



**CHIMATA GOLD CORP.**

**Condensed Interim Financial Statements  
Three Months Ended March 31, 2016**

(Unaudited - Expressed in Canadian dollars)

## **NOTICE TO READER**

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by management, and were not reviewed by the Company's independent auditor.

## CHIMATA GOLD CORP.

### Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2016	December 31, 2015
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		1,030	1,504
Sales tax receivable		1,174	420
<b>Total assets</b>		<b>2,204</b>	<b>1,924</b>
<b>Liabilities and Shareholders' Deficiency</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	144,062	125,469
Notes payable	6	56,000	56,000
		<b>200,062</b>	<b>181,469</b>
<b>Shareholders' deficiency</b>			
Share capital	4	646,302	646,302
Loan reserve		61,994	61,994
Deficit		(906,154)	(887,841)
		<b>(197,858)</b>	<b>(179,545)</b>
<b>Total shareholders' deficiency and liabilities</b>		<b>2,204</b>	<b>1,924</b>

*Nature and continuance of operations (Note 1)*

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

Approved and authorized for issuance by the board of directors on May 30, 2016

"Curt Huber"

Curt Huber, Director

"Sonny Janda"

Sonny Janda, Director

## CHIMATA GOLD CORP.

### Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three months ended March 31,	
	Note	2016	2015
<b>Expenses</b>		\$	\$
Consulting	6	9,000	9,000
Professional fees		1,500	–
Listing and filing fees		6,071	478
Loss before the following:		(16,571)	(9,478)
Accretion and interest		(1,742)	(731)
Loss and comprehensive loss		(18,313)	(10,209)
<b>Loss per share, basic and diluted</b>		(0.00)	(0.00)

### Weighted average number of common shares

<b>outstanding</b>	39,149,002	37,649,002
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*The accompanying notes are an integral part of these condensed interim financial statements*

## CHIMATA GOLD CORP.

### Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Three months ended	
	2015	March 31, 2014
	\$	\$
<b>Operating activities</b>		
Loss for the period	(10,209)	(24,214)
Items not involving cash:		
Accretion expenses	–	1,708
Changes in non-cash operating working capital		
HST receivable	–	(589)
Prepaid	–	(3,900)
Accounts payable and accrued liabilities	9,946	11,106
Cash used in operating activities	(263)	(15,889)
<b>(Decrease) in cash</b>	(263)	(15,889)
<b>Cash, beginning of period</b>	3,114	37,351
<b>Cash, end of period</b>	2,851	21,462
Cash paid during the period for interest expense	27	451
Cash paid during the period for income taxes	–	–

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

## CHIMATA GOLD CORP.

### Condensed Interim Statements of Changes in Deficiency

(Unaudited - Expressed in Canadian Dollars except for number of shares)

	Number of Outstanding Shares	Share Capital	Loan Reserve	Deficit	Sharehol
		\$	\$	\$	
<b>Balance, December 31, 2014</b>	38,949,002	634,302	61,994	(811,471)	
Net loss for the period	–	–	–	(10,209)	
<b>Balance, March 31, 2015</b>	38,949,002	634,302	61,994	(821,680)	
<b>Balance, December 31, 2015</b>	39,149,002	646,302	61,994	(887,841)	
Net loss for the period	–	–	–	(18,313)	
<b>Balance, March 31, 2016</b>	39,149,002	646,302	61,994	(906,154)	

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

## **CHIMATA GOLD CORP.**

### **Notes to the Condensed Interim Financial Statements**

Three Months Ended March 31, 2016

(Unaudited - Expressed in Canadian dollars)

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Chimata Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on November 16, 2010 as Maxtech Resources Inc. The change of name to Chimata Gold Corp. occurred on February 10, 2011. Pursuant to an arrangement agreement between the Company and its former parent company ("Maxtech Ventures Inc." or "Maxtech") that became effective on August 17, 2011, the Company spun out from Maxtech and the common shares of the Company began trading on TSX Venture Exchange ("TSXV") on September 16, 2011 under the symbol "CAT". The Company's principal activity is the acquisition and exploration of mineral properties in Canada.

The head office, registered address and records office of the Company are located at 8338 - 120th Street, 2nd Floor Surrey, BC, V3W 3N4.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2016, the Company had not advanced its exploration and evaluation asset to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities on its exploration and evaluation asset, its ability to attain profitable operations and generate funds there from and raise equity capital and/or obtain loans from related parties to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from related parties and or private placement of common shares.

#### **2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the most recent audited annual financial statements of the Company for the year ended December 31, 2015.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared using the same accounting policies and methods of computation as were applied in our most recent audited annual financial statements for the year ended December 31, 2015. The Company has not adopted new accounting policies since then.

## CHIMATA GOLD CORP.

### Notes to the Condensed Interim Financial Statements

Three Months Ended March 31, 2016

(Unaudited - Expressed in Canadian dollars)

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#### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Basis of measurement**

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments which are measured at fair value. These condensed interim financial statements are presented in Canadian Dollars, the functional currency of the Company.

##### **Significant estimates and judgments**

###### Significant estimates

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and the recoverability and measurement of deferred tax assets.

###### Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification of expenditures as exploration and evaluation expenditures or operating expenses.

##### **Accounting standards issued but not yet applied**

At the date of authorization of these financial statements, IFRS 9 "Financial Instruments" has not been early adopted and is not expected to have a material effect on the Company's future results and financial position.

#### 4. CAPITAL STOCK

Authorized share capital:

Unlimited common shares and preferred shares without par value

Warrants:

Proceeds from issuances of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

As at March 31, 2016, the Company had 1,500,000 warrants outstanding, which had an exercise price of \$0.06 per share and weighted average remaining life of 3.46 years.



**CHIMATA GOLD CORP.****Notes to the Condensed Interim Financial Statements**

Three Months Ended March 31, 2016

(Unaudited - Expressed in Canadian dollars)

**4. CAPITAL STOCK (Continued)**

Options:

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may, in accordance with TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. The Company has not granted any options to date.

Loan Reserve:

Recorded in the loan reserve is the discount on the loans issued to related parties.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2016	December 31, 2015
	\$	\$
Trade payable	59,222	58,616
Accrued liabilities	14,500	13,000
Due to related parties (Note 6)	58,623	43,818
Interest payable on loans (Note 6)	11,717	10,035
	144,062	125,469

**6. RELATED PARTY TRANSACTIONS**

As at March 31, 2016, the Company's accounts payable and accrued liabilities \$105 owing to the Company's CFO (March 31, 2015 - \$2,200). These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment. \$58,623 (March 31, 2015 - \$12,600) owing to a company controlled by a relative of one of the Company's directors. These amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

During the year ended December 31, 2013, the Company received loans of \$56,000 from Maxtech Ventures Inc., the former parent company of the Company to finance its operations. Maxtech Ventures Inc. and the Company had a common director when the loans were advanced. Both loans bore interest at 5% per annum until December 31, 2014 (the maturity date of the loan), after which interest increased to prime plus 10% per annum for the loan of \$51,000 and remained at 5% per annum for the loan of \$5,000. The loans were discounted using an estimated market rate of 15% per annum with the discount of \$8,523 recorded to the loan reserve account in equity on inception. The Company had been reversing the discount as accretion expense over the remaining term of the loan to maturity, and as at December 31, 2014, the loans were fully accreted.

During the three months ended March 31, 2016, \$1,682 (March 31, 2015 - \$700) of interest and accretion was recorded.

**CHIMATA GOLD CORP.****Notes to the Condensed Interim Financial Statements**

Three Months Ended March 31, 2016

(Unaudited - Expressed in Canadian dollars)

**7. SEGMENT INFORMATION**

The Company primarily operates in one reportable operating segment, being the acquisition, exploration and development of resource properties located in Canada.

**8. FINANCIAL INSTRUMENTS****Classification of financial instruments**

Financial assets included in the statement of financial position are as follows:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	\$	\$
Fair value through profit or loss:		
Cash	2,851	1,504

Financial liabilities included in the statement of financial position are as follows:

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
	\$	\$
Non-derivative financial liabilities:		
Trade payables	59,222	58,616
Due to related parties	58,623	43,818
Notes payable	56,000	56,000
Interest payable	11,717	10,035
	185,562	168,469

**Fair value**

The fair value of the Company's financial assets and liabilities approximates the carrying amount.