



**CONDENSED INTERIM FINANCIAL STATEMENTS OF  
CHIBOUGAMAU INDEPENDENT MINES INC.  
FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2019  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim financial statements of Chibougamau Independent Mines Inc. (the "Corporation") have been prepared by, and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Corporation's auditors.

**CHIBOUGAMAU INDEPENDENT MINES INC.****Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
<b>Expenses</b>				
Administration (note 8)	\$ 4,240	\$ 2,875	\$ 14,364	\$ 8,562
Professional fees and outside services (note 8)	3,206	4,879	20,825	22,321
Transfer agent and filing fees	1,603	2,568	21,340	18,289
Management services (note 12)	17,070	16,974	47,945	55,846
Share-based compensation and payments (note 11)	-	-	116,505	-
Exploration and evaluation expenditures (note 9)	393,046	16,257	729,379	60,083
	<b>419,165</b>	<b>43,553</b>	<b>950,358</b>	<b>165,101</b>
<b>Loss from operations</b>	<b>(419,165)</b>	<b>(43,553)</b>	<b>(950,358)</b>	<b>(165,101)</b>
<b>Other income (expenses)</b>				
Interest income	266	510	2,824	1,945
(Decrease) increase in fair value of investments	(21,585)	62,050	(32,378)	76,545
Loss on sale of investments	-	(81,405)	-	(81,405)
	<b>(21,319)</b>	<b>(18,845)</b>	<b>(29,554)</b>	<b>(2,915)</b>
<b>Loss before taxes</b>	<b>(440,484)</b>	<b>(62,398)</b>	<b>(979,912)</b>	<b>(168,016)</b>
<b>Income taxes</b>				
Income tax recovery	(122,750)	-	(222,939)	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (317,734)</b>	<b>\$ (62,398)</b>	<b>\$ (756,973)</b>	<b>\$ (168,016)</b>
<b>Basic and diluted loss per share (note 10)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>46,695,042</b>	<b>38,902,694</b>	<b>44,107,896</b>	<b>38,605,871</b>

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

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine months ended September 30,	
	2019	2018
<b>Operating activities:</b>		
Loss and comprehensive loss for the period	\$ (756,973)	\$ (168,016)
Adjustments for:		
Decrease (increase) in fair value of investments	32,378	(76,545)
Loss on sale of investments	-	81,405
Income tax recovery	(222,939)	-
Share-based compensation and payments (note 11)	116,505	-
	<b>(831,029)</b>	<b>(163,156)</b>
Change in non-cash working capital items (note 13)	<b>(17,378)</b>	<b>68,667</b>
<b>Net cash and cash equivalents used in operating activities</b>	<b>(848,407)</b>	<b>(94,489)</b>
<b>Financing activities:</b>		
Related party payable - Globex Mining Enterprises Inc. (note 12)	36,313	(8,775)
Issuance of common shares (note 11)	1,065,735	250,000
Proceeds from exercised agents' options (note 11)	-	19,750
Share issuance costs	(14,506)	(950)
<b>Net cash and cash equivalents provided by financing activities</b>	<b>1,087,542</b>	<b>260,025</b>
<b>Investing activities:</b>		
Proceeds from sale of investment	-	46,345
<b>Net cash and cash equivalents provided by investing activities</b>	<b>-</b>	<b>46,345</b>
<b>Net change in cash and cash equivalents</b>	<b>239,135</b>	<b>211,881</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>410,418</b>	<b>264,774</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 649,553</b>	<b>\$ 476,655</b>
<b>Cash and cash equivalents</b>	<b>\$ 65,090</b>	<b>\$ 226,655</b>
<b>Cash and cash equivalents reserved for exploration</b>	<b>584,463</b>	<b>250,000</b>
	<b>\$ 649,553</b>	<b>\$ 476,655</b>

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

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**CHIBOUGAMAU INDEPENDENT MINES INC.****Condensed Interim Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

	<b>As at September 30, 2019</b>	<b>As December 31, 2018</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	\$ 65,090	\$ 171,608
Cash and cash equivalents reserved for exploration (note 11(a)(ii)(iii))	584,463	238,810
Investments (note 5)	53,963	86,341
Taxes receivable	31,412	20,641
Prepaid and deposits	8,181	15,163
<b>Total assets</b>	<b>\$ 743,109</b>	<b>\$ 532,563</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Payables and accruals (note 6)	\$ 12,681	\$ 26,270
Related party payable - Globex Mining Enterprises Inc. (note 12(a))	37,756	1,443
Flow-Through liability (note 7)	159,568	74,628
<b>Total liabilities</b>	<b>210,005</b>	<b>102,341</b>
<b>Shareholders' equity</b>		
Common shares (note 11(a))	10,076,408	9,333,058
Contributed surplus - equity settled reserve	777,049	660,544
Deficit	(10,320,353)	(9,563,380)
<b>Total equity</b>	<b>533,104</b>	<b>430,222</b>
<b>Total liabilities and equity</b>	<b>\$ 743,109</b>	<b>\$ 532,563</b>

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

General business description (note 1)

Subsequent event (note 15)

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**CHIBOUGAMAU INDEPENDENT MINES INC.****Condensed Interim Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

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**Equity attributable to shareholders**

	<b>Common shares</b>	<b>Contributed surplus - equity settled reserve</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, December 31, 2017</b>	<b>\$ 9,119,311</b>	<b>\$ 686,751</b>	<b>\$ (9,368,581)</b>	<b>\$ 437,481</b>
Fair value of flow-through shares issued under private placement	171,875	-	-	171,875
Share issuance costs	(950)	-	-	(950)
Issued on exercised agents' options	45,957	(26,207)	-	19,750
Loss and comprehensive loss	-	-	(168,016)	(168,016)
<b>Balance, September 30, 2018</b>	<b>\$ 9,336,193</b>	<b>\$ 660,544</b>	<b>\$ (9,536,597)</b>	<b>\$ 460,140</b>
<b>Balance, December 31, 2018</b>	<b>\$ 9,333,058</b>	<b>\$ 660,544</b>	<b>\$ (9,563,380)</b>	<b>\$ 430,222</b>
Fair value of flow-through shares issued under private placement	757,856	-	-	757,856
Shares issuance costs	(14,506)	-	-	(14,506)
Share-based compensation	-	116,505	-	116,505
Loss and comprehensive loss	-	-	(756,973)	(756,973)
<b>Balance, September 30, 2019</b>	<b>\$ 10,076,408</b>	<b>\$ 777,049</b>	<b>\$ (10,320,353)</b>	<b>\$ 533,104</b>

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

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. General Business Description

Chibougamau Independent Mines Inc. (the "Corporation", "CIM") was incorporated under the Canada Business Corporations Act on December 13, 2010, as a wholly-owned subsidiary of Globex Mining Enterprises Inc. ("Globex") with the intention of acquiring and developing properties located in the Chibougamau Mining District of Québec. It is focused on reviving production in the Chibougamau gold-copper 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 ("GMR") in favour of Globex. On October 3, 2016, Globex announced that the 3% GMR 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.

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

#### Basis of Presentation

These unaudited condensed interim financial statements were prepared on a going concern basis, under the historical cost basis, except for certain assets that are measured at fair value through profit and loss as indicated in note 3 of the Corporation's audited financial statements for the year ended December 31, 2018. All financial information is presented in Canadian dollars.

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

These unaudited condensed interim 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. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. Basis of Presentation (Continued)

#### Statement of Compliance

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

The preparation of unaudited condensed interim financial statements in accordance with IAS 34, requires the use of certain critical judgments, estimates and assumptions that effect the applications 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, 2018.

#### Approval of Financial Statements

The Corporation's Board of Directors approved these unaudited condensed interim financial statements on November 20, 2019.

### 3. Summary of Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual financial statements (note 3) of the Corporation's audited financial statements for the year ended December 31, 2018 with the exception of the International Financial Reporting Standards ("IFRS") adopted as described below.

The disclosure contained in these unaudited condensed interim financial statements does not include all the requirements in IAS 1 - Presentation of Financial Statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2018.

#### (a) IFRS adopted

##### IAS 28, Investments in Associates and Joint Ventures ("IAS 28")

In October 2017, the International Accounting Standards Board (the "IASB") issued amendments to IAS 28.

The amendments to IAS 28 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, Financial Instruments and does not anticipate any material impact from applying this amendment due to the immaterial nature and lack of achieving of these investments.

These amendments to IAS 28 are effective for annual periods beginning on or after January 1, 2019. At January 1, 2019, the Corporation adopted this standard and there was no material impact on the Corporation's unaudited condensed interim financial statements.

##### IFRIC 23, Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. At January 1, 2019, the Corporation adopted this standard and there was no material impact on the Corporation's unaudited condensed interim financial statements.

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 4. Cash and Cash Equivalents

	September 30, 2019	December 31, 2018
Bank balances	\$ 65,090	\$ 171,608
Short-term deposit	-	-
	<b>\$ 65,090</b>	<b>\$ 171,608</b>

### 5. Investments

September 30, 2019

	Number of shares	Cost	Unrealized loss	Fair value
Vanadium One Energy Corp.	719,500	\$ 125,912	\$ (71,949)	\$ 53,963

December 31, 2018

	Number of shares	Cost	Unrealized loss	Fair value
Vanadium One Energy Corp.	719,500	\$ 125,912	\$ (39,571)	\$ 86,341

### 6. Payables and Accruals

	September 30, 2019	December 31, 2018
Payables and accruals	\$ 12,681	\$ 26,270

### 7. Flow-Through Liability

	September 30, 2019	December 31, 2018
Balance, beginning of period	\$ 74,628	\$ -
Additions during the period (i)	307,879	78,125
Reduction related to qualified exploration expenditures	(222,939)	(3,497)
Balance, end of period	<b>\$ 159,568</b>	<b>\$ 74,628</b>

(i) The flow-through liability represent the excess of the proceeds received from flow-through shares over the fair value of the shares issued. Further details are provided in note 11(a)(ii)(iii).

This liability is not settled through cash payments. Instead, this balance is amortized against qualifying flow-through expenditures which are required to be incurred before December 31, 2020.



# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 8. Expenses by Nature

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Administration				
Office supplies and maintenance	\$ 85	\$ -	\$ 358	\$ 188
Shareholder information	1,368	-	2,473	102
Advertising and promotion	387	-	387	480
Insurance	2,303	2,815	6,908	7,420
Other	97	60	4,238	372
	<b>\$ 4,240</b>	<b>\$ 2,875</b>	<b>\$ 14,364</b>	<b>\$ 8,562</b>

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Professional fees and outside services				
Legal fees	\$ 1,286	\$ 1,785	\$ 6,632	\$ 8,651
Audit and accounting fees	1,920	2,500	12,350	7,500
Other professional fees	-	594	1,843	6,170
	<b>\$ 3,206</b>	<b>\$ 4,879</b>	<b>\$ 20,825</b>	<b>\$ 22,321</b>

### 9. Exploration and Evaluation Expenditures

Exploration and evaluation expenses by project	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Bateman Bay	\$ 365,901	\$ 8,098	\$ 581,999	\$ 17,739
Berrigan South and Berrigan Mine	1,285	5,572	5,498	14,545
Copper Cliff Extension	21,960	-	31,266	3,808
Grandroy	1,718	1,818	87,967	4,463
Jaculet	422	-	422	-
Kokko Creek	98	-	4,579	1,977
Lac Antoinette	58	-	58	-
Lac Chibougamau	-	650	1,163	10,991
Lac Élaïne	-	-	-	705
Lac Simon	-	-	235	9,982
Malouf	-	-	-	1,337
Mont Sorcier (Sulphur Converting Property and Magnetite Bay)	40	-	314	-
Nepton	-	-	-	6,059
Quebec Chibougamau Goldfields	61	-	2,540	1,480
General exploration	1,503	119	13,338	1,564
Quebec refundable tax credit	-	-	-	(14,567)
<b>Exploration and evaluation expenditures</b>	<b>\$ 393,046</b>	<b>\$ 16,257</b>	<b>\$ 729,379</b>	<b>\$ 60,083</b>

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 9. Exploration and Evaluation Expenditures (Continued)

Exploration expenses by expenditure type	Three months ended		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Consulting fees	\$ 2,639	\$ -	\$ 2,639	\$ -
Core shack, storage and equipment rental	6,413	2,190	14,526	6,570
Drilling	248,614	-	461,836	-
Geology	-	-	-	150
Geophysics	-	-	-	700
Laboratory analysis and sampling	12,068	-	16,536	33
Labour	98,542	12,766	190,670	57,820
Mineral claims acquisition	-	385	650	421
Mining property tax and permits	-	-	106	4,979
Reports, maps and supplies	8,254	-	9,582	929
Transport and road access	16,516	916	32,834	3,048
Quebec refundable tax credit	-	-	-	(14,567)
	\$ 393,046	\$ 16,257	\$ 729,379	\$ 60,083

During the nine months ended September 30, 2019, Vanadium One Energy Corp. has earned 100% interest in the Corporation's Mont Sorcier Iron/Titanium/Vanadium property by meeting the one million dollar exploration expenditure requirement and paying CIM the cash and shares per the contract. CIM retains a GMR on the Mont Sorcier property.

### 10. Loss Per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2019 was based on the loss attributable to common shareholders of \$317,734 and \$756,973, respectively (three and nine months ended September 30, 2018 - \$62,398 and \$168,016, respectively) and the weighted average number of common shares outstanding of 46,695,042 and 44,107,896, respectively (three and nine months ended September 30, 2018 - 38,902,694 and 38,605,871, respectively). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

### 11. 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.

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 11. Share Capital (Continued)

#### a) Changes in capital stock

	September 30, 2019		December 31, 2018	
Fully paid common shares	Number of shares	Capital stock	Number of shares	Capital stock
Balance, beginning of period	41,958,442	\$ 9,333,058	38,438,442	\$ 9,119,311
Issued on exercise of agents' options (i)	-	-	395,000	45,957
Private placements - Flow-through shares (ii)(iii)	4,736,600	757,856	3,125,000	171,875
Share issuance costs	-	(14,506)	-	(4,085)
Balance, end of period	46,695,042	\$ 10,076,408	41,958,442	\$ 9,333,058

(i) On June 22, 2018, 395,000 agents' options were exercised at an exercise price of \$0.05 per share. The value of the exercised options totalled \$26,207.

(ii) On September 28, 2018, the Corporation issued 3,125,000 Flow-through common shares ("FT") at a price of \$0.08 per FT share. The fair market value of the FT shares was based on the closing price of the Corporation's common shares which resulted in an ascribed value of \$0.055 per share. The excess of the issue price of the FT shares and the fair value which totalled \$78,125 (\$0.025 per share) has been reflected in flow-through liability.

(iii) On May 29, 2019, the Corporation issued 4,736,600 FT at a price of \$0.225 per FT share. The fair market value of the FT shares was based on the closing price of the Corporation's common shares which resulted in an ascribed value of \$0.16 per share. The excess of the issue price of the FT shares and the fair value which totalled \$307,879 (\$0.065 per share) has been reflected in flow-through liability. The securities issued are subject to a four-month hold period, expiring on September 30, 2019.

#### b) Stock options

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

	September 30, 2019		December 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	1,212,500	\$ 0.09	1,525,000	\$ 0.12
Expired	(212,500)	0.12	(312,500)	0.20
Granted to employees (i)	675,000	0.18	-	-
Balance, end of period	1,675,000	\$ 0.13	1,212,500	\$ 0.09
Options exercisable	1,675,000	\$ 0.13	1,212,500	\$ 0.09

(i) On June 20, 2019, 675,000 stock options with a fair value per share of \$0.1726 were granted at an exercise price of \$0.18 per share. Globex's shares closed at \$0.18 per share on the day before.

# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

### 11. Share Capital (Continued)

#### b) Stock options (continued)

The following table summarizes information regarding the stock options outstanding and exercisable as at September 30, 2019:

Range of prices	Number of options outstanding	Number of options exercisable	Weighted average contractual life (years)	Weighted average exercise price
\$0.05 - \$0.08	700,000	700,000	1.74	\$ 0.07
\$0.09 - \$0.15	300,000	300,000	1.98	0.14
\$0.17 - \$0.22	675,000	675,000	4.73	0.18
	1,675,000	1,675,000	2.32	\$ 0.13

#### Stock-based compensation

The Corporation uses the fair value method for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is charged to operations, with an offsetting credit to contributed surplus, over vesting periods (which can vary from immediate vesting to 5 years).

The Corporation uses the Black-Scholes option pricing model to estimate fair value using the following weighted average assumptions:

	September 30, 2019
Expected dividend yield	Nil
Expected stock price volatility	181.29%
Risk free interest rate	1.33%
Expected life	5 years
Weighted average fair value of granted options	\$0.1726

During the three and nine month September 30, 2019, an expense of \$nil and \$116,505, respectively (three and nine months ended September 30, 2018 - \$nil) related to stock-based compensation costs and payments has been recorded and presented separately in the unaudited condensed interim statements of loss and comprehensive loss.

### 12. Related Party Information

#### a) Related party payables

	September 30, 2019	December 31, 2018
Globex	\$ 37,756	\$ 1,443

The Corporation is considered a related party with Globex as management consisting of the President and Director, who hold the same positions with both entities. In addition, the President and Chief Executive Officer ("CEO") holds a large number of common shares of both organizations through Jack Stoch Geoconsultant Services Limited and therefore can significantly influence the operations of both entities. The amount payable bears no interest, is without specific terms of repayment and is unsecured.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 12. Related Party Information (Continued)

#### b) Management services

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

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Globex Management Services (i)	\$ 1,849	\$ 1,069	\$ 4,982	\$ 11,565
Management compensation (ii)	12,933	15,905	42,963	44,281
	<b>\$ 14,782</b>	<b>\$ 16,974</b>	<b>\$ 47,945</b>	<b>\$ 55,846</b>

(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.

(ii) Management compensation represents salaries and other benefits of the President and CEO as well as external services provided by the Chief Financial Officer ("CFO") and the Corporate Secretary. As at September 30, 2019, the balance due to CFO and Corporate Secretary is \$nil (December 31, 2018 - \$4,447) which is included in payables and accruals due under normal credit terms.

No other related party transactions had been incurred during the three and nine months ended September 30, 2019 and 2018.

#### 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, Vice-President Operations as well as CFO, Treasurer and Corporate Secretary) are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Management compensation				
Management services (i)	\$ 12,933	\$ 15,905	\$ 42,963	\$ 44,281

(i) It included the salaries and other benefits of the President and CEO as well as the external services provided by the CFO and the Corporate Secretary.

All related party transactions disclosed above were at the agreed amounts that approximate fair value.

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# CHIBOUGAMAU INDEPENDENT MINES INC.

## Notes to the Condensed Interim Financial Statements

September 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

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### 13. Supplementary Cash Flows Information

#### Changes in non-cash working capital items

	September 30, 2019	September 30, 2018
Taxes receivable	\$ (10,771)	\$ 67,215
Prepaid and deposits	6,982	3,833
Payables and accruals	(13,589)	(2,381)
	<u>\$ (17,378)</u>	<u>\$ 68,667</u>

### 14. Commitments and Contingencies

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

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 unaudited condensed interim financial statements and reflected in the unaudited condensed interim statement of loss and comprehensive loss, if and when they can be reasonably estimated.

### 15. Subsequent Event

On November 11, 2019, Lotan Holdings Inc. ("Lotan Holdings") announced that it acquire 192,000 common shares of the Corporation through the facility of the TSXV. Lotan Holdings now owns 5,795,500 common shares of the Corporation or approximately 12.41% of the current issued and outstanding common shares of the Corporation. Lotan Holdings acquired the common shares for investment purposes and may acquire additional securities or dispose of the existing securities of CIM, in the market or privately, from time to time as circumstances warrant.