 12.5 meters. True width is thought to be approximatively 60% of the core length.

On February 1, 2017, CIM issued a press release indicating that all five drill holes completed in the 4th quarter of 2016 on the Berrigan property intersected multiple zinc-gold silver zones at shallow vertical depths of between 51 and 250 meters. Among others, hole BT-16-009 intersected 2.22 % Zn, 7.58 gpt Ag, 1.13 gpt Au over 13.94 m from 194.51 to 208.45 meters and hole BT-16-011 intersected 2.22 % Zn, 6.31 gpt Ag, 0.72 gpt Au over 19.25m from 237.00 to 256.25 meters. True width is thought to be approximatively 70% of the core length.

During the three-month period ended March 31, 2017, $63,280 of exploration expenditures were incurred with $17,837 being spent on Bateman Bay and $36,971 being spent on Berrigan South and Berrigan Mine.

During the three-month period ended June 30, 2017, $90,979 of exploration expenditures were incurred with $35,855 being spend on Bateman Bay, $22,775 being spent on Berrigan South and Berrigan Mine and $12,579 being spent on Grandroy and the remaining $19,770 being spent on the other properties.

During the three-month period ended September 30, 2017, $69,361 of exploration expenditures were incurred with $16,458 being spend on Bateman Bay, $37,303 being spent on Berrigan South and Berrigan Mine, $7,134 being spent on Nepton and $3,222 being spent on Grandroy and the remaining $5,244 was spent on the other properties.

**Berrigan:** Activities during the first quarter of 2017, included finalizing logs for drilling done in November 2016, completing descriptions of core and compiling assays received. During this period, we continued our compilations by verifying all data in the database and ensuring that the location of drill collars are accurate. In addition, we created cross-sections, plan views and longitudinal sections to help conduct structural analysis of the property.

During the second quarter of 2017, we continued our compilations and created cross-sections, plan views and longitudinal sections to support our proposed exploration program for later this summer. The proposed work includes; geological mapping, structural analysis, channel and grab sampling. Two drill holes totaling 700 meters are proposed on Berrigan main zone.

During the third quarter of 2017, geological mapping, structural analysis, channel and grab sampling were completed on the main zone. On September 6, 2017 and October 2, 2017, CIM issued two press releases indicating results of channel sampling which returns up to 19.71 g/t Au, 289.2 g/t Ag, 16.79% Zn and 17.75% Pb.

The East Zone was mapped to 1/50 and was sampled (16 selected samples). It shows a semi-massive mineralized horizon (Sphalerite-Pyrite-Pyrrhotite-Galena) of an average thickness of 1.5 m in a serpentinized pyroxenite, mainly carbonated and finely mineralized in pyrite-pyrrhotite and sphalerite in the sheared areas. This mineralized horizon is dislocated in metric blocks along a shear corridor oriented N 250-260° and dip 60 to 70° N. The mineralized horizon as well as the shear zone were sampled (16 grabs), six samples yielded values greater than 1.9% Zn and up to 7% Zn and anomalous in gold (> 150 ppb) up to 8.14 g / t Au (sample E25010).

On South Berrigan showing, several historic trenches were excavated on mineralized shears on the northern edge of Berrigan Lake. Some of these trenches were visited and sampled (12 selected samples). The type of mineralization is identical to that observed in the Eastern Zone, pyrrothite-pyrite-chalcopyrite-galena disseminated to semi-massive in shear zones oriented N70-80° to N40°. Five samples returned values between 1% Zn and 8.24% Zn and relatively anomalous in gold (up to 1.1 g / t Au).

The two showings are related to ENE-WSW shear zones located in a corridor with an average width of 60 m and a lateral extension of at least 750 m. In this corridor, several mineralized showings are exposed by historical trenches. We propose a 4 kilometers Induced Polarization survey on this shear corridor.

**Bateman Bay**: In February 2017, a PULSE-EM downhole survey was conducted in drill hole BJ-13-012. Drill hole BJ-16-016 was primarily selected to do the survey since it was the deepest mineralized intersection from the 2013 and 2016 drilling. The survey revealed the presence of two weak anomalies. The first one located at a downhole depth of 160 meters (100 meters vertical depth) seems to reflect the mineralization intersected in the 2013 drill holes (50 meters vertical depth), where the best intersection returned 3.1% Cu, 41.5 g/t Ag, and 0.72 g/t Au over a core length of 40.5 meters (BJ-13-010).

The second anomaly (weaker) located at a downhole depth of 240 meters (150 meters vertical depth) does not appear to correlate with the known mineralization.

Future plans for this property include; finalizing logs of drilling undertaken in November 2016, completing descriptions of core and compiling assays received.

Activities in the second quarter of 2017 included completing the database; geology, assays, mineralization, as well as deviation tests. We plan on continuing the structural analysis of the property in order to better define drill targets.

We propose drill holes BJ-17-A and BJ-17-B which are located respectively some 50 and 100 meters east-southeast of drill hole BJ-16-016 (3.6% Cu, 11.9 g/t Ag, 1.72 g/t Au over a core length of 12.5 meters). The proposed holes would be drilled from the shore and not on Doré Lake and would total approximately 850 to 900 meters of drilling.

We also propose 5 drill holes totalling 1,615 meters: two of 715 meters for testing Aeroquest anomalies (Chibougamau Independent Mines Inc., 2008 survey), deep IP anomalous axis (Chibougamau Independent Mines Inc., 2013 survey) and deep extensions of the best auriferous historical intercepts and three holes of 900 meters to complete resources estimations of the west Bateman Bay extension. All of the proposal drill holes are collared on Doré Lake.

In 2013 and 2016, CIM completed a series of drill holes on the Jaculet-C3 copper-gold zone on Bateman Bay Mine property which intersected copper-gold mineralization. Best values were 5.23% Cu, 50.0 g/t Ag and 0.97 g/t Au over 11.5 m (Hole BJ-13-13:) and 3.62% Cu, 2.26 g/t Au over 8.5 m (BJ-16-16).

In September 2017, CIM stripped the surface extension of the mineralized zone intercepted by the drill holes in 2013. This stripped area of approximately 1000 m2 was mapped and channels sampled (34 samples, results not yet received). The northern part of the stripped area shows a siderite shear zone of an average width of 2 m, continuous over about 40 m with mineralized quartz veins (up to 3% disseminated py). This shear zone affects also the pillowed basalts which are rich in pyrrhotite (up to 20-25%), pyrite (up to 10-15%) and chalcopyrite (up to 30%) stringers and veins (width up to 5 cm).

We propose two boreholes of 900 m cumulative length to verify the east lateral extension (up to 100 m) and in depth (50 to 75 m) of the BJ-16-16 borehole intercept (3.62% Cu, 2.26 g/t Au over 8.5 m).

**Grandroy:** During the first and the second quarter of 2017, we continued our compilation by verifying IP results (Chibougamau Independent Mines Inc., 2013 survey) which led us to suggest 3 drill holes totalling 650 meters.

On August 5, 2017, structural analysis of the Grandroy open pit walls shows that mineralization is controlled by NE-SW conjugate fault corridors. A borehole of 350 m is proposed to verify the depth extension of these fault corridors under the open pit and, also to verify the lateral extension (65 m to the NE) of the intercept (0.88 g / t Au; 2.66% Cu over 11.73 m) returned in the historical hole S-001.

The exploration expenditures for each of the properties are outlined in note 8 to interim condensed financial statements for the nine-month period ended September 30, 2017.

## Optioned and royalty property - 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. On October 14, 2016, a final agreement was concluded. On January 16, 2017 Vendome announced that it had changed its name to Vanadium One Energy Corp. (''Vanadium''). Under the agreement, Vanadium agreed to:

- issue 2,750,000 Vanadium common shares to CIM (shares issued on November 21, 2016 at a deemed price of $0.175 per share),
- pay $150,000 in cash after completing a financing for minimum gross proceeds of $500,000 (payment was made on March 1, 2017),
- incur exploration expenses of $1 million within 24 months, as well as
- accept a 2% Gross Metal Royalty (GMR) on all mineral production from the Mont Sorcier property.

On the same time, Globex also 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.

During the first six months of 2017, Vanadium completed a private placement on February 27, 2017 which raised aggregate proceeds of $1,010,000, and added two new Directors with experience specifically related to developing projects of this size and type as well as specific experience gained from working on various iron-titanium-vanadium projects. Further details are provided in various press releases issued by Vanadium.

On July 27, 2017, Vanadium announced in a press release that it had commenced its phase 1 drilling campaign on the Mont Sorcier Property which consists of a minimum of 1,000 meters for 10 short drill holes. The press release further outlines future plans for phase 2 drilling on the property.

On November 14, 2017, Vanadium announced the results from seven drill holes on the South Zone. Wide zones of iron and vanadium values were intersected.

## 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:

| | 2017 | | | 2016 | | | | 2015 |
|---|---|---|---|---|---|---|---|---|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Total revenues | - | - | 148,779 | 473,052 | 4,000 | - | - | - |
| Total expenses | 52,251 | 79,606 | 94,280 | 37,060 | 72,380 | 157,266 | 23,143 | 1,209,114 |
| Other income (expenses) | (64,400) | (28,548) | 17,918 | (127,301) | 1,582 | (9,720) | (9,720) | 39 |
| Income (loss) | (115,341) | (108,056) | 58,350 | 347,740 | (39,072) | (166,986) | (32,863) | (1,025,594) |
| Income (loss) per share | | | | | | | | |
| - Basic and diluted | (0.00) | (0.00) | 0.00 | 0.01 | (0.00) | (0.01) | (0.00) | (0.06) |

CIM is an exploration and development Corporation and generally does not generate revenues; however, in the third quarter of 2016, it generated $4,000 from the sale of the Buckell Lake property while retaining a royalty and in the fourth quarter it Optioned its Mont Sorcier property to Vanadium and on November 21, 2016 received 2,750,000 shares in that Corporation which had a fair market value on receipt of $481,250 ($0.175 per share). The gross revenues were offset by recovered costs of $8,198. On March 1, 2017, a cash payment of $150,000 from Vanadium was received which has been offset by recovered deferred exploration costs of $1,221 resulting in net option income of $148,779.

During 2016 and 2015, 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 first quarter of 2017, the expenses increased from $37,060 in the fourth quarter of 2016 to $94,280 mainly as a result of increases in; project finder's fees of $15,000, investor relations expenses of $26,666 and management services of $24,696.

In the second quarter of 2017, the total expenses were $79,606 as compared to $94,280 in the first quarter with the reduction mainly related the reduction in project finder's fees of $15,000 which did not repeat in the second and third quarters of 2017.

In the third quarter of 2017, the total expenses were $52,251 as compared to $79,606 in the second quarter of 2017 with the reduction mainly related to a $9,166 decrease in investor relations, $7,471 in transfer agents and filing fees as well as $6,665 in legal fees.

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 2015 include additional impairment provisions recorded against the deferred exploration and mineral proprieties of $1,182,985.

The variations in the other income (expenses) mainly represent the increase or decrease in the fair value of Mag Copper Limited shares which the Corporation held as well as a decline in the carrying value of the Vanadium shares.

In the third and fourth quarters of 2016, the Corporation recorded a net recovery of deferred taxes of $27,726 and $39,049 as a result of incurring eligible flow-through expenditures. In the first quarter of 2017, a provision for deferred income taxes of $14,067 was recorded and a recovery of $98 was recovered in the second quarter of 2017 as well as a recovery of $1,310 in the third quarter of 2017.

## Results of operations for the three-month and nine-month periods ended September 30, 2017.

### Revenues - net option income - Mont Sorcier property

Under the amended option agreement negotiated in October 2016, related to the Mont Sorcier property, on March 1, 2017, CIM received a cash payment of $150,000 from Vanadium which has been offset by recovered deferred exploration costs of $1,221 resulting in net option income of $148,779 in the three-month period ended March 31, 2017.

No option income was recorded during the three-month periods ended June 30, 2017 and September 30, 2017.

**Total expenses for the three-month and nine-month periods ended September 30, 2017.**

In the third quarter of 2017, the total expenses were $52,251 compared to $72,380 in 2016. The decrease of $20,129 in the expenses is mainly a result of a reduction in:

- Share-based compensation and payments - $35,648,
- Transfer agents and filing fees - $13,436,

and increases in:

- Investor relations - $18,334,
- Impairment of mineral properties and deferred exploration expenses - $3,208,
- Management services - $3,703,
- Other professional fees - $2,485.

During the nine-month period ended September 30, 2017, the total expenses were $226,137 as compared to $252,789 in the comparable period in 2016. The decrease of $26,652 mainly reflects increases in:

- Investor relations - $72,500,
- Management services - $24,243,
- Audit and accounting - $10,000,
- Administration - $3,926
- Other professional fees - $2,485
- Other items - $3,485,

and decreases in:

- Transfer agent and filing fees - $16,606
- Project finder's fees - $10,000,
- Share-based compensation and payments - $98,030,
- Amortization of financing costs and interest expense on long-term debt - $18,625

The following paragraphs provide an overview of the nature of the expense incurred in the third quarter of 2017 and during the nine-month period ended September 30, 2017:

## Administration

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

- During the three-month period ended September 30, 2017, the administration expenses totaled $2,837 as compared to $3,542 in the comparable period in 2016.

- During the nine-month period ended September 30, 2017, the administration expenses totaled $15,839 as compared to $11,913, which represents an increase of $3,926 mainly related to the increase in information technology of $2,585.

## Professional fees and outside services

- The professional fees and outside services represent a combination of services as detailed in note 13 to the interim condensed financial statements. They consist of legal fees, audit and accounting fees, investor relations and other professional fees.

- During the three-month period ended September 30, 2017, professional fees and outside services totaled $28,019 as compared to $5,270 in 2016. The increase of $22,749 is mainly related to the additional investor relations efforts reflected in additional expense of $18,334 as well as an increase $2,100 in the audit provision.

- During the nine-month period ended September 30, 2017, professional fees and outside services totaled $110,299 as compared to $28,049 in 2016. The increase of $82,250 is mainly related to the additional investor relations efforts reflected in additional expense of $72,500 as well as an increase $10,000 in audit and accounting fees. The increase of $10,000 represents additional year-end audit effort in connection with the share consolidation, financing and increased exploration expenditures in 2016 all of which were billed in the second quarter of 2017.

### Transfer agent and filing fees

- In the third quarter of 2017, the transfer agent and filing fees were $1,688 as compared to $15,124 in 2016. The decrease 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, 2017, the transfer agent and filing fees totaled $22,486 as compared to $39,092. The decrease is a result of the factors described above.

### Project finder's fees

- During the third quarter of 2017, no finder's fees were paid as well as in the comparable period in 2016.

- During the nine-month period ended September 30, 2017, the total project finder's fees were $15,000 as compared to $25,000 in the comparable period in 2016. In 2017, the project finder's fees relate to finalizing the Mont Sorcier option arrangement and identifying potential projects whereas in 2016, the expenses related to the identification of an appropriate financing organization.

### Share-based compensation and payments

- During the three-month period-ended September 30, 2017, no stock-based compensation costs were incurred (2016 - $35,648) and during the nine-month period ended September 30, 2017, no expense (2016 - $98,030) related to share-based compensation and payments were recorded and presented separately in the interim condensed statement of loss and comprehensive loss.

- No stock options were granted during the nine-month period ended September 30, 2017.

### Management Services

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

- During the three-month period ended September 30, 2017, management services fees of $14,763 (2016 - $11,060) were incurred.

- During the nine-month period ended September 30, 2017, management service fees of $56,023 (2016 - $31,780) were incurred. The increase reflects more corporate and year-end reporting as well as exploration activities as a result of the funds generated in the June 2016 financing and the proceeds from the sale/optioning of the Buckell Lake and Mont Sorcier properties.

## Amortization of financing costs

- During the third quarter of 2017 and the third quarter of 2016, no amortization of financing costs were reported as the loan was paid off on June 30, 2016. The repayment is also reflected in the reduced expense for the nine-month period ended September 30, 2017.

## Interest expense on long-term loan

- During the three-month and nine-month periods ended September 30, 2017, no interest expense (2016 – Q3 - $Nil, 2016 – nine months September 30, 2016 - $6,565) was reported as the loan was repaid on June 30, 2016.

## Impairment of mineral properties and deferred exploration expenses

- For the three-month period ended September 30, 2017, an impairment provision of $4,944 (2016 – $1,736) was reported. It is representing the write-off of general exploration and the management's review of the exploration plans and budgets for the remainder of the year.

- During the nine-month period ended September 30, 2017, an impairment provision of $6,490 (2016 - $300) was reported. It is representing the write-off of general exploration and the management's review of the exploration plans and budgets for the remainder of the year.

## Other income (expenses)

- The other income (expenses) consist of interest income, gain on sale of investments, decrease in fair value of financial assets and other income.

- During the three-month period ended September 30, 2017, the other expenses totaled $64,400 as compared to an income of $1,582 in the comparable period of 2016. The difference of $65,982 is mainly due to the decrease in fair value of financial assets.

- During the nine-month period ended September 30, 2017, the other expenses totaled $75,030 as compared to $17,858 in the comparable period in 2016 with the change mainly related to the gain on the sale of investments which was offset by a decline in the carrying value of equity investments.

### Gain on sale of investments

- During the three-month periods ended September 30, 2017 and September 30, 2016, no gain on the sale of investments was reported.

- During the nine-month period ended September 30, 2017, a gain on the sale of investments of $9,415 (2016 - $Nil) was reported. This gain reflects a loss of $5,170 on the sale of 1,300,500 Vanadium shares (gross proceeds - $163,895) and a gain of $14,585 on the sale of 333,608 Mag Copper Limited shares (gross proceeds - $19,446).

### Decrease in fair value of financial assets

- The decrease in fair value of financial assets for the three months ended September 30, 2017 of $65,227 (2016 - $Nil) represents a decline in the fair value of the Vanadium shares.

- During the nine-month period ended September 30, 2017, the decrease of $86,969 (2016 - $19,440) relates to a decline in the fair value of the 1,449,500 Vanadium shares held at September 30, 2017. The decrease of $19,440 during the comparable period of 2016 related to a decline in the fair value of 972,040 Mag Copper Limited shares valued at $0.01 per share at September 30, 2016 as compared to $0.03 per share at December 31, 2015.

### Income and mining tax (recovery)

- During the three-month period ended September 30, 2017, CIM recorded a recovery of income and mining tax of $1,310 as compared to $27,726 in the comparable period in 2016. The 2016 recovery represented the sale of tax benefits as a result of the eligible CEE incurred in the third quarter of 2016.

- During the nine-month period ended September 30, 2017, CIM reported a provision for income and mining tax of $12,659 as compared to a recovery of $27,726 in the comparable period of 2016. The provision mainly reflects the reduction in the carrying value of mineral properties as a result of the proceeds received related to the sale of the Mont Sorcier property as the deferred tax assets are fully offset by a valuation allowance. The 2016 recovery represented the sale of tax benefits as a result of the eligible CEE incurred in the third quarter of 2016.

## Financial position – September 30, 2017

### Total assets

At September 30, 2017, the total assets were $1,160,870, which represents a decrease of $91,700 from $1,252,570 at December 31, 2016. The change mainly reflects an increase in deferred exploration expenses of $216,565, as well as a decrease in:

- investments of $260,895,
- taxes receivable of $23,711,
- cash and cash equivalents of $17,963,
- prepaid and deposits of $6,168.

### Cash and cash equivalents, cash reserved for exploration

At September 30, 2017, CIM had cash and cash equivalents of $370,949 (December 31, 2016 - $388,912).

### Liabilities

### Current liabilities

At September 30, 2017, current liabilities were reported at $28,714 as compared to $49,872 at December 31, 2016. The reduced liabilities reflect a lower level of exploration activities during the nine-month period ended September 30, 2017 as compared to the fourth quarter of 2016 and lower accrued liabilities.

### Related party payable – Globex Mining Enterprises Inc.

At September 30, 2017, CIM owed Globex $27,402 (December 31, 2016 - $17,551) which represented unpaid management services and other exploration expenses paid by Globex.

### Deferred income tax

At September 30, 2017, the Corporation had a deferred tax liability of $95,884 (December 31, 2016 - $83,225) which related mainly to the tax benefits renounced to shareholders under flow-through subscription arrangements and therefore not available as a reduction in taxable income.

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.

### Owners' equity

Owners' equity of the Corporation consists of common shares, warrants, contributed surplus, and the deficit which totaled $1,008,870 at September 30, 2017 (December 31, 2016 - $1,101,922). The decrease of $93,052 reflects the increase in common shares of $79,043, as well as a decrease in warrants of $7,048 as a result of agents' options and warrant exercises and a net loss of $165,047 in the nine-month period ended September 30, 2017.

### Common Shares

At December 31, 2016, the Corporation had 37,228,542 common shares outstanding and following the exercise of 979,900 Agents' Options and 230,000 warrants on March 2, 2017, the Corporation had 38,438,442 common shares outstanding at September 30, 2017. The number of shares outstanding at November 23, 2017 has remained unchanged.

### Warrants

At December 31, 2016, 7,845,000 warrants were outstanding (expiry date – December 24, 2017). On March 2, 2017, 230,000 warrants were exercised at $0.10 per warrant which resulted in 7,615,000 warrants outstanding at September 30, 2017. The number of warrants outstanding at November 23, 2017 has remained unchanged.

### Agents' Options

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 (expiry date – June 24, 2018). Under these arrangements, 1,893,100 shares could be issued.

On March 2, 2017, 979,900 Agents' Options were exercised at an exercise price of $0.05 per share which resulted in 913,200 Agent's Options outstanding at September 30, 2017. The number of Agents' Options outstanding at November 23, 2017 has remained unchanged.

### 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.

At September 30, 2017, 1,575,000 (December 31, 2016 - 1,587,500) stock options were issued with a weighted average exercise price of $0.12 per share and a weighted average remaining contractual life of 2.85 years. In addition to the 1,575,000 options outstanding, 2,147,850 (December 31, 2016 – 2,135,350) options were available to be granted at September 30, 2017.

On July 4, 2017, 12,500 stock options with an exercise price of $0.44 per share naturally expired "out of the money" which resulted in 1,575,000 stock options outstanding and 2,147,850 options available to be granted at November 23, 2017.

## Outstanding share data

Based on the common shares, warrants, stock options, and agent's options outstanding at September 30, 2017, CIM had fully diluted common shares of 48,541,642 (December 31, 2016 - 48,554,142). On October 31, 2017, 50,000 options expired, therefore making 48,491,642 fully diluted common shares on November 23, 2017.

## Liquidity, working capital, cash flow and capital resources

At September 30, 2017, the Corporation had cash and cash equivalents of $370,949 (December 31, 2016 - $388,912).

**Working Capital**

The Corporation had working capital (based on current assets minus current liabilities) of $461,204 at September 30, 2017 compared to $748,783 at December 31, 2016.

**Cash Flow**

During the nine-month period ended September 30, 2017, $68,344 (September 30, 2016 - $115,252) was used in operating activities and $8,721 was generated in changes in non-cash operating working capital items (September 30, 2016 - $26,687 used). In total, the operating activities used $59,623 (September 30, 2016 - $141,939) during the nine-month period ended September 30, 2017.

During the nine-month period ended September 30, 2017, financing activities generated $81,846 (September 30, 2016 - $774,295) and the investing activities used $40,186 (September 30, 2016 - $57,208). In 2017, $223,620 (September 30, 2016 - $54,898) was spent on deferred exploration expenses, $1,128 (September 30, 2016 - $5,178) was spent on mineral properties acquisitions and $1,221 (September 30, 2016 - $Nil) of deferred exploration expenses were recovered as a result of optioning the Mont Sorcier property and proceeds of $183,341 (September 30, 2016 - $Nil) were generated from the sale of investments.

These operating, financing and investing activities resulted in a net decrease in the cash and cash equivalents of $17,963 during the nine-month period ended September 30, 2017 as compared to a net increase of $575,148 in the comparable period in 2016.

**Capital Resources**

On June 24, 2016, the Corporation issued 15,690,000 units of the Corporation under a private placement. Each unit was 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 common shares on a flow-through basis at a price of $0.05 per FT share which generated gross proceeds of $250,000.

In connection with the option arrangement with Vanadium as outlined on page 8 of this MD&A, CIM received $150,000 on March 1, 2017.

## 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 2016.

The Corporation's investment policy is to invest its short-term excess cash in low risk, highly-liquid short-term interest-bearing investments with maturities, selected to match 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 market quotes.

## 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 which totaled $370,949 at September 30, 2017 (December 31, 2016 - $388,912). These funds are subject to a combination of the $100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation. The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major Canadian financial institutions.

The maximum exposure to credit risk was:

| | **September 30, 2017 $** | December 31, 2016 $ |
|---|---|---|
| Cash and cash equivalents | **370,949** | 388,912 |
| Investments | **101,465** | 362,360 |
| Taxes receivable | **13,077** | 36,788 |
| | **485,491** | 788,060 |

### (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 including net option arrangements and sales of properties 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 $101,465 (December 31, 2016 - $362,360) and as a result, a 10% increase or decrease would impact income and loss by $10,146 (December 31, 2016 - $36,236).

### (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, 2017** | Level 1 | Level 2 | Level 3 | Total Financial Assets at Fair Value |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Financial assets | | | | |
| Cash and cash equivalents | - | 370,949 | - | 370,949 |
| Investments | - | 101,465 | - | 101,465 |
| Taxes receivable | - | - | 13,077 | 13,077 |
| Total financial assets | - | 472,414 | 13,077 | 485,491 |

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, 2016** | Level 1 | Level 2 | Level 3 | Total Financial Assets at Fair Value |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Financial assets | | | | |
| Cash and cash equivalents | - | 388,912 | - | 388,912 |
| Investments | - | 362,360 | - | 362,360 |
| Taxes receivable | - | - | 36,788 | 36,788 |
| Total financial assets | - | 751,272 | 36,788 | 788,060 |

## Significant accounting assumptions, judgments and estimates

The preparation of financial statements under the principles of International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income 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 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 audited financial statements as at and for the year ended December 31, 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. It is also subject to risks related to other factors, such as metal prices and financial market conditions. The main risks which the Corporation is exposed to is as follows:

**(a) Financing risk**

The Corporation must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

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

**(b) Financial market risk**

Under its current business model as a project generator, Globex acquires properties and attempts to option or sell properties to other junior mining companies or producers. In order for Junior Mining companies to satisfy their obligations with Globex under their option arrangements, in many cases, they must raise funds in the equity markets which currently are very challenging.

**(c) Volatility of stock price and limited liquidity**

The CIM shares trade on the TSXV under the symbol CBG, on the Stuttgart and Frankfurt exchanges under the symbol CLL1, as well as on the OTC Markets (USA) under the symbol CMAUF.

CIM's common shares have experienced significant volatility in price and trading volume over the last several years. There can be no assurance of adequate liquidity in the future for CIM's common shares.

**(d) Permits and licences**

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

**(e) Government laws and regulations**

The Corporation's operations and exploration activities are subject to the laws and regulations of federal, provincial, and local governments in the jurisdictions in which the Corporation operates.

These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters.

Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on the Corporation, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection legislation. This legislation sets high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water. Compliance with applicable environmental legislation and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies increases the costs of planning, designing, drilling, as well as exploration and operating activities.

Some of the Corporation's operations are subject to reclamation, site restoration and closure requirements. Costs related to ongoing site restoration programs are expensed when incurred. It is possible that the Corporation's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates.

Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

**(f) Aboriginal rights and duty to consult**

The Corporation operates and does exploration on properties, which are subject to Aboriginal rights or titles. The Corporation, under its Corporate Social Responsibility program, and local laws and regulations, consults with First Nations about any impact of its activities on such rights, titles or claims, which may cause delays in making decisions or project start-ups. Further, there is no assurance of favourable outcomes of these consultations. The Corporation may have to face adverse consequences such as significant expenses on account of lawsuits and loss of reputation.

**(g) Environmental risks**

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

**(h) Title matters**

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

The provincial governments are currently working to convert mining claims to a map designated cells which should mitigate this risk.

**(i) Metal prices**

Even if the exploration programs of the Corporation are successful, some factors out of the Corporation's control may affect the marketing of the minerals found. World-wide supply and demand for metals determines metal prices which are affected by many factors including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption levels, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

**(j) Key personnel**

The management of the Corporation rests on some key personnel and mostly on its President and Chief Executive Officer (''CEO''). The loss of the President and CEO could have a negative impact on the development and the success of its operations.

## Related party information

**(a) Related party payables**

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Globex Mining Enterprises Inc. | **27,402** | 17,551 |

The Corporation is considered a related party with Globex as Management consisting of the President and CEO, Executive Vice-President and Chief Financial Officer hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations through Jack Stoch Geoconsultant Services Limited (GJSL) 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, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Globex Management Services (i) | **6,638** | 11,060 | **36,865** | 31,780 |
| Management compensation (ii) | **8,125** | - | **19,158** | - |
| | **14,763** | 11,060 | **56,023** | 31,780 |

(i) Globex Management Services for the respective periods represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. It included the management compensation of the former Chief Financial Officer (''CFO'') who resigned from the organization effective September 20, 2017.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the new CFO.

The increase in the respective periods over the previous year reflects more corporate and year-end reporting as well as exploration activities as a result of the funds generated in the June 2016 financing and the proceeds from the sale/optioning of the Buckell Lake and Mont Sorcier properties.

**(c) Management and director compensation**

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations as well as current and former CFO, Treasurer and Corporate Secretary) are as follows:

| | **Three months ended** | | **Nine months ended** | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Management compensation | | | | |
| Management services (i) | **12,707** | - | **39,678** | - |
| Fair value of share-based compensation (ii) | **-** | 35,648 | **-** | 98,030 |
| | **12,707** | 35,648 | **39,678** | 98,030 |

(i) It included the salaries and other benefits of the President and CEO, the compensation for the former CFO billed as management services from Globex to CIM as well as the external services provided by the new CFO.

(ii) During the three-month and nine-month periods ended September 30, 2017, the Directors were not awarded stock options whereas during the comparable period ended September 30, 2016, the Directors were awarded 700,000 stock options, which vested immediately and had a fair value of $98,030.

## Outlook

As we indicated in our 2016 Annual MD&A, we recognized that favourable attitudes towards the successful completion of financings in the junior mining sector emerged in the early part of the year. We were extremely pleased to complete our private placements in June 2016, which provided the funding that was needed to significantly advance our understanding of Berrigan and Bateman Bay properties. 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. We have planned additional field work for the remainder of 2017.

The Optioning of the Mont Sorcier property to Vendome Resources Corp in the fourth quarter of 2016 represented a significant achievement. As reported in this MD&A, we have sold approximately 50% of the shares received under this arrangement which generated gross proceeds $163,895 which mainly funded the exploration expenses during the first nine months of 2017. We believe that our current cash and cash equivalents provide sufficient financial liquidity for the Corporation to achieve its 2017 corporate objectives.

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 2017, we recognized that 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, 2016 and the year ended December 31, 2015 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 2017 and/or 2016 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 23, 2017.

**CHIBOUGAMAU INDEPENDENT MINES INC.**

Interim Condensed Statements of Loss and Comprehensive Loss

(Unaudited - In Canadian dollars)

| | Notes | Three months ended September 30, 2017 | 2016 | Nine months ended September 30, 2017 | 2016 |
|---|---|---|---|---|---|
| | | **$** | $ | **$** | $ |
| **Continuing operations** | | | | | |
| **Revenues** | 12 | **-** | 4,000 | **148,779** | 4,000 |
| **Expenses** | | | | | |
| Administration | 13 | **2,837** | 3,542 | **15,839** | 11,913 |
| Professional fees and outside services | 13 | **28,019** | 5,270 | **110,299** | 28,049 |
| Transfer agent and filing fees | | **1,688** | 15,124 | **22,486** | 39,092 |
| Project finder's fees | | **-** | - | **15,000** | 25,000 |
| Share-based compensation and payments | 15 (c) | **-** | 35,648 | **-** | 98,030 |
| Management services | 16 (b) | **14,763** | 11,060 | **56,023** | 31,780 |
| Amortization of financing costs | | **-** | - | **-** | 12,060 |
| Interest expense on long-term loan | | **-** | - | **-** | 6,565 |
| Impairment of mineral properties and deferred exploration expenses | 6, 7, 8 | **4,944** | 1,736 | **6,490** | 300 |
| | | **52,251** | 72,380 | **226,137** | 252,789 |
| **Loss from operations** | | **(52,251)** | (68,380) | **(77,358)** | (248,789) |
| **Other income (expenses)** | | | | | |
| Interest income | | **827** | 1,582 | **2,447** | 1,582 |
| Gain on sale of investments | | **-** | - | **9,415** | - |
| Decrease in fair value of financial assets | | **(65,227)** | - | **(86,969)** | (19,440) |
| Other income | | **-** | - | **77** | - |
| | | **(64,400)** | 1,582 | **(75,030)** | (17,858) |
| **Loss before taxes** | | **(116,651)** | (66,798) | **(152,388)** | (266,647) |
| **Income and mining tax (recovery)** | 11 | **(1,310)** | (27,726) | **12,659** | (27,726) |
| **Loss and comprehensive loss for the period** | | **(115,341)** | (39,072) | **(165,047)** | (238,921) |
| **Loss per common share** | | | | | |
| Basic and diluted | 14 | **(0.00)** | (0.00) | **(0.00)** | (0.01) |
| **Weighted average number of common shares outstanding** | | **38,438,442** | 37,228,542 | **36,168,071** | 23,819,235 |
| **Shares outstanding at end of period** | | **38,438,442** | 37,228,542 | **38,438,442** | 37,228,542 |

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 | 2017 | 2016 |
|---|---|---|---|
| | | **Nine months ended September 30,** | |
| | | **$** | $ |
| **Operating activities** | | | |
| Loss and comprehensive loss for the period | | **(165,047)** | (238,921) |
| Adjustments for: | | | |
| Decrease in fair value of financial assets | | **86,969** | 19,440 |
| Shares issued to a finder | 15(a) | **-** | 15,000 |
| Share-based compensation and payments | 15 (c) | **-** | 98,030 |
| Gain on sale of investments | | **(9,415)** | - |
| Impairment of mineral properties and deferred exploration expenses | 6, 7, 8 | **6,490** | 300 |
| Amortization of financing costs | | **-** | 12,060 |
| Interest expense on long-term loan | | **-** | 6,565 |
| Deferred income and mining taxes | 11 | **12,659** | (27,726) |
| | | **(68,344)** | (115,252) |
| Changes in non-cash operating working capital items | 17 | **8,721** | (26,687) |
| | | **(59,623)** | (141,939) |
| **Financing activities** | | | |
| Related party payable - Globex Mining Enterprises Inc. | 16 | **9,851** | (30,408) |
| Amount due to Jack Stoch Geoconsultant Services Limited | | **-** | (116,887) |
| Issuance of common shares | 15 | **-** | 1,034,500 |
| Share issuance costs | 15 | **-** | (112,910) |
| Proceed from exercised agents' options | 15 | **48,995** | - |
| Proceed from exercised warrants | 15 | **23,000** | - |
| | | **81,846** | 774,295 |
| **Investing activities** | | | |
| Deferred exploration expenses | 8 | **(223,620)** | (54,898) |
| Quebec refundable tax credit | 8 | **-** | 2,868 |
| Mineral properties acquisitions | 7 | **(1,128)** | (5,178) |
| Recovery of deferred exploration expenses | 8 | **1,221** | - |
| Proceeds from sale of investments | | **183,341** | - |
| | | **(40,186)** | (57,208) |
| Net increase (decrease) in cash and cash equivalents | | **(17,963)** | 575,148 |
| Cash and cash equivalents, beginning of period | | **388,912** | 55,447 |
| **Cash and cash equivalents, end of period** | | **370,949** | 630,595 |
| Cash and cash equivalents | | **370,949** | 426,804 |
| Cash reserved for exploration | | **-** | 203,791 |
| | | **370,949** | 630,595 |

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, 2017** | December 31, 2016 |
|---|---|---|---|
| | | **$** | $ |
| **Assets** | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | **370,949** | 388,912 |
| Investments | 5 | **101,465** | 362,360 |
| Taxes receivable | | **13,077** | 36,788 |
| Prepaid and deposits | | **4,427** | 10,595 |
| | | **489,918** | 798,655 |
| Mineral properties | 7 | **173,829** | 173,357 |
| Deferred exploration expenses | 8 | **497,123** | 280,558 |
| | | **1,160,870** | 1,252,570 |
| **Liabilities** | | | |
| Current liabilities | | | |
| Payables and accruals | 9 | **28,714** | 49,872 |
| | | **28,714** | 49,872 |
| Related party payable - Globex Mining Enterprises Inc. | 16 (a) | **27,402** | 17,551 |
| Deferred income tax | 11 | **95,884** | 83,225 |
| **Owners' equity** | | | |
| Common shares | 15 (a) | **9,054,298** | 8,975,255 |
| Warrants | 15 (b) | **233,377** | 240,425 |
| Contributed surplus - equity settled reserve | | **518,387** | 518,387 |
| Deficit | | **(8,797,192)** | (8,632,145) |
| | | **1,008,870** | 1,101,922 |
| | | **1,160,870** | 1,252,570 |

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)

| | | Nine months ended September 30, | Year ended December 31, |
|---|---|---|---|
| | **2017** | 2016 | 2016 |
| | **$** | $ | $ |
| **Common shares** | | | |
| Beginning of period | **8,975,255** | 8,554,690 | 8,554,690 |
| Fair value of shares issued under private placement | **-** | 784,500 | 784,500 |
| Fair value of flow-through shares issued under private | **-** | 100,000 | 100,000 |
| Fair value of warrants | **-** | (240,425) | (240,425) |
| Shares issued to a finder | **-** | 15,000 | 15,000 |
| Issued on exercised agents' options | **48,995** | - | - |
| Issued on exercised warrants | **30,048** | - | - |
| Share issuance costs - commissions, legal and other | **-** | (112,910) | (112,910) |
| Share issuance costs - fair value of agents' options | **-** | (125,600) | (125,600) |
| End of period | **9,054,298** | 8,975,255 | 8,975,255 |
| **Warrants** | | | |
| Beginning of period | **240,425** | 21,369 | 21,369 |
| Issued in connection with private placement | **-** | 240,425 | 240,425 |
| Exercised during the period | **(7,048)** | - | - |
| Expired during the period | **-** | - | (21,369) |
| End of period | **233,377** | 261,794 | 240,425 |
| **Contributed surplus - equity settled reserve** | | | |
| Beginning of period | **518,387** | 273,388 | 273,388 |
| Share-based compensation and payments | **-** | 98,030 | 98,030 |
| Share issuance costs - fair value of agents' options | **-** | 125,600 | 125,600 |
| Expired during the period | **-** | - | 21,369 |
| End of period | **518,387** | 497,018 | 518,387 |
| **Deficit** | | | |
| Beginning of period | **(8,632,145)** | (8,740,964) | (8,740,964) |
| Income (loss) and comprehensive Income (loss) for the period | **(165,047)** | (238,921) | 108,819 |
| End of period | **(8,797,192)** | (8,979,885) | (8,632,145) |
| **Total Equity** | **1,008,870** | 754,182 | 1,101,922 |

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

## Notes to the Interim Condensed Financial Statements
## Periods ended September 30, 2017 and 2016
## (Unaudited - In Canadian dollars)

### 1. General business description

Chibougamau Independent Mines Inc. (the “Corporation”, “CIM”) was incorporated under the Canada Business Corporations Act on December 13, 2010, as a wholly-owned subsidiary of Globex Mining Enterprises Inc. (“Globex”) with the intention of acquiring, developing and ultimately reviving production in the Chibougamau gold-copper mining camp of Quebec.

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.

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.

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 (‘’TSXV’’) under the symbol CBG, on the Stuttgart and Frankfurt exchanges under the symbol CLL1, 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.

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.

## 2. Basis of presentation and going concern (continued)

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 accounting judgments, estimates and assumptions that effect 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 in the financial statements as at and for the year ended December 31, 2016.

**Approval of Interim condensed financial statements**

The Corporation's Board of Directors approved these interim condensed financial statements for the interim periods ended September 30, 2017 and September 30, 2016 on November 23, 2017.

## 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 of the Corporation's audited financial statements for the year ended December 31, 2016 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, 2016.

**(a) International Financial Reporting Standards adopted**

In preparing these interim condensed financial statements for the three-month and nine-month periods ended September 30, 2017 and as at September 30, 2017, the Corporation has adopted the amendments to *IAS 7 Statement of Cash Flow* which related to the disclosure of changes in liabilities arising from financing activities. The adoption of these standards has not resulted in any material changes in these interim condensed 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.

## 3. Summary of significant accounting policies (continued)

*IFRS 2 Share based payment (amendments published in June 2016):*

On June 20, 2016, the International Accounting Standards Board (''IASB'') published final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions.

These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, as well as (c) accounting for modifications of share-based payment transactions from cash-settled to equity.

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

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

In July 2014, the IASB completed the final element of the comprehensive responses to the financial crisis with the publication of IFRS 9 Financial Instruments. The package of improvements introduced to IFRS 9 includes a logical model for classification and measurement, a single, forward – looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The IASB had previously published versions of IFRS 9 that introduced new classification and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

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

*IFRS 15 Revenue from Contracts with Customers:*

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

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

IFRS 15 is currently effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. This new standard may result in revenue recognition timing differences. The Corporation expects that a Canadian Viewpoint regarding the application of this standard to Option and "Earn-in" arrangements will be issued by the Canadian Chartered Professional Accountants during the fourth quarter of 2017. Management is in the process of evaluating the impacts of this standard and it has recognized that under this standard it will need to consider at the outset all forms of payments of each contract and the likelihood that all of the obligations will be met.

## 3. Summary of significant accounting policies (continued)

*IAS 28 Investments in Associates and Joint Ventures:*

In October 2017, the IASB issued amendments to IAS 28.

The amendments to the financial instruments Standard, IFRS 9, allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The amendments to IAS 28 Investments in Associates and Joint Ventures clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. Management is in the process of evaluating the impacts of this standard on the Corporation.

## 4. Cash and cash equivalents

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Bank balances | **370,949** | 388,912 |

## 5. Investments

**September 30, 2017**

| | **Number of Shares** | **Cost** | **Unrealized (loss)/income** | **Fair Value** |
|---|---|---|---|---|
| | | **$** | **$** | **$** |
| Vanadium One Energy Corp. (i) | **1,449,500** | **253,662** | **(152,197)** | **101,465** |
| Mag Copper Limited (ii) | - | - | - | - |
| | | **253,662** | **(152,197)** | **101,465** |

(i) During the nine-month period ended September 30, 2017, 1,300,500 shares were sold for gross proceeds of $163,895. These investments represent less than 10% of the outstanding shares of the Issuer.

(ii) On January 30, 2017, CIM sold 174,000 Mag Copper Limited shares. Following a five for one share consolidation on February 2, 2017, CIM held 159,608 shares which were sold during the nine-month period ended September 30, 2017.

December 31, 2016

| | Number of Shares | Cost | Unrealized (loss)/income | Fair Value |
|---|---|---|---|---|
| | | $ | $ | $ |
| Vanadium One Energy Corp. | 2,750,000 | 481,250 | (123,750) | 357,500 |
| Mag Copper Limited | 972,040 | 72,903 | (68,043) | 4,860 |
| | | 554,153 | (191,793) | 362,360 |

## 6. Impairment of 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. The impairment provisions represent a charge against properties on which claims have lapsed or will be dropped in the near future as well as a charge against deferred exploration expenses on properties on which there are no immediate substantive expenditures planned or budgeted.

General exploration expenses not allocated to specific projects are expensed as incurred. The impairment provisions have no impact on the Corporation's cash flow or the cash and cash equivalents.

During the nine-month period ended September 30, 2017, an impairment provision of $6,490 (2016 - $300) was recorded against the various properties and deferred exploration expenses as a result of the review of current plans and budgets in 2017.

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.

## 7. Mineral properties

| | December 31, 2016 $ | **Additions 2017 $** | **Recoveries 2017 $** | **Impairment 2017 $** | **September 30, 2017 $** |
|---|---|---|---|---|---|
| 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) (i) | - | **-** | **-** | **-** | **-** |
| Obalski | - | **1,128** | **-** | **-** | **1,128** |
| Nepton | 3,318 | **-** | **-** | **-** | **3,318** |
| | 173,357 | **1,128** | **-** | **(656)** | **173,829** |

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

(i) On October 14, 2016, CIM finalized an option agreement with Vendome Resources Corp. (name changed for Vanadium One Energy Corp. ''Vanadium'') which will result in it acquiring an undivided beneficial 100% right, title and interest in the Mont Sorcier property (57 claims located in Roy Township, 18 km east of the Town of Chibougamau). Under the agreement, Vanadium agreed to:

- issue 2,750,000 Vanadium common shares to CIM,
- pay $150,000 in cash after completing a financing for minimum gross proceeds of $500,000 (payment was made on March 1, 2017),
- incur exploration expenses of $1 million within 24 months, as well as
- accept a 2% Gross Metal Royalty (GMR) on all mineral production from the Mont Sorcier property.

On November 21, 2016, CIM received 2,750,000 Vanadium shares valued at $481,250 and mineral property costs of $3,770 and deferred exploration costs of $4,428 on this property were offset against the gross revenues resulting in net option income in 2016 of $473,052.

## 8. Deferred exploration expenses

| | December 31, 2016 $ | **Additions 2017 $** | **Recoveries 2017 $** | **Impairment 2017 $** | **September 30, 2017 $** |
|---|---|---|---|---|---|
| Bateman Bay | 79,758 | **70,150** | **-** | **-** | **149,908** |
| Berrigan South and Berrigan Mine | 179,962 | **97,049** | **-** | **-** | **277,011** |
| Copper Cliff Extension | 845 | **2,295** | **-** | **(3,140)** | **-** |
| Lac Chibougamau | 4,247 | **12,664** | **-** | **-** | **16,911** |
| Lac Elaine | 443 | **-** | **-** | **(443)** | **-** |
| Grandroy | 2,424 | **20,308** | **-** | **-** | **22,732** |
| Kokko Creek | 2,930 | **8,418** | **-** | **-** | **11,348** |
| Lac Antoinette | 443 | **642** | **-** | **-** | **1,085** |
| Mont Sorcier (Sulphur Converting Property and Magnetite Bay) | 94 | **2,828** | **(1,221)** | **-** | **1,701** |
| Malouf | 119 | **188** | **-** | **(307)** | **-** |
| Nepton | 9,001 | **7,134** | **-** | **-** | **16,135** |
| Virginia Option | 292 | **-** | **-** | **-** | **292** |
| General exploration | - | **1,944** | **-** | **(1,944)** | **-** |
| | 280,558 | **223,620** | **(1,221)** | **(5,834)** | **497,123** |

The impairment provision of $5,834 for the nine-month period ended September 30, 2017 (September 30, 2016 – $300) reflects the expensing of general exploration costs and management's review of the exploration plans and budgets for the remainder of the year.

### Deferred exploration expenses by expenditure type:

| | **September 30, 2017 $** | December 31, 2016 $ |
|---|---|---|
| Balance, beginning of period | **280,558** | - |
| Current exploration expenses | | |
| Core shack, storage and equipment rental | **12,035** | 1,500 |
| Drilling | **5,490** | 155,644 |
| Geology | **13,964** | 16,473 |
| Geophysics | **16,527** | - |
| Laboratory analysis and sampling | **1,761** | 18,192 |
| Labour | **155,772** | 78,444 |
| Line cutting | **3,345** | - |
| Mining property tax and permits | **5,889** | 6,378 |
| Prospecting and surveying | **-** | 2,640 |
| Reports, maps and supplies | **730** | 2,782 |
| Transport and road access | **8,107** | 7,257 |
| Quebec refundable tax credit | **-** | (2,868) |
| Total current exploration expenses | **223,620** | 286,442 |
| Impairment provisions | **(5,834)** | (1,456) |
| Option revenue offset | **(1,221)** | (4,428) |
| Balance, end of period | **497,123** | 280,558 |

## 9. Payables and accruals

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Payables and accruals | **28,714** | 49,872 |

## 10. Other liabilities

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Balance, beginning of period | **-** | - |
| Additions during the period | **-** | 150,000 |
| Reduction related to qualified exploration expenditures | **-** | (150,000) |
| Balance, end of period | **-** | - |

The Other Liabilities represents the excess of the proceeds received from flow-through share financings over the fair value of the shares issued. The reduction reflects the qualified expenditures incurred in the period.

## 11. Deferred income tax

### Income and mining taxes

| | **Three months ended** | | **Nine months ended** | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Provision for deferred income taxes | **(1,310)** | (27,726) | **12,659** | (27,726) |

### Deferred tax balances

| | January 1, 2017 | **Recognized in income or loss** | **September 30, 2017** |
|---|---|---|---|
| | $ | $ | $ |
| Temporary differences | | | |
| Deferred tax assets | | | |
| Non-capital losses carry forward | 404,209 | **9,144** | **413,353** |
| Share issue expenses | 24,298 | **(3,353)** | **20,945** |
| Financial asset at FVTPL | 25,796 | **11,537** | **37,333** |
| | 454,303 | **17,328** | **471,631** |
| Deferred tax liabilities | | | |
| Mining properties and deferred exploration expenses | (83,225) | **(12,659)** | **(95,884)** |
| Less valuation allowance | (454,303) | **(17,328)** | **(471,631)** |
| Deferred tax liabilities | (83,225) | **(12,659)** | **(95,884)** |

## 12. Revenues

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Sale of Buckell Lake Property [i] | **-** | 4,000 | **-** | 4,000 |
| Net option income [ii] | **-** | - | **148,779** | - |
| | **-** | 4,000 | **148,779** | 4,000 |

(i) On August 22, 2016, two claims representing the Buckell Lake Property were sold for $4,000.
(ii) On March 1, 2017, a cash payment of $150,000 from Vanadium related to the Mont Sorcier property was received which has been offset by recovered deferred exploration costs of $1,221 resulting in net option income of $148,779.

## 13. Expenses by nature

The nature of administration expenses as well as professional fees and outside services is outlined below:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Administration | | | | |
| Office supplies and maintenance | **(31)** | 811 | **(7)** | 2,351 |
| Shareholder information | **1,008** | 302 | **2,290** | 1,149 |
| Information technology | **-** | - | **3,800** | 1,215 |
| Advertising and promotion | **64** | - | **693** | 128 |
| Insurance | **2,303** | 2,303 | **6,908** | 6,908 |
| Other | **(507)** | 126 | **2,155** | 162 |
| | **2,837** | 3,542 | **15,839** | 11,913 |

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Professional fees and outside services | | | | |
| Investor relations | **18,334** | - | **72,500** | - |
| Legal fees | **-** | 170 | **7,764** | 10,499 |
| Audit and accounting fees | **7,200** | 5,100 | **27,550** | 17,550 |
| Other professional fees | **2,485** | - | **2,485** | - |
| | **28,019** | 5,270 | **110,299** | 28,049 |

## 14. Loss per common share

Basic 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 net loss per share is calculated using the treasury method, where the exercise of options is assumed to be at the beginning of the period and the proceeds from the exercise of options and the amount of compensation expense measured, but not yet recognized in income are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

### Basic and diluted loss per common share

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| Numerator | | | | |
| Loss for the period | **$ (115,341)** | $ (39,072) | **$ (165,047)** | $ (238,921) |
| Denominator | | | | |
| Weighted average number of common shares - basic and diluted | **38,438,442** | 37,228,542 | **36,168,071** | 23,819,235 |
| Effect of dilutive shares | | | | |
| Stock options and warrants (in the money) [(i)] | **-** | - | **-** | - |
| Weighted average number of common shares - diluted | **38,438,442** | 37,228,542 | **36,168,071** | 23,819,235 |
| Loss per share | | | | |
| Basic | **$ (0.00)** | $ (0.00) | **$ (0.00)** | $ (0.01) |
| Diluted | **$ (0.00)** | $ (0.00) | **$ (0.00)** | $ (0.01) |

[(i)] At September 30, 2017 and at September 30, 2016, no stock options and warrants were included in the diluted loss per share as they were anti-dilutive.

## 15. Share capital

### Authorized:

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

Common Shares: Voting

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

## 15. Share capital (continued)

### a) Changes in capital stock

| Fully paid common shares | Number of Shares | September 30, 2017 Capital Stock $ | Number of Shares | December 31, 2016 Capital Stock $ |
|---|---|---|---|---|
| Balance, beginning of period | **37,228,542** | **8,975,255** | 16,238,542 | 8,554,690 |
| Issued on exercise of agents' options (i) | **979,900** | **48,995** | - | - |
| Issued on exercise of warrants (ii) | **230,000** | **30,048** | - | - |
| Private placements | | | | |
| Common shares (iii) | **-** | **-** | 15,690,000 | 784,500 |
| Flow-through shares (iv) | **-** | **-** | 5,000,000 | 100,000 |
| Fair value of warrants (iii) | **-** | **-** | - | (240,425) |
| Shares issued to a finder (v) | **-** | **-** | 300,000 | 15,000 |
| Share issuance costs (vi) | **-** | **-** | - | (238,510) |
| Balance, end of period | **38,438,442** | **9,054,298** | 37,228,542 | 8,975,255 |

(i) On March 2, 2017, 979,900 Agents' Options were exercised at an exercise price of $0.05 per share which resulted in 913,200 Agents' Options outstanding at September 30, 2017.

(ii) On March 2, 2017, 230,000 warrants with a fair value per share of $0.030647 were exercised at an exercise price of $0.10 per share.

(iii) On June 24, 2016, the Corporation issued 15,690,000 post-consolidation 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.

(iv) 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.

(v) 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 interim condensed statements of loss and comprehensive loss.

### Share Issuance costs

(vi) In connection with the June 24, 2016 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 was recorded on the share issuance costs as a full valuation allowance was provided against the deferred tax assets.

## 15. Share capital (continued)

In addition, CIM granted Agents' Options to securities dealers entitling them to acquire up to 1,019,400 additional Units (each Unit consists of one common share and one-half of a common share purchase warrant ("Broker 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. The Agent's Options are not included in CIM's 2012 Stock Option Plan.

### b) Warrants

| | **September 30, 2017** | | December 31, 2016 | |
|---|---|---|---|---|
| | **Number of warrants** | **Fair value $** | Number of warrants | Fair value $ |
| Balance, beginning of period | **7,845,000** | **240,425** | 500,000 | 21,369 |
| Issued in connection with private placement (i) | - | - | 7,845,000 | 240,425 |
| Exercised, March 2, 2017 (ii) | **(230,000)** | **(7,048)** | - | - |
| Expired (iii) | - | - | (500,000) | (21,369) |
| Balance, end of period | **7,615,000** | **233,377** | 7,845,000 | 240,425 |

(i) 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.

(ii) On March 2, 2017, 230,000 warrants with a fair value per share of $0.03 were exercised at an exercise price of $0.10 per share.

(iii) On December 14, 2016, 500,000 post share consolidation non-transferrable common share purchase warrants were issued to Jack Stoch Geoconsultant Services Limited (GJSL) expired.

**Warrants Outstanding,
September 30, 2017**

| **Issue Date** | **Expiry Date** | **Number of Warrants** | **Exercise Price** |
|---|---|---|---|
| June 24, 2016 | December 24, 2017 | 7,615,000 | $0.10 per share |

### 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.

## 15. Share capital (continued)

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.

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

a) 5% for any one optionee,
b) 2% for any one consultant,
c) 2% for persons conducting investor-relations.

(iii) The option exercise price shall be fixed by the Board of Directors at the time of granting the options and shall not be less than the Market Price of the Shares, less the maximum discount permitted under the policies of the TSXV. The options are not transferable and the term cannot exceed ten (10) years.

At September 30, 2017, 1,575,000 (December 31, 2016 - 1,587,500) stock options were issued with a weighted average exercise price of $0.12 per share and a weighted average remaining contractual life of 2.85 years.

In addition to the 1,575,000 (December 31, 2016 – 1,587,500) options outstanding, 2,147,850 (December 31, 2016 – 2,135,350) options were available to be granted at September 30, 2017.

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

| | | **September 30, 2017** | | December 31, 2016 |
|---|---|---|---|---|
| | **Number of options** | **Weighted average exercise price** | Number of options | Weighted average exercise price |
| | | **$** | | $ |
| Balance - beginning of period | **1,587,500** | **0.12** | 667,700 | 0.07 |
| Expired [(i)] | **(12,500)** | **0.44** | (80,200) | 1.09 |
| Granted - Contractor [(ii)] | - | - | 300,000 | 0.14 |
| Granted - Directors and employees [(iii)] | - | - | 700,000 | 0.07 |
| Balance - end of period | **1,575,000** | **0.12** | 1,587,500 | 0.12 |
| Options exercisable | **1,575,000** | **0.12** | 1,587,500 | 0.12 |

(i) On July 4, 2017, 12,500 options issued in 2013 were expired.

(ii) 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.

(iii) 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, 2017:

| 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 | 3.74 | 0.07 |
| 0.09 - 0.15 | 512,500 | 512,500 | 3.04 | 0.13 |
| 0.17 - 0.22 | 362,500 | 362,500 | 0.86 | 0.20 |
| | 1,575,000 | 1,575,000 | 2.85 | 0.12 |

### Share-based compensation and payments

The Corporation uses the Black-Scholes model to estimate 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, 2017, no stock-based compensation costs were incurred (2016 - $35,648) and during the nine-month period ended September 30, 2017, no expense (2016 - $98,030) related to share-based compensation and payments were recorded and presented separately in the interim condensed statement of loss and comprehensive loss.

## 16. Related party information

### a) Related party payables

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Globex Mining Enterprises Inc. | **27,402** | 17,551 |

The Corporation is considered a related party with Globex as Management consisting of the President and CEO and Executive Vice-President hold the same positions with both entities. In addition, the President and CEO holds a large number of common shares of both organizations through Jack Stoch Geonconsultant Services Limited (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.

## 16. Related party information (continued)

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Globex Management Services (i) | **6,638** | 11,060 | **36,865** | 31,780 |
| Management compensation (ii) | **8,125** | - | **19,158** | - |
| | **14,763** | 11,060 | **56,023** | 31,780 |

(i) Globex Management Services for the respective periods represents Globex's estimate of the specific costs related to performing these services in accordance with the Management Services Agreement. It included the management compensation of the former Chief Financial Officer (''CFO'') who resigned from the organization effective September 20, 2017.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the new CFO.

### c) Management compensation

The total compensation for the respective periods paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation (Management personnel includes President and CEO, Executive Vice-President, Vice-President Operations as well as current and former CFO, Treasurer and Corporate Secretary) are as follows:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30, 2017** | September 30, 2016 | **September 30, 2017** | September 30, 2016 |
| | **$** | $ | **$** | $ |
| Management compensation | | | | |
| Management services (i) | **12,707** | - | **39,678** | - |
| Fair value of share-based compensation (ii) | **-** | 35,648 | **-** | 98,030 |
| | **12,707** | 35,648 | **39,678** | 98,030 |

(i) It included the salaries and other benefits of the President and CEO, the compensation for the former Chief Financial Officer billed as management services from Globex to CIM as well as the external services provided by the new Chief Financial Officer.

(ii) During the three-month and nine-month periods ended September 30, 2017, the Directors were not awarded stock options whereas during the comparable period ended September 30, 2016, the Directors were awarded 700,000 stock options, which vested immediately and had a fair value of $98,030.

## 17. Supplementary cash flows information

### Changes in non-cash working capital items

| | **September 30, 2017** | September 30, 2016 |
|---|---|---|
| | **$** | $ |
| Taxes receivable | **23,711** | (21,394) |
| Prepaid and deposits | **6,168** | 6,986 |
| Payables and accruals | **(21,158)** | (12,279) |
| | **8,721** | (26,687) |

## 17. Supplementary cash flows information (continued)

### Non-cash financing and investing activities

| | **September 30, 2017** | September 30, 2016 |
|---|---|---|
| | **$** | $ |
| 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 2016.

The Corporation’s investment policy is to invest its short-term excess cash in low risk, highly-liquid short-term interest-bearing investments with maturities, selected to match 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 market quotes.

### 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.

## 18. Financial instruments (continued)

### (a) Credit risk

The Corporation had cash and cash equivalents as well as cash reserved for exploration which totaled \$370,949 at September 30, 2017 (December 31, 2016 - \$388,912). These funds are subject to a combination of the \$100,000 maximum guarantee per individual institution as provided by the Canadian Deposit Insurance Corporation ("CDIC"), a federal Crown Corporation. The Corporation does not believe that it is subject to any significant concentration of credit risk. Cash and cash equivalents are in place with major Canadian financial institutions.

The maximum exposure to credit risk was:

| | **September 30, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **370,949** | 388,912 |
| Investments | **101,465** | 362,360 |
| Taxes receivable | **13,077** | 36,788 |
| | **485,491** | 788,060 |

### (b) Liquidity risk

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

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

### (c) Equity market risk

Equity market risk is defined as the potential impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market.

The Corporation closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken.

The Corporation currently holds equity investments with a fair market value of \$101,465 (December 31, 2016 - \$362,360) and as a result of a 10% increase or decrease would impact income and loss by \$10,146 (December 31, 2016 - \$36,236).

### (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.

## 18. Financial instruments (continued)

- 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, 2017** | Level 1 | Level 2 | Level 3 | Total Financial Assets at Fair Value |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Financial assets | | | | |
| Cash and cash equivalents | - | 370,949 | - | 370,949 |
| Investments | - | 101,465 | - | 101,465 |
| Taxes receivable | - | - | 13,077 | 13,077 |
| Total financial assets | - | 472,414 | 13,077 | 485,491 |

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, 2016 | Level 1 | Level 2 | Level 3 | Total Financial Assets at Fair Value |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Financial assets | | | | |
| Cash and cash equivalents | - | 388,912 | - | 388,912 |
| Investments | - | 362,360 | - | 362,360 |
| Taxes receivable | - | - | 36,788 | 36,788 |
| Total financial assets | - | 751,272 | 36,788 | 788,060 |

## 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 period-end, the Corporation had no outstanding commitments other than in the normal course of the 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 all applicable laws and regulations. Restoration costs, if any, will be accrued in the interim condensed financial statements and reflected in the interim condensed statement of loss and comprehensive loss, if and when they can be reasonably estimated.