China Minerals
MINING CORPORATION

(Formerly "HAWTHORNE GOLD CORP.")

Unaudited Consolidated Financial Statements

For The Three Months Ended

February 28, 2011

China Minerals Mining Corporation
(Formerly "Hawthorne Gold Corp.")
Consolidated Balance Sheets
(In Canadian Dollars and unaudited)

	February 28, 2011	November 30, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,057,347	$ 2,230,779
Other receivables	119,500	966,062
Prepaid expenses	84,370	68,988
Mine supplies inventory	40,670	43,610
	2,301,887	3,309,439
Reclamation bonds (Note 4)	314,444	309,444
Property, plant and equipment (Note 3)	1,809,760	1,871,893
Mineral properties (Note 4)	25,270,262	24,500,000
	$ 29,696,353	$ 29,990,776
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 583,993	$ 464,895
Due to related parties (Note 7)	4,100	15,900
Mortgage payable - current (Note 3)	96,759	93,914
	684,852	574,709
Mortgage payable (Note 3)	62,005	87,288
Asset retirement obligation (Note 4)	199,244	188,811
	946,101	850,808
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	41,969,130	42,038,552
Subscriptions received in advance	55,000	55,000
Contributed surplus (Note 6)	9,526,788	9,392,304
Deficit	(22,800,666)	(22,345,888)
	28,750,252	29,139,968
	$ 29,696,353	$ 29,990,776

Going concern and nature of operations (Note 1)
Commitments and contingencies (Note 9)
Subsequent events (Note 10)

The accompanying notes are an integral part of the consolidated financial statements.

Approved on behalf of the Board of Directors:

"Harvey Brooks"	*"Dr. Shijia Tang"*
Director	Director

China Minerals Mining Corporation
(Formerly "Hawthorne Gold Corp.")
Consolidated Statements of Operations and Deficit
(In Canadian Dollars and unaudited)

	For the three months ended February 28,	
	2011	***2010***
Administrative expenses		
Accretion of asset retirement obligation	$ 4,860	$ 20,294
Amortization	3,180	11,034
Bank charges and financing interests	12,424	38,489
Filing fees and transfer agent	16,871	12,521
Investor relations	32,685	123,086
Professional and consulting fees	18,370	139,056
Rent and office expenses	81,820	127,568
Salaries and benefits	150,168	213,529
Shareholder information	8,953	27,791
Stock-based compensation	134,484	317,148
Loss before other income (expenses) and income taxes	(463,815)	(1,030,516)
Other income (expenses)		
Interest income	16,000	34
Loss in foreign exchange	(1,713)	(1,352)
Project investigation	(5,250)	(170,628)
Loss before income taxes	(454,778)	(1,202,462)
Future income tax recovery	-	438,824
Loss and comprehensive loss for the period	(454,778)	(763,638)
Deficit, beginning of the period	(22,345,888)	(2,900,357)
Deficit, end of the period	$ (22,800,666)	$ (3,663,995)
Basic and diluted loss per common share	(0.00)	(0.01)
Weighted average number of common shares outstanding	121,191,450	81,477,608

The accompanying notes are an integral part of the consolidated financial statements.

China Minerals Mining Corporation
(Formerly "Hawthorne Gold Corp.")
Consolidated Statements of Cash Flows
(In Canadian Dollars and unaudited)

	For the three months ended February 28, 2011	2010
Operating activities		
Loss for the period	$ (454,778)	$ (763,638)
Items not involving cash:		
Accretion of asset retirement obligation	4,860	20,294
Amortization	3,180	11,034
Stock-based compensation	134,484	317,148
Future income tax recovery	-	(438,824)
	(312,254)	(853,986)
Net changes in non-cash working capital		
Other receivables and prepaid expenses	831,180	98,990
Mine supplies inventory	2,940	92,362
Accounts payable and accrued liabilities	(174,746)	(535,194)
Due to related parties	(11,800)	39,076
Cash used in operating activities	335,320	(1,158,752)
Investing activities		
Property, plant and equipment	-	(4,500)
Mineral properties	(416,892)	(1,239,214)
Cash used in investing activities	(416,892)	(1,243,714)
Financing activities		
Proceeds from shares issued	-	1,637,315
Share issue costs	(69,422)	-
Proceeds from subscriptions received in advance	-	5,803,711
Repayment of loans payable to related parties	-	(362,500)
Repayment of mortgage	(22,438)	(19,913)
Repayment of capital lease	-	(36,592)
Cash provided by financing activities	(91,860)	7,022,021
(Decrease) increase in cash	(173,432)	4,619,555
Cash, beginning of the period	2,230,779	155,028
Cash, end of the period	$ 2,057,347	$ 4,774,583
Supplementary cash flow disclosure:		
Interest paid	$ 5,213	$ 15,266
Income taxes paid	-	-

Supplemental disclosure with respect to cash flows (Note 8).

The accompanying notes are an integral part of the consolidated financial statements.

1. GOING CONCERN AND NATURE OF OPERATIONS

China Minerals Mining Corporation (formerly "Hawthorne Gold Corp.") (the "Company") was incorporated under the laws of British Columbia on January 18, 2006. The Company's principal business activities include the acquisition, exploration and development of mineral properties. The Company is listed as a Tier 1 Issuer on the TSX Venture Exchange.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will be able to meet its business obligations and continues its operations for the next fiscal year. The Company is considered to be in the exploration stage with respect to its interests in mineral properties. The recoverability of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

The Company's ability to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration and development of its mineral properties at Cassiar Gold Camp, depends upon its obtaining of additional equity and/or debt financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. However, with the closing of the private placement on March 23, 2011 (see Note 10 – "*Subsequent Event*"), the Company has sufficient funds to meet its commitments and is now in a position to proceed with its plan in advancing its mineral properties.

2. ACCOUNTING POLICIES

Basis of Presentation and Consolidation

These interim consolidated financial statements have been prepared in accordance with Canadian GAAP for interim financial information. Accordingly, they do not contain all of the information and disclosures required for annual financial statements and should be read in conjunction with the Company's most recent audited financial statements at November 30, 2010. These statements y include the accounts of the Company and its wholly owned subsidiary, Cassiar Gold Corp. (formerly "Cusac Gold Mines Ltd.") ("Cassiar"). All intercompany transactions and balances have been eliminated.

International Financial Reporting Standards ("IFRS")

Publicly accountable companies will be required to prepare their financial statements in accordance with IFRS, replacing Canadian GAAP, for fiscal years beginning on or after January 1, 2011. Accordingly, the conversion to IFRS will be applicable to the Company with its fiscal year beginning December 1, 2011.

The Company has reviewed and identified key differences between Canadian GAAP and IFRS. Potential impacts of IFRS adoption upon the Company's financial reporting are: property, plant and equipment, exploration costs, impairment of long-lived assets, asset retirement obligations, share-based compensation, accounting for flow-through shares and extensive disclosure and analysis of balances and transactions in the notes to financial statements. The Company is in the planning stage. Training of staff has been initiated and ongoing. IFRS experts will be consulted in the implementation stage.

(In Canadian Dollars and unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

	February 28, 2011		
	Cost	Accumulated Amortization	Net Book Value
Office furniture	$ 46,064	$ 29,821	$ 16,243
Computer equipment	82,829	54,156	28,673
Computer software	29,057	29,057	-
Vehicles	235,296	144,898	90,398
Site equipment	629,266	294,980	334,286
Buildings and bridges	1,809,478	482,318	1,327,160
Land	13,000	-	13,000
	$ 2,844,990	$ 1,035,230	$ 1,809,760

	November 30, 2010		
	Cost	Amortization	Net Book Value
Office furniture	$ 46,064	$ 28,966	$ 17,098
Computer equipment	82,829	51,831	30,998
Computer software	29,057	29,057	-
Vehicles	235,296	137,568	97,728
Site equipment	629,266	277,387	351,879
Buildings	1,809,478	448,288	1,361,190
Land	13,000	-	13,000
	$ 2,844,990	$ 973,097	$ 1,871,893

Mortgage Payable

In October 2008, the Company purchased land and buildings adjacent to its Cassiar property for $385,000 and financed the purchase with a mortgage of $350,000. The mortgage has a four-year term, bears interest at an annual rate of 12% and is payable at $9,217 per month. At February 28, 2011, the principal outstanding was $158,764 (November 30, 2010 - $181,202), of which $96,759 (November 30, 2010 - $93,914) was included in current liabilities.

(In Canadian Dollars and unaudited)

4. MINERAL PROPERTIES

		Cassiar Property		Frasergold Property		Total
Balance, November 30, 2009	$	31,139,067	$	9,665,920	$	40,804,987
Acquisition and maintenance		35,799		-		35,799
Asset retirement obligation recovery		(757,511)		-		(757,511)
Amortization		281,748		-		281,748
Camp and expediting		128,873		604		129,477
Equipment		25,702		-		25,702
Environmental and permits		111,273		5,381		116,654
Assaying and metallurgical		26,759		-		26,759
Geological and geophysics		225,821		400		226,221
Underground		53,589		-		53,589
Professional and consulting		24,648		-		24,648
Stock-based compensation		142,984		-		142,984
Travel		55,575		-		55,575
Vehicle costs		18,189		-		18,189
Financing and others		33,200		-		33,200
Wages and benefits		668,627		-		668,627
Incurred during the year		1,075,276		6,385		1,081,661
Mining exploration and other tax credits		(1,038,750)		-		(1,038,750)
Recovery from gold concentrates		(107,493)		-		(107,493)
Write-off of mineral property interests		(6,568,100)		(9,672,305)		(16,240,405)
Balance, November 30, 2010	$	24,500,000	$	-	$	24,500,000
Acquisition and maintenance		51,191		-		51,191
Asset retirement obligation recovery		5,573		-		5,573
Amortization		58,953		-		58,953
Camp and expediting		18,400		-		18,400
Equipment		4,184		-		4,184
Geological and geophysics		557,931		-		557,931
Professional and consulting		1,074		-		1,074
Vehicle costs		4,980		-		4,980
Financing and others		5,213		-		5,213
Wages and benefits		62,763		-		62,763
Incurred during the period		770,262		-		770,262
Balance, February 28, 2011	$	25,270,262	$	-	$	25,270,262

Certain government authorities provide incentives to encourage mineral property exploration and development in their jurisdictions. Such incentives include the reimbursement of expenditures to the Company's qualifying activities. Reimbursements are subject to review and approval by government authorities on a specific expenditure basis and are recorded as a reduction of the related mineral expenditure or as a recovery of the related expense when the Company is advised that such reimbursement will be made to the Company.

In fiscal year 2010, the Company received a British Columbia mining exploration tax credit ("BCMETC") from Canada Revenue Agency in the amount of $212,255 for reimbursement of certain qualifying exploration expenditures on its Cassiar property. In January 2011, $806,528 was refunded for Cassiar property's 2009 BCMETC claim. All the exploration tax refunds were recorded as reductions to the mineral properties.

(In Canadian Dollars and unaudited)

Cassiar Property, British Columbia

The Cassiar Property is a package of mineral claims located in northern British Columbia, Canada and it hosts a number of gold assets including the fully permitted Table Mountain Gold mine and the Taurus deposit.

Table Mountain

The fully permitted Table Mountain Gold mine is an underground mining project located in northern British Columbia.

Taurus

Pursuant to an option agreement in 2007, the Company could acquire certain mineral claims near Cassiar, British Columbia from American Bonanza Gold Corp. ("Bonanza") in consideration of an aggregate $6 million over two years. A further $3 million was payable upon completion of a positive feasibility study recommending production, or production, whichever came first. In addition, the Company was required to issue 250,000 common shares to Bonanza on or before December 22, 2008. During 2007 and 2008, a total of $3 million cash payments were issued to Bonanza. On December 23, 2008, the Company signed an amended option agreement and issued 6,750,000 common shares to Bonanza that eliminated all remaining cash and share payments and the Company now owns the underlying mineral claims.

After an impairment assessment in November 2010, the Company took a write-down of the property's carrying value to its estimated recoverable amount of $24,500,000.

Frasergold Property, British Columbia

In October 2006, the Company entered into an option agreement with Eureka Resources Inc. ("Eureka") to earn up to a 60% interest in the Frasergold property ("Eureka Claims"). In August 2010, the Company completed the termination of the option agreement with Eureka. In connection with the termination of the agreement, the Company transferred to Eureka without further considerations, certain buildings, equipment and improvements on the Eureka Claims and a $50,000 environmental bond on the Frasergold mineral interests. As a result, Frasergold property expenditures of $9,672,305 and reclamation bonds of $50,000 were written off to operations in 2010.

Asset Retirement Obligation

A continuity of the asset retirement obligation relating to the mineral properties is as follows:

		February 28, 2011		November 30, 2010
Asset retirement obligation - beginning balance	$	188,811	$	824,951
Change in estimates (1)		5,573		(757,511)
Asset retirement obligation recovery		-		(52,020)
Accretion expense		4,860		173,391
Asset retirement obligation - ending balance	$	199,244	$	188,811

(1) The Company revised its estimates from previous year based on new information regarding the expected abandonment date of its properties.

(In Canadian Dollars and unaudited)

The total undiscounted amount of estimated cash flows required to settle the obligations is $1,141,500, which was adjusted for inflation at the rate of 2% and then discounted at a credit adjusted risk free rate of 10%. Certain minimum amounts of asset retirement obligation will occur each year with the significant amounts to be paid on abandonment of the mineral property interests estimated in 2029. At February 28, 2011, the Company has $314,444 (November 30, 2010 - $309,444) of reclamation bonds with the Ministry of Natural Resources, British Columbia as a commitment to meet its regulatory obligations.

5. SHARE CAPITAL

a) Authorized - unlimited number of common shares without par value.

b) Issued – the following common shares were issued and outstanding:

	Three months ended February 28, 2011		*Year ended November 30, 2010*	
	Number of Shares	Amount $	Number of Shares	Amount $
Common shares				
Balance, beginning of period	121,691,450	42,038,552	77,244,003	34,520,999
Private placements	-	-	43,857,525	8,735,045
Shares issued for finder's fee	-	-	589,922	117,985
Less:				
- Cash share issue costs	-	(69,422)	-	(394,843)
- Non-cash share issue costs	-	-	-	(501,810)
- Tax benefits renounced to subscribers	-	-	-	(438,824)
Balance, end of period	121,691,450	41,969,130	121,691,450	42,038,552

Subsequent to the period ended February 28, 2011, the Company closed the second tranche of the private placement announced in October 2010 for gross proceeds of $7,500,000. The first tranche was closed in November 2010.

c) Warrants

At February 28, 2011, the following warrants enabling holders to purchase the Company's common shares were outstanding:

Number of Broker Warrants	Number of Share Purchase Warrants	Total Number of Warrants	Exercise Price	Expiry Date	
430,164	-	430,164	$ 0.50	April 19, 2011	(1)
-	9,825,833	9,825,833	$ 0.40	August 27, 2011	
-	7,169,400	7,169,400	$ 0.39	October 19, 2011	
430,164	16,995,233	17,425,397			

(1) Subsequently expired.

(In Canadian Dollars and unaudited)

d) Options

The Company has a rolling stock option plan, whereby 10% of the Company's issued and outstanding common shares on a non-diluted basis may be granted to officers, directors, employees and consultants of the Company. The maximum term of all option grants is 10 years. Options granted to investor relations consultants generally have one to two-year terms and are vested over a 12-month period with 25% vested every three months from the date of grant. Options granted to directors, officers, employees and consultants generally have a five-year term and a vesting period of 18 months with 1/3 vested every 6 months from the grant date.

The continuity of the Company's options is as follows:

	Number of shares	Weighted average exercise price
Balance, November 30, 2009	7,288,700	$ 0.48
Cancelled	(1,936,700)	(0.64)
Expired	(100,000)	(0.40)
Balance, November 30, 2010	5,252,000	$ 0.48
Cancelled	(725,000)	(0.44)
Balance, February 28, 2011	4,527,000	$ 0.48

At February 28, 2011, the following options were outstanding:

Number of Options	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Weighted Average Ex. Price	Number of Options Exercisable	Expiry Date	
150,000	$ 0.40	0.41	$ 0.40	150,000	April, 2011	(1)
100,000	$ 0.40~0.50	0.51	$ 0.45	100,000	June, 2011	
100,000	$ 0.48	0.62	$ 0.48	66,666	July, 2011	
50,000	$ 0.40	0.75	$ 0.40	50,000	August, 2011	
600,000	$ 0.60	1.40	$ 0.60	600,000	April, 2012	
37,000	$ 1.60	1.64	$ 1.60	37,000	July, 2012	
25,000	$ 1.60	1.84	$ 1.60	25,000	October, 2012	
1,265,000	$ 0.40	3.34	$ 0.40	1,265,000	April, 2014	
2,200,000	$ 0.48	3.78	$ 0.48	1,466,667	September, 2014	
4,527,000	$ 0.48	2.43	$ 0.48	3,760,333		

(1) Subsequently expired.

The exercise prices of all stock options granted were at the market price at the grant dates. Stock based compensation relating to options vested during the year has been recorded in the financial statement as follows:

Three months ended February 28,	2011	2010
Capitalized stock-based compensation in mineral properties	$ -	$ 77,091
Stock-based compensation expense	134,484	317,148
Total compensation expensesrecognized in contributed surplus	$ 134,484	$ 394,239

(In Canadian Dollars and unaudited)

6. CONTRIBUTED SURPLUS

	Three months ended February 28, 2011	Year ended November 30, 2010
Balance, beginning of period	$ 9,392,304	$ 8,382,934
Stock-based compensation for stock options	134,484	883,643
Valuation of finder's warrants	-	4,282
Valuation of share purchase warrants	-	121,445
Balance, end of period	$ 9,526,788	$ 9,392,304

7. RELATED PARTY TRANSACTIONS

At February 28, 2011, included in current liabilities was $4,100 (2010 - $15,900) payable to related parties which is non-interest bearing and unsecured with no fixed repayment terms. The fair values of the amounts due to the related parties cannot be determined as there are no specific terms of repayment.

During the three months ended February 28, 2011, the Company paid or accrued $9,000 (2010 - $64,900) in financial advisory fees to a then-director of the Company, $nil (2010 - $56,250) in executive advisory fees to a then-consultant of the Company, $4,100 (2010 - $10,800) in consulting fees to a director of the Company, and $2,000 (2010 - $3,500) in directors’ fees of the Company, all of which are included in the statements of operations.

The amounts charged to the Company for the services provided have been determined by negotiations among the parties. These transactions were in the normal course of operations and were measured at the exchange value which represented the amounts of consideration established and agreed by the related parties.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the three months ended February 28, 2011 and 2010, not otherwise disclosed in the financial statements are as follows:

Three months ended February 28,	2011	2010
Mineral properties in accounts payable	$ 431,891	$ 1,084,948
Amortization capitalized to mineral properties	58,953	38,468
Additional asset retirement obligation in mineral properties	5,573	-
Stock-based compensation expense in mineral properties	-	77,091
Warrants issued for financings	-	52,894

9. COMMITMENTS AND CONTINGENCIES

a) Pursuant to the flow-through common shares issued in December 2009, the Company had a commitment to spending $1,755,295 on qualified expenditures by December 31, 2010. As of December 31, 2010, the flow-through requirement had been fully met.

(In Canadian Dollars and unaudited)

b) The Company's annual commitments to office leases are as follows:

Fiscal Year	Office leases
2011	$ 110,055
2012	156,225
2013	118,662
2014	53,158

The above lease commitments include the Company's 50% share of lease obligations of its former office space and a two-year lease starting May, 2011.

c) In November 2010, the Company received notice from a vendor for damages on certain contracted equipment in the amount of $109,237. The Company believes this claim to be without merit. At this time, the likelihood of the outcome is not determinable and no liability has been recorded in connection with the claim.

d) In November 2010, the Company received notice from a vendor for outstanding invoices in the amount of $131,410. The Company disagrees with the amount and has accrued $21,667 in accounts payable and accrued liabilities. At this time the likelihood of the outcome is not determinable and no liability has been recorded in connection with the difference of $109,743.

10. SUBSEQUENT EVENTS

On March 23, 2011, the Company closed the second tranche of the private placement announced in October 2010 (first tranche was closed in November 2010) for gross proceeds of $7,500,000 and issued 68,181,818 common shares at a price of $0.11 per share.

Concurrent with the closing of the private placement on March 23, 2011, the following changes were made to the Board and Management:

1) Mr. Jian Zhang was appointed as a director of the Company to replace Mr. Dale Sketchley who has resigned from the Board;
2) Mr. Michael Beley stepped down as the Chairman of the Company and Mr. Jian Zhang was appointed as the new Chairman;
3) Mr. Richard Barclay resigned as the President and Chief Executive Officer of the Company and Dr. Shijia Tang was appointed as the new CEO.

On March 29, 2011, Mr. Barclay was appointed the Executive Vice President of the Company.

On April 5, 2011, the Company's name was changed to China Minerals Mining Corporation and its share trading symbol has also been changed from "HGC" to "CMV".

On April 7, 2011, the Company has granted stock options to certain directors, officers, employees and consultants of the Company to purchase an aggregate of 4,260,000 common shares of the Company pursuant to its Share Option Plan approved by the shareholders. The options are exercisable at $0.16 per share, have a 5-year term and are vested over an 18-month period from the date of the grant. The option grant is subject to the TSX Venture Exchange approval.

On April 14, the Company changed its auditor from Davidson & Company LLP ("D&C") to PricewaterhouseCoopers LLP ("PWC"). There were no reservations in D&C's audit reports for the two most recently completed fiscal years and no reported events between the Company and PWC and between the Company and D&C.

(Formerly "Hawthorne Gold Corp.")

Management's Discussion and Analysis
For the three months ended February 28, 2011 and 2010

The following management discussion and analysis of financial position and results of operations ("MD&A") was prepared as of April 18, 2011 and should be read in conjunction with the unaudited consolidated financial statements of China Minerals Mining Corporation (formerly Hawthorne Gold Corp.) (the "Company"), for the three months ended February 28, 2011 and the audited consolidated financial statements ended November 30, 2011 and related notes thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts included therein and in the following MD&A are expressed in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com. The Company's shares are listed on the TSX Venture Exchange under the symbol "CMV" (formerly "HGC"), and quoted on the Pink Sheets in the United States under the symbol "HWTHF".

This MD&A may contain forward-looking statements in respect of future events. The results or events predicted in these statements may differ materially from actual results or events. Historical results of operations and trends inferred in this MD&A may not necessarily indicate future results. See "Cautionary Statement Regarding Forward-Looking Information".

DESCRIPTION OF BUSINESS

The Company and its wholly owned subsidiary, Cassiar Gold Corp., are engaged in the exploration and development of mineral properties in British Columbia, Canada. The Company's main assets are the Table Mountain and Taurus gold projects.

MINERAL PROPERTY INTERESTS

Hawthorne owns two gold projects located in British Columbia, Canada - the Table Mountain and Taurus projects (known as the Cassiar Gold Camp) - through its subsidiary, Cassiar Gold Corp.

Sable Resources Ltd. has a 2.5 % Net Smelter Return Royalty (NSR) on a group of ten claims on the Taurus project. The claims are Mack 1 to 4, Hopeful 1 to 4, Hillside and Highgrade.

Finley Bakker P. Geo., the Company's Interim Chief Geologist and a Qualified Person as defined by National Instrument ("NI") 43-101, has reviewed and approved the technical information contained in this MD&A.

Cassiar Gold Camp

The Cassiar Gold Camp is located in northern British Columbia. It comprises approximately 58,900 hectares (including two placer claims) of which the Company has 100% interest, and contains the Table Mountain and Taurus gold deposits.

Canadian Mining Geophysical Ltd. was contracted to complete a 2010 airborne geophysical program over the 58,900 hectare Cassiar Gold Camp holdings. In mid-November 2010, the program commenced and was successfully completed on December 14, 2010. The program covered 5,022 line kilometres and cost $899,200. The aerial survey used a geological technology known as ATEM which utilizes a transmitter of over 50,000 amperes square. The final interpretation and report are due in early 2011.

Table Mountain Gold Project, British Columbia

The Table Mountain project comprises the Cassiar Gold Mine which is a former high grade underground gold operation and surrounding mineral claims south of Highway 37. The mill facility was put under care and maintenance by the previous owners in October 2007 and the Company acquired it in 2008. The Cassiar airstrip is also accessible some 10 kilometres from the mine site.

The Cassiar Gold Mine includes a permitted 270 tonne per day gravity/flotation mill, power plant and tailing impoundment facility as well as 13 adits/portals, approximately 25 kilometres of underground workings, approximately 23 kilometres of surface access roads throughout the property and an assay lab. The Cassiar mining camp includes an accommodation facility on Highway 37 in Jade City, British Columbia located between the Table Mountain and Taurus projects and will accommodate 50 to 60 people.

At Table Mountain, the East Bain Zone hosts an indicated resource of 21,471 tonnes at an average grade of 18.02 g/t Au (approximately 12,440 troy ounces of gold) with the Bain Zone containing an additional inferred resource of 19,306 tonnes at an average grade of 31.76 g/t Au (approximately 19,714 troy ounces of gold).

An updated NI 43-101 technical report dated May 18, 2010, titled, "Technical Report on the Table Mountain Property, Liard Mining District, British Columbia", has been prepared by Clifford A. Pearson, P. Geo and Finley J. Bakker, P. Geo and on May 26, the report was filed at www.sedar.com.

The purpose of the Technical Report was to review surface diamond drilling work conducted on the Table Mountain Property, review data compilation work, calculate existing NI 43-101 compliant Mineral Resources and define high potential exploration and development targets.

The Technical Report authors reviewed and evaluated the data and calculated an updated mineral resource for the property using 3D mine modeling software named MineSight. The following table provides a summary of the Table Mountain Mineral Resource:

Category	Tonnes	Au g/t	Au cut g/t	Density
Indicated Total	21,471	18.02	16.24	2.70
Inferred Total	65,757	24.30	20.12	2.70

The Company has entered into a Resource Funding Agreement with the First Nation Kaska Dena Council on behalf of the BC Kaska in connection with the continued exploration and development of the Cassiar Gold Camp. Under the Agreement, Hawthorne has agreed to provide resource funding to the BC Kaska to contribute to the cost of negotiating a Traditional Knowledge Protocol (the "TK Agreement") and a Socio-Economic Participation Agreement (the "SEPA"). The TK Agreement will assist the parties in establishing the appropriate traditional knowledge protocols for the exploration and development of the Property. The SEPA would include environmental, cultural and socio-economic and business opportunities and benefits for members of the BC Kaska and their businesses.

A feasibility study has not been completed on the Table Mountain property and there is no certainty the disclosed targets will be reached or that the proposed operations will be economically viable.

Taurus Gold Project, British Columbia

The Taurus gold project, an advanced stage exploration and development project, is north of Highway 37 and located approximately eight kilometres from the Cassiar Gold Mine along the main access road to the town of Cassiar, in the Liard Mining Division of northern British Columbia The site of a former underground gold mine operation; the Taurus deposit was explored by previous operators as a potential combination of large tonnage open pit and a high grade underground mine (over 370 drill holes have been completed to date).

The Taurus deposit, located within the Cassiar Gold Camp, hosts an inferred resource of 1.1 million ounces of gold comprising of 33.1 million tonnes at an average capped grade of 0.99 g/t Au using a cut-off grade of 0.50 g/t Au (refer to NI 43-101 technical report titled, "Updated Resource Report on the

Taurus Project – Liard Mining District, B.C.," dated March 11, 2009 and prepared by Thomas C. Stubens and Morinus Andre de Ruijter of Wardrop Engineering Incorporated, filed at www.sedar.com on March 11, 2009).

In November 2010, during an impairment assessment on the Cassiar property, the Company wrote down the property to its estimated recoverable value of $24,500,000.

Frasergold Property, British Columbia

The Frasergold Property, optioned from Eureka Resources Inc. ("Eureka") in October 2006, is located in the Caribou Gold Camp, situated in the historic Quesnel Trough area of central British Columbia.

In August 2010, the Company terminated the option agreement with Eureka. Pursuant to the terms of the termination agreement, the Company transferred to Eureka without further considerations, (i) certain claims of the property, (ii) certain buildings, equipment and improvements on Frasergold property, and (iii) a $50,000 environmental bond for the Eureka Claims. As a result, the reclamation bond of $50,000 and capitalized mineral property costs of $9,672,305 were written off to operations in 2010.

SUMMARY OF QUARTERLY RESULTS

	2011	2010				2009		
	Feb 28	Nov 30	Aug 31	May 31	Feb 28	Nov 30	Aug 31	May 31
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net (loss) income	(454,778)	(7,105,005)	(641,579)	(10,935,309)	(763,638)	(1,285,797)	(916,056)	(829,210)
Net (loss) income per share - basic and diluted	(0.00)	(0.06)	(0.01)	(0.13)	(0.01)	(0.02)	(0.01)	(0.01)

The Company's expenses and net loss had increased on average during 2009 as it advanced its business plan of exploring and developing the mineral properties at Frasergold and Cassiar. During the fiscal year 2010, in order to preserve its cash resources, the Company implemented various cost-cutting measures by downsizing its staff, relocating to a smaller office premise and putting its projects on care and maintenance. In the second quarter of 2010, the Company terminated the Eureka option agreement on the Frasergold property and wrote off its costs of $9,672,305 to operations. In the fourth quarter of 2010, the Company further wrote down $6,568,100 on the Cassiar project.

In the last quarter of 2010, the Company raised an equity financing of $2.6 million, first tranche of the $10 million private placement. During the first quarter of 2011, the Company continued its effort in completing the second tranche of the financing. Subsequent to the period ended February 28, 2011, the balance of the private placement was closed on March 23, 2011 for gross proceeds of $7.5 million.

RESULTS OF OPERATIONS

(Rounded to the nearest thousand ('000))

For the three months ended February 28, 2011 and 2010

Net Loss

For the three months ended February 28, 2011, the Company recorded a net loss of $455,000, compared to a net loss of $764,000 for the same period in 2010 for a decrease of $309,000, primarily the result of the Company's continued cost-trimming efforts.

Expenses

Investor relations expenses were $33,000 and $123,000 for the quarter ended February 28, 2011 and 2010, respectively. The decrease of $90,000 is mainly due to the reduced activities in advertising and conferences, and the discontinuance of consulting services.

Professional and consulting fees decreased by $121,000 to $18,000 for the first quarter of 2011 compared to $139,000 in the same period in 2010. The decrease is due to the elimination of external contracts in human resources and financial services.

Rent and office expenses for 2011 were decreased by $46,000, mainly attributable to the cost savings from subleasing the Company's prior office space starting the third quarter of 2010, and the reduced computer services.

Salaries and benefits totalled $150,000 for the first quarter of 2011 compared with $214,000 in 2010.The decrease of $64,000 is the result of staff cutting and having each employee carry multiple responsibilities.

Stock-based compensation expenses were $134,000 and 317,000 for the respective quarters of 2011 and 2010. The decrease of $183,000 is due to the decreasing amortization from vested stock options granted in September 2009.

Project investigation costs decreased by $156,000, primarily a result of non-activities in project reviews.

LIQUIDITY AND CAPITAL RESOURCES

At February 28, 2011, the Company's cash was $2,057,000 compared with $2,231,000 at November 30, 2010. The Company spent $335,000 on operating activities for the first quarter of 2011 compared with $1,159,000 for the same period in prior year. The Company has working capital of $1,617,000 at February 28, 2011 compared to a working capital of $2,735,000 at November 30, 2010.

During the three months ended February 28, 2011, the Company expended $417,000 of its cash on the mineral properties as compared to $1,239,000 for the same period in 2010. The 2011 expenditures were mainly relating to the airborne geophysical survey and wages on the care and maintenance of the Cassiar mineral properties. The airborne survey costs were primarily funded by a refund from BC mineral exploration tax credit. In the financing activities, the Company expended $69,000 on costs related to the completion of the second tranche of the private placement announced in October 2010; and $22,000 was made to pay down the mortgage on the Cassiar property.

To keep the Company's mineral claims in good standing and to continue having the rights to the mineral interests of the properties, the Company has obligations to make cash payments to the government and/or underlying mineral interest owners and to fulfill work program expenditures. The Company has a mortgage payable of $159,000 maturing in less than two years relating to land and certain infrastructure facilities at the Cassiar Gold Camp.

The Company plans to develop the Cassiar gold mine into production in the near future to generate revenue and cash flows for operations. Until that time, additional capital will be required to fund its business activities and development expenditures. The funds are expected to come from combinations of debt and equity financings, strategic business partners or other means. There can be no assurance that such financings will be available and on terms acceptable to the Company.

Subsequent to the period ended February 28, 2011, the Company closed the second tranche of the private placement for gross proceeds of $7,500,000 (see *"Subsequent Events"*). As at the date of this MD&A, the Company has cash resources of approximately $8.8 million, which is more than sufficient to meet the Company's financial commitments, liabilities and business operations for fiscal year 2011.

CHANGE OF DIRECTOR

In December 2010, Mr. Donald Siemens resigned as a director of the Company and Dr. Shijia Tang was appointed to the Board of Directors. See "Subsequent Events" for additional changes to the directors and management.

TRANSACTIONS WITH RELATED PARTIES

During the first quarter of 2011, the Company paid or accrued $9,000 (2010 - $64,900) in financial advisory fees to a then-director of the Company and $4,100 (2010 - $10,800) in consulting fees to a director of the Company, and $2,000 (2010 - $3,500) in directors' fees of the Company.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table details the share capital structure as of the date of this MD&A.

	Expiry date	Exercise price	Number of securities	Number of shares
Common share issued				189,873,268
Share purchase warrants	August 27, 2011	$ 0.50	9,825,833	
	October 19, 2011	$ 0.39	7,169,400	16,995,233
Share purchase options	April to December, 2011	$ 0.40~0.50	300,000	
	January to December, 2012	$ 0.60~1.60	662,000	
	January to December, 2014	$ 0.40~0.48	3,465,000	4,427,000
				211,295,501

SUBSEQUENT EVENTS

On March 23, 2011, the Company closed the second tranche of the private placement announced in October 2010 for gross proceeds of $7,500,000 and issued 68,181,818 common shares at a price of $0.11 per share.

Concurrent with the closing of the private placement on March 23, 2011, the following changes were made to the board and management:

1) Mr. Jian Zhang was appointed as a director of the Company to replace Mr. Dale Sketchley who has resigned from the Board;
2) Mr. Michael Beley stepped down as the Chairman of the Company and Mr. Jian Zhang was appointed as the new Chairman;
3) Mr. Richard Barclay resigned as the President and Chief Executive Officer of the Company and Dr. Shijia Tang was appointed as the new CEO.

On March 29, 2011, Mr. Barclay was appointed as the Executive Vice President of the Company.

On April 5, 2011, the Company's name was changed to China Minerals Mining Corporation and its share trading symbol has also been changed from "HGC" to "CMV".

On April 7, 2011, the Company granted stock options to certain directors, officers, employees and consultants of the Company to purchase an aggregate of 4,260,000 common shares of the Company pursuant to its Share Option Plan approved by the shareholders. The options are exercisable at $0.16 per share, have a 5-year term and are vested over an 18-month period from the date of the grant. The option grant is subject to the TSX Venture Exchange approval.

On April 14, the Company changed its auditor from Davidson & Company LLP ("D&C") to PricewaterhouseCoopers LLP ("PWC"). There were no reservations in D&C's audit reports for the two most recently completed fiscal years and no reported events between the Company and PWC and between the Company and D&C.

ACCOUNTING POLICIES

The following accounting policies issued by Canadian Institute of Chartered Accountants ("CICA") in 2009 and 2010 will be affecting the Company's future accounting periods.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the AcSB issued CICA Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling interests" which replace Section 1581 "Business Combination" and 1600 "Consolidated Financial Statements". Section 1582 establishes a standard for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). This standard revises guidance on the determination of the carrying amount of assets, liabilities assumed, goodwill and the accounting for non-controlling interest at the date of a business combination. Section 1601 and 1602 establish standards for preparation of consolidated financial statements and non-controlling interests in a subsidiary in consolidated financial statements that are equivalent to the standards under IFRS. These three Sections are effective for fiscal years beginning on or after January 1, 2011. The adoption of these three Sections will affect the Company's accounting for business combinations, if any, on or after December 1, 2011.

Comprehensive Revaluation of Assets and Liabilities and Equity

As a result of issuing CICA Handbook Sections 1582, 1601 and 1602, CICA Handbook Section 1625, has been amended and is effective prospectively beginning on or after January 1, 2011. Section 3251, *Equity*, has been amended as a result of issuing Section 1602 and applies to entities that have adopted this Section. The Company does not expect any material impact on its financial position, operating results or disclosure on the adoption of this new section.

Financial Instruments – Recognition and Measurement

CICA Handbook Section 3855 has been amended to clarify (i) the application of the effective interest method after a debt instrument has been impaired, and (ii) when an embedded prepayment option is separated from its host debt instrument for accounting purposes. These amendments apply to interim and annual financial statements beginning on or after January 1, 2011. The Company does not expect any significant impact on its financial position, operating results or disclosure on adopting the amended Section 3855.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

International Financial Reporting Standards ("IFRS")

Publicly accountable companies will be required to prepare their financial statements in accordance with IFRS, replacing Canadian GAAP, for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will adopt the IFRS conversion for its fiscal year beginning December 1, 2011.

The Company has reviewed and identified key differences between Canadian GAAP and IFRS. Potential impacts of IFRS adoption upon the Company's financial reporting are: property, plant and equipment, exploration costs, impairment of long-lived assets, asset retirement obligations, share-based compensation, accounting for flow-through shares and extensive disclosure and analysis of balances and transactions in the notes to financial statements. Training of staff has been initiated and ongoing. IFRS experts will be consulted in the implementation stage.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, namely the Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate disclosure control and procedures ("DCP") and internal controls over financial reporting ("ICFR"). The objectives of these controls are to provide reasonable assurance to users of financial reports that material information relating to the Company's financial statements has been disclosed in accordance with regulatory requirements.

Due to the limited staffing of the Company, there is inherent weakness in the DCP system in areas of duty segregation and the lacking of specialized expertise in handling non-routine complex business transactions. To mitigate the risk of potential material misstatement in the financial reporting, the Company's auditors will be engaged to conduct interim reviews of its financial reports in addition to the annual audits. Consultants in special areas such as IFRS will also be contracted.

Any system of ICFR, no matter how well designed and operated, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. The design of any systems of controls is also based in part upon certain assumptions of the likelihood of future events. There can be no assurance that any design will succeed in anticipating all potential future conditions. Accordingly, this inherent limitation may result in risks to the reliability and quality of the interim and annual financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate", "plan" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, unfavourable studies regarding the Company's projects, fluctuations in the market valuation for metal prices, difficulties in obtaining required approvals for the development of a mine and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.