CHIMATA GOLD CORP.

Condensed Interim Financial Statements
Three and Six Months Ended June 30, 2017

(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)

	June 30, 2017	December 31, 2016
	$	$
Assets		
Current assets		
Cash	3,307	23,205
Exploration and evaluation asset	5,000	5,000
Total assets	8,307	28,205
Liabilities and Shareholders' Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	72,313	42,291
Notes payable	15,460	--
	87,773	42,291
Shareholders' deficiency		
Share capital	833,802	833,802
Loan reserve	61,994	61,994
Warrant reserve	62,500	62,500
Deficit	(1,037,762)	(972,382)
	(79,466)	(14,086)
Total shareholders' deficiency and liabilities	8,307	28,205

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 *August 29, 2017*

"Curt Huber"	*"Robert Rosner"*
Curt Huber, Director	Robert Rosner, Director

CHIMATA GOLD CORP.

Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Expenses	$	$	$	$
Consulting	45,000	6,000	45,000	15,000
Management fees	-	-	1,500	-
Office and administration	9,773	52	11,320	52
Occupancy fees	-	3,000	1,500	3,000
Professional fees	(4,466)	1,507	(4,466)	3,007
Listing and filing fees	411	2,559	10,174	8,630
Loss before the following:	(50,718)	(13,118)	(65,028)	(29,689)
Accretion and interest	(352)	(1,723)	(352)	(3,465)
Loss and comprehensive loss	(51,070)	(14,841)	(65,380)	(33,154)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	51,649,002	39,149,002	51,649,002	39,149,002

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)

	Six months ended June 30, 2017	2016
	$	$
Operating activities		
Loss for the period	(65,380)	(33,154)
Changes in non-cash operating working capital		
HST receivable	(3,274)	(1,743)
Accounts payable and accrued liabilities	33,296	21,674
Cash (used) in operating activities	(35,358)	(13,223)
Financing activities		
Issuance of promissory note	15,460	11,780
Issuance of common shares net of commissions	–	--
Cash provided by financing activities	15,460	11,780
(Decrease) in cash	(19,443)	(1,443)
Cash, beginning of period	23,205	1,504
Cash, end of period	3,307	61
Cash paid during the period for interest expense	–	--

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

CHIMATA GOLD CORP.
Condensed Interim Statement of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian Dollars except for number of shares)

	Number of Outstanding Shares	Share Capital	Loan Reserve	Warrant Reserve	Deficit	Total
		$	$	$	$	$
Balance, December 31, 2014	38,949,002	634,302	61,994	-	(811,471)	(115,175)
Unit issuance for cash	200,000	12,000	-	-	-	12,000
Comprehensive loss	-	-	-	-	(76,370)	(76,370)
Balance, December 31, 2015	39,149,002	646,302	61,994	-	(887,841)	(179,545)
Unit issuance for cash	12,500,000	187,500	-	62,500	-	250,000
Comprehensive loss	-	-	-	-	(84,541)	(84,541)
Balance, December 31, 2016	51,649,002	833,802	61,994	62,500	(972,382)	(14,086)
Comprehensive loss	-	-	-	-	(65,380)	(65,380)
Balance, June 30, 2017	51,649,002	833,802	61,994	62,500	(1,037,762)	(79,466)

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 202 – 905 West Broadway, Vancouver, BC V5Z 4M3.

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 June 30, 2017, 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, 2016.

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, 2016. The Company has not adopted new accounting policies since then.

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 June 30, 2017, the Company had 14,000,000 warrants outstanding, which had an exercise price of $0.05 per share and weighted average remaining life of 4.09 years.

(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

	June 30, 2017	December 31, 2016
	$	$
Trade payable	56,243	13,573
Accrued liabilities	--	13,000
Due to related parties (Note 6)	--	--
Interest payable on loans (Note 6)	16,070	15,718
	72,313	42,291

6. RELATED PARTY TRANSACTIONS

As at June 30, 2017, the Company's accounts payable and accrued liabilities does not include any related party transactions.

During the six months ended June 30, 2017, the Company incurred $1,500 in occupancy costs and $1,500 in management fees to a company formerly under common control.

<u>Note payable</u>

a) Maxtech Venture Inc.

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 year ended December 31, 2016, the loans were fully repaid.

(Unaudited - Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS (Continued)

As at June 30, 2017, $15,718 of interest is payable on this loan.

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:

	June 30, 2017	December 31, 2016
	$	$
Fair value through profit or loss:		
Cash	3,307	23,205

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

	June 30, 2017	December 31, 2016
	$	$
Non-derivative financial liabilities:		
Trade payables	56,243	13,573
Due to related parties	-	-
Notes payable	15,460	-
Interest payable	16,070	15,718
	87,773	29,291

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

Notes payable

During the six months ended June 30, 2017, the Company received promissory loans of $15,460 from Twilight Capital, Inc. Both loans bore interest of 12% per annum and are due and payable on demand. As at June 30, 2017, $352 of interest is payable of these loans.

9. MINERAL PROPERTY INTEREST

On August 31, 2016, the Company entered into an option agreement with Innovative Properties Inc. to earn up to 100% interest in certain mineral concessions located about 12 kilometres from Squamish, British Columbia ("Maggie Gold Property"). The agreement is subject to the TSXV approval.

The option agreement was amended on April 21, 2017. Under the amended agreement, the Company is required to fulfil the following.

- Cash payment of $5,000 on the later of three days of the option agreement being executed or approval by the TSXV (paid);

- Cash payment of $50,000 on or before October 31, 2017;
- Incur exploration costs of $50,000 on or before October 31, 2017; and
- Incur exploration costs of $50,000 on or before March 31, 2018.

The Maggie Gold Property is subject to a 1% net smelter return ("NSR") and the Company has the option to purchase 0.5% NSR for an aggregate payment of $100,000.

10. SUBSEQUENT EVENTS

On May 31, 2017, the Company announced that it will undertake a 1 for 5 reverse stock-split (the "Consolidation") reducing the current issued and outstanding shares from 51,649,002 common shares to a post Consolidation amount of 10,329,800 common shares issued and outstanding. The Company anticipates the Consolidation will better position the Company conduct future financings. The consolidation was approved by the TSX Venture Exchange and became effective on July 28, 2017.

On July 25, 2017, the Company entered into 2nd amendment of the promissory note agreement with Twilight Capital, Inc. for an additional loan of $10,954 CDN at a interest rate of 12% per annum due on demand. This promissory note bring the total debt owed to $26,414 plus accrued interest.

On August 1, 2017, the Company announced a non-brokered private placement for up to 15 million units at a price of $0.055 per unit. Each unit will comprise one common share and one share purchase warrant exercisable at $0.055 for three years from Closing. The net proceeds from the sale of the Units will be used for exploration expenditures on existing mining properties, for due diligence on potential acquisition targets, for reserve for potential asset acquisition investigations and for general working capital purposes. All securities issued under this private placement will be subject to a statutory hold period of four months from closing. The financing is subject to TSX-V acceptance.