China Minerals
MINING CORPORATION

(Formerly HAWTHORNE GOLD CORP.)

Consolidated Interim Financial Statements

For The Six Months Ended

May 31, 2011

NOTICE OF NO AUDITOR REVIEW OF
INTERIM CONSOLIDTAED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), China Minerals Mining Corporation discloses that the accompany unaudited interim consolidated financial statements for the six months ended May 31, 2011 have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The Company's independent auditor has not performed a review of these unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

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

	May 31, 2011	November 30, 2010
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,639,828	$ 475,408
Short-term investments	790,895	1,755,371
Other receivables	67,457	966,062
Prepaid expenses	213,965	68,988
Mine supplies inventory	64,907	43,610
	8,777,052	3,309,439
Reclamation bonds (Note 4)	314,444	309,444
Property, plant and equipment (Note 3)	1,747,627	1,871,893
Mineral properties (Note 4)	25,550,914	24,500,000
	$ 36,390,037	$ 29,990,776
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 204,086	$ 464,895
Due to related parties (Note 7)	4,600	15,900
Mortgage payable - current (Note 3)	99,691	93,914
	308,377	574,709
Mortgage payable (Note 3)	35,955	87,288
Asset retirement obligation (Note 4)	204,103	188,811
	548,435	850,808
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	49,516,367	42,038,552
Subscriptions received in advance	-	55,000
Contributed surplus (Note 6)	9,584,377	9,392,304
Deficit	(23,259,142)	(22,345,888)
	35,841,602	29,139,968
	$ 36,390,037	$ 29,990,776

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

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

Approved on behalf of the Board of Directors:

"Harvey Brooks" — Director

"Richard Barclay" — Director

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

	Three months ended May 31, 2011	Three months ended May 31, 2010	Six months ended May 31, 2011	Six months ended May 31, 2010
Administrative expenses				
Accretion of asset retirement obligation	$ 1,500	$ 20,294	$ 9,719	$ 40,588
Amortization	6,539	11,020	6,360	22,054
Bank charges and financing interests	837	14,766	13,261	53,255
Filing fees and transfer agent	20,000	7,776	36,871	20,297
Investor relations	56,011	78,760	88,696	201,846
Professional and consulting fees	71,732	70,815	90,102	210,796
Rent and office expenses	78,616	101,439	160,436	228,082
Salaries and benefits	152,403	209,789	302,571	423,318
Shareholder information	32,150	38,675	41,103	66,466
Stock-based compensation	54,683	220,218	189,167	537,366
Loss before other income (expenses) and income taxes	(474,471)	(773,552)	(938,286)	(1,804,068)
Other income (expenses)				
Interest income	21,314	1,651	37,314	1,685
Loss in foreign exchange	(69)	(2,736)	(1,782)	(4,088)
Loss from disposal of equipment	-	(141,769)	-	(141,769)
Project investigation	(5,250)	(296,598)	(10,500)	(467,226)
Write-off of reclamation bonds	-	(50,000)	-	(50,000)
Write-down of mineral properties	-	(9,672,305)	-	(9,672,305)
Loss before income taxes	(458,476)	(10,935,309)	(913,254)	(12,137,771)
Future income tax recovery	-	-	-	438,824
Loss and comprehensive loss for the period	(458,476)	(10,935,309)	(913,254)	(11,698,947)
Deficit, beginning of the period	(22,800,666)	(3,663,995)	(22,345,888)	(2,900,357)
Deficit, end of the period	$ (23,259,142)	$ (14,599,304)	$ (23,259,142)	$ (14,599,304)
Basic and diluted loss per common share	(0.00)	(0.13)	(0.01)	(0.14)
Weighted average number of common shares outstanding	189,373,268	82,115,133	147,040,601	81,638,446

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)

	Three months ended May 31,		*Six months ended May 31,*	
	2011	***2010***	***2011***	***2010***
Operating activities				
Loss for the period	$ (458,476)	$ (10,935,309)	$ (913,254)	$ (11,698,947)
Items not involving cash:				
Accretion of asset retirement obligation	1,500	20,294	9,719	40,588
Amortization	6,539	11,020	6,360	22,054
Stock-based compensation	54,683	220,218	189,167	537,366
Loss from disposal of equipment	-	141,769	-	141,769
Write-off of reclamation bonds	-	50,000	-	50,000
Write-down of mineral property interests	-	9,672,305	-	9,672,305
Future income tax recovery	-	-	-	(438,824)
	(395,754)	(819,703)	(708,008)	(1,673,689)
Net changes in non-cash working capital				
Other receivables and prepaid expenses	(77,552)	39,702	753,628	138,692
Mine supplies inventory	(24,237)	11,914	(21,297)	104,276
Accounts payable and accrued liabilities	(12,922)	181,422	(187,668)	(353,772)
Due to related parties	500	(81,305)	(11,300)	(42,229)
Cash used in operating activities	(509,965)	(667,970)	(174,645)	(1,826,722)
Investing activities				
Property, plant and equipment	-	550	-	(3,950)
Mineral properties	(585,778)	(901,336)	(1,002,670)	(2,140,550)
Short-term investments	969,675	-	964,476	-
Cash provided by (used in) investing activities	383,897	(900,786)	(38,194)	(2,144,500)
Financing activities				
Shares issued for cash	7,500,000	(32,468)	7,500,000	1,604,847
Share issue costs	(7,763)	-	(77,185)	-
Subscriptions received in advance	-	(1,810,556)	-	3,993,155
Repayment of loans payable to related parties	-	(115,000)	-	(477,500)
Repayment of mortgage	(23,118)	(20,516)	(45,556)	(40,429)
Repayment of capital lease	-	(35,969)	-	(72,561)
Cash provided by financing activities	7,469,119	(2,014,509)	7,377,259	5,007,512
Increase (decrease) in cash	7,343,051	(3,583,265)	7,164,420	1,036,290
Cash, beginning of the period	296,777	4,774,583	475,408	155,028
Cash, end of the period	$ 7,639,828	$ 1,191,318	$ 7,639,828	$ 1,191,318
Supplementary cash flow disclosure:				
Interest paid	$ 4,533	15,286	$ 5,213	$ 30,552

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 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 business 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. As at May 31, 2011, the Company has incurred accumulated losses of $23,259,142 (November 30 - $22,345,888). However, with the closing of the private placement in March 2011, the Company has sufficient funds to meet its commitments and is now in a position to proceed with its plan in advancing its corporate objectives.

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 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 assessment stage. An IFRS expert has been consulted to take the Company to the implementation stage.

(In Canadian Dollars and unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

	May 31, 2011		
	Cost	Accumulated Amortization	Net Book Value
Office furniture	$ 46,064	$ 30,676	$ 15,388
Computer equipment	82,829	56,481	26,348
Computer software	29,057	29,057	-
Vehicles	235,296	152,227	83,069
Site equipment	629,266	312,574	316,692
Buildings and bridges	1,809,478	516,348	1,293,130
Land	13,000	-	13,000
	$ 2,844,990	$ 1,097,363	$ 1,747,627

	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 May 31, 2011, the principal outstanding was $135,646 (November 30, 2010 - $181,202), of which $99,691 (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 expenses	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	55,258	-	55,258
Asset retirement accretion	5,573	-	5,573
Amortization	117,907	-	117,907
Camp and expediting	53,827	-	53,827
Equipment	4,691	-	4,691
Environmental and permits	5,000	-	5,000
Geological and geophysics	557,931	-	557,931
Professional and consulting	27,944	-	27,944
Stock-based compensation	2,906	-	2,906
Travel	29,224	-	29,224
Vehicle expenses	5,893	-	5,893
Financing and others	9,746	-	9,746
Wages and benefits	175,014	-	175,014
Incurred during the period	1,050,914	-	1,050,914
Balance, May 31, 2011	$ 25,550,914	$ -	$ 25,550,914

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 in connection to the 2009 BCMETC claim. All the exploration tax refunds have been recorded as reductions to the mineral properties.

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 of $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 100% 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.

(In Canadian Dollars and unaudited)

Asset Retirement Obligation

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

	May 31, 2011	November 30, 2010	
Asset retirement obligation - beginning balance	$ 188,811	$ 824,951	
Change in estimates	5,573	(757,511)	(1)
Asset retirement obligation recovery	-	(52,020)	
Accretion expense	9,719	173,391	
Asset retirement obligation - ending balance	$ 204,103	$ 188,811	

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

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 May 31, 2011, the Company has $314,444 (November 30, 2010 - $309,444) of reclamation bonds with the Ministry of Natural Resources, British Columbia as commitments 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:

	Six months ended May 31, 2011		*Year ended November 30, 2010*	
	Number of Shares	Amount $	Number of Shares	Amount $
Common shares				
Balance, beginning of period	121,191,450	42,038,552	77,244,003	34,520,999
Private placements	68,681,818	7,555,000	43,357,525	8,735,045
Shares issued for finder's fee	-	-	589,922	117,985
Less:				
- Cash share issue costs	-	(77,185)	-	(394,843)
- Non-cash share issue costs	-	-	-	(501,810)
- Tax benefits renounced to subscribers	-	-	-	(438,824)
Balance, end of period	189,873,268	49,516,367	121,191,450	42,038,552

(In Canadian Dollars and unaudited)

c) Warrants

The following summarizes the outstanding warrants enabling holders to purchase the Company's common shares as at May 31, 2011:

	Number of warrants	Weighted average exercise price
Balance, November 30, 2009	13,692,161	$ 0.64
Issued	7,894,874	$ 0.40
Expired	(4,161,638)	$ (1.19)
Balance, November 30, 2010	17,425,397	$ 0.40
Expired	(430,164)	$ 0.50
Balance, May 31, 2011	16,995,233	$ 0.40

d) Options

The Company has a stock option plan whereby the maximum number of common shares reserved for issue under the plan shall not exceed 10% of the total number issued and outstanding common shares of the Company as at the date of the grant. The term of all option grants is generally 5 years to a maximum of 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 stock 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	(1,125,000)	0.38
Granted	4,260,000	0.16
Balance, May 31, 2011	8,387,000	$ 0.33

(In Canadian Dollars and unaudited)

At May 31, 2011, the following stock options were outstanding:

Exercise Price	Number of Options	Remaining Contractual Life (Years)	Weighted Average Ex. Price	Number of Options Exercisable	Expiry Date	
$ 0.40~0.50	100,000	0.01	$ 0.45	100,000	June, 2011	(1)
$ 0.48	100,000	0.12	$ 0.48	100,000	July, 2011	(1)
$ 0.40	50,000	0.25	$ 0.40	50,000	August, 2011	
$ 0.16~1.60	581,000	0.31	$ 0.36	331,000	September, 2011	
$ 0.48	300,000	0.77	$ 0.48	300,000	March, 2012	
$ 0.60	500,000	0.90	$ 0.60	500,000	April, 2012	
$ 1.60	31,000	1.15	$ 1.60	31,000	July, 2012	
$ 0.16	230,000	1.24	$ 0.16	-	August, 2012	
$ 0.16	75,000	1.30	$ 0.16	-	September, 2012	
$ 1.60	25,000	1.34	$ 1.60	25,000	October, 2012	
$ 0.40	1,140,000	2.84	$ 0.40	1,140,000	April, 2014	
$ 0.48	1,800,000	3.28	$ 0.48	1,800,000	September, 2014	
$ 0.16	3,455,000	4.86	$ 0.16	-	April, 2016	
	8,387,000	3.69	$ 0.33	4,377,000		

(1) Subsequently expired.

e) Stock-based compensation

The fair value of stock options granted in the second quarter were calculated using the Black-Scholes option pricing model with the following assumptions:

	2011	2010
Risk free interest rate	2.38%	- %
Expected dividend yield	- %	- %
Stock price volatility	108%	- %
Expected life of options	5 years	-
Weighted average fair value per option	$ 0.13	$ -

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 period has been recorded in the financial statement as follows:

Six months ended May 31,	2011	2010
Capitalized stock-based compensation in mineral properties	$ 2,906	$ 116,904
Stock-based compensation expense	189,167	537,366
Total compensation expenses recognized in contributed surplus	$ 192,073	$ 654,270

(In Canadian Dollars and unaudited)

6. CONTRIBUTED SURPLUS

	Six months ended May 31, 2011	Year ended November 30, 2010
Balance, beginning of period	$ 9,392,304	$ 8,382,934
Stock-based compensation	192,073	883,643
Valuation of finder's warrants	-	4,282
Valuation of share purchase warrants	-	121,445
Balance, end of period	$ 9,584,377	$ 9,392,304

7. RELATED PARTY TRANSACTIONS

At May 31, 2011, included in current liabilities was $4,600 (November 30, 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 six months ended May 31, 2011, the Company paid or accrued $9,000 (2010 - $133,900) in financial advisory fees to a then-director of the Company, $nil (2010 - $98,750) in executive advisory fees to a then-consultant of the Company, $14,100 (2010 - $16,700) in consulting fees to a director of the Company, and $6,500 (2010 - $6,500) 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 six months ended May 31, 2011 and 2010, not otherwise disclosed in the financial statements are as follows:

Six months ended May 31,	2011	2010
Mineral properties in accounts payable	$ 64,905	$ 1,084,948
Amortization capitalized to mineral properties	117,907	76,936
Additional asset retirement obligation in mineral properties	5,573	-
Stock-based compensation expense in mineral properties	2,906	116,904
Warrants issued for financings	-	57,176

(In Canadian Dollars and unaudited)

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.

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

Fiscal Year	Office leases
2011	$ 76,549
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 which has been subleased 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. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation for the current period.

(Formerly Hawthorne Gold Corp.)

Management's Discussion and Analysis
For the six months ended May 31, 2011 and 2010

The following management discussion and analysis of financial position and results of operations ("MD&A") was prepared as of July 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 six months ended May 31, 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.

In addition to maintaining the property interests at Cassiar Gold, management has entered into initial negotiations with third parties and reviewed a number of advanced stage mine development projects in North and South America. The Company's present focus is on advanced stage mineral projects containing precious metals and/or copper and zinc.

MINERAL PROPERTY INTERESTS

China Minerals 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 has been completed in June 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, China Minerals 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	
	May 31	Feb 28	Nov 30	Aug 31	May 31	Feb 28	Nov 30	Aug 31
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net (loss) income	(458,476)	(454,778)	(7,105,005)	(641,579)	(10,935,309)	(763,638)	(1,285,797)	(916,056)
Net (loss) income per share - basic and diluted	(0.00)	(0.00)	(0.06)	(0.01)	(0.13)	(0.01)	(0.02)	(0.01)

The Company's expenses and net loss had increased on average in 2009 and 2010 as it advanced its business plan of exploring and developing the mineral properties at Frasergold and Cassiar. Then in 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 placing 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 fourth quarter of 2010, the Company raised an equity financing of $2.6 million, first tranche of the $10 million private placement. In the second quarter of 2011, the Company closed the second tranche of the financing in March 2011 for gross proceeds of $7.5 million.

RESULTS OF OPERATIONS

(Rounded to the nearest thousand ('000))

For the six months ended May 31, 2011 and 2010

Net Loss

For the six months ended May 31, 2011, the Company recorded a net loss of $913,000, compared to a net loss of $11,699,000 for the comparative period in 2010 for a decrease of $10,786,000. Excluding the write-offs of mineral property interests of $9,672,000 and reclamation bond of $50,000 in 2010, the net loss was decreased by $1,064,000. The decrease was mainly a result of the cost cutting in the following areas: investor relations, professional and consulting fees, rent and office expenses, salaries, stock-based compensation and project investigation.

Expenses

Investor relations expenses were $89,000 and $202,000 for the quarters ended May 31, 2011 and 2010, respectively. The decrease of $113,000 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 $90,000 for the six months in 2011. The decreased expense is a result of the elimination of consultants in human resources and financial services in the second quarter of 2010.

Rent and office expenses for 2011 were decreased by $68,000, mainly attributable to the cost savings from subletting the Company's prior office space starting the third quarter of 2010, the reduced computer support and communication services.

Salaries and benefits totalled $302,000 for the two quarters in 2011 compared with $423,000 in 2010.The decrease of $121,000 is the result of staff downsizing and having each employee cross-trained and carried multiple responsibilities.

Stock-based compensation expenses were $189,000 and 537,000 for the respective quarters of 2011 and 2010. The decrease of $348,000 is due to the diminishing amortization from vested stock options granted in September 2009.

Project investigation decreased by $457,000, primarily a result of non-activities in project reviews.

For the three months ended May 31, 2011 and 2010

Net Loss

The Company recorded a net loss of $458,000 for the three months ended May 31, 2011, compared to a net loss of $10,935,000 for the comparative quarter in 2010 for a decrease of $10,477,000. Excluding the write-offs of mineral property interests of $9,672,000 and reclamation bond of $50,000 in 2010, the net loss was decreased by $755,000. The decrease was attributable to the Company's overhead trimming in personnel and business activities.

Expenses

Investor relations were $56,000 and $79,000 for the quarters ended May 31, 2011 and 2010, respectively. The decrease of $23,000 is a result of reduced activities in conferences, advertising and termination of consultant contracts.

Rent and office expenses for 2011 were decreased by $23,000 mainly due to cost savings from subletting the Company's prior office space.

Salaries and benefits totalled $152,000 for the second quarter of 2011 compared with $210,000 in 2010.The decrease of $58,000 is the result of the reduced personnel.

Stock-based compensation expenses were $55,000 and 220,000 for the respective quarters of 2011 and 2010. The decrease of $165,000 is due to the declining amortized vested stock options granted in September 2009.

Interest income increased by $19,000 from $2,000 earned in 2010 to $21,000 in 2011, a result of cash proceeds raised from the equity financings in November 2010 and March 2011.

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2011, the Company's cash was $7,640,000 compared with $475,000 at November 30, 2010, an increase of $7,165,000 over the six month period, a result of the completion of the second tranche of the November 2010 private placement in March 2011 for gross proceeds of $7,500,000. The completed financing has increased the Company's working capital to $8,469,000 at May 31, 2011 compared to $2,735,000 at November 30, 2010.

The Company used $175,000 of its cash on operating activities during the six month period in 2011 compared with $1,827,000 for the same period in prior year. The decreased cash outlays in the 2011 operating expenses were a result of cash refund from 2010 BC mineral tax credit.

In the investing activities for the six months ended May 31, 2011, the Company expended $1,003,000 of its cash on the mineral properties as compared to $2,141,000 for the same period in 2010. The 2011 expenditures were mainly relating to the airborne geophysical survey, and rehabilitation programs at the Cassiar Gold's Bain and Cusac portals.

The Company's financing activities raised $7,423,000 (net of issuance costs of $77,000) from the private placement closed in March 2011, compared with $1,605,000, a flow-through financing raised in the same period of 2010. Principal payments of $46,000 and $40,000 for the 2011 and 2010 quarters, respectively, were made to the mortgage payable 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. In addition to the mineral claim obligations, the Company has office lease commitments on base rentals: 2011 – $77,000, 2012 - $156,000, 2013 - $119,000 and 2014 - $53,000.

Included in the Company's liabilities at May 31, 2011 is a $136,000 mortgage maturing in fifteen months relating to land and certain infrastructure facilities at the Cassiar Gold Camp.

As of the date of the MD&A, the Company has financial resources of over $7,200,000 to meet its ongoing administrative and mineral property obligations for the coming year and to further moving forward the Company's business plan.

CHANGE OF COMPANY NAME

On April 5, 2011, subsequent to the closing of the private placement with Skyocean Venture Investments ("Skyocean"), the Company's name was changed from Hawthorne Gold Corp. to China Minerals Mining Corporation and its share trading symbol has also been changed from "HGC" to "CMV".

CHANGES OF DIRECTORS AND OFFICER

In December 2010, Mr. Donald Siemens resigned as a director of the Company and Dr. Shijia Tang was appointed in his place.

In March 2011, concurrent with the completion of the private placement with Skyocean, Dale Sketchley stepped down as a director, Michael Beley resigned as the Chairman and Richard Barclay resigned as the President and CEO and took the responsibilities of Executive Vice President; Dr. Shijia Tang was appointed as the CEO and Mr. Jian Zhang as the new Chairman and a director.

In May 2011, Mr. Ling Zhu was appointed as Director and CEO replacing Dr. Tang and Mr. David Bo was appointed as Director and Chairman replacing Mr. Zhang who remains as a director of the Company. Mr. Cory Kent has also stepped down as a director and Mr. Liang Shi was appointed to fill in the seat. With the new appointments, the board seats have been increased from eight to nine.

Mr. Zhu, a senior executive with the Skyocean Group for four years, has been in charge of the oversight of the Skyocean Investment Division. Mr. Zhu brings strong entrepreneurial skills to his new role as the Company's CEO.

Mr. David Bo has a wealth of experience gained during his career in the resource industry. He worked at China National Petroleum Corporation from mid 1980's to mid 1990's and then joined the Ivanhoe Group and most recently as the CEO of Arcland Resources Inc since 2009. He has an extensive background in investment banking, finance, corporate development, joint ventures and project management that he brings as the organization's new Chairman.

Mr. Liang Shi, Director of Skyocean Holdings, has extensive experience in executive management of public companies listed in Hong Kong.

TRANSACTIONS WITH RELATED PARTIES

During the six months ended May 31, 2011, the Company paid or accrued $9,000 (2010 - $133,900) in financial advisory fees to a then-director of the Company, $nil (2010 - $98,750) in executive advisory fees to a then-consultant of the Company, $14,100 (2010 - $16,700) in consulting fees to a director of the Company, and $6,500 (2010 - $6,500) in directors' fees of the Company.

DISCLOSURE OF OUTSTANDING SHARE DATA

During the second quarter of 2011, the Company granted stock options to certain directors, officers, employees and consultants 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.

During the six month period of 2011, 430,164 warrants exercisable at a price of $0.50 were expired and 1,125,000 stock options at a weighted average exercise price of $0.38 were forfeited.

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	$ 0.40	9,825,833	
	October 19, 2011	$ 0.39	7,169,400	16,995,233
Share purchase options	August to December, 2011	$ 0.40~1.60	631,000	
	January to December, 2012	$ 0.16~1.60	1,161,000	
	January to December, 2014	$ 0.40~0.48	2,940,000	
	January to December, 2016	$ 0.40~0.48	3,455,000	8,187,000
				215,055,501

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 for its fiscal year beginning December 1, 2011. The first financial report under IFRS will be on November 2012, with restatement of comparative balance sheets as at November 30, 2011 and December 1, 2010 and statement of operations for the year ended November 30, 2011.

During the year ended November 30, 2012, the Company will issue interim consolidated IFRS financial statements prepared in accordance with IAS 34 "Interim Financial Reporting" for the periods ended February 28, 2012, May 30, 2012 and August 31, 2012, with restatement of comparative balance sheets as at November 30, 2011 and December 1, 2010 and statements of operations for the comparative periods presented.

The Company has developed a four-stage conversion process into IFRS:

1) Phase 1 is the scoping and assessment of financial statements identifying key differences between Canadian GAAP and IFRS. A preliminary diagnostic report has been prepared detailing areas of impact – property plant and equipment, impairment of assets, asset retirement obligations, exploration expenditures, share-based compensation and flow-through shares.

2) Phase 2 involves evaluating new data requirements and identifying sources, preliminary accounting policy selections to determine implementation approach, developing new or updating existing internal controls as well as the analysis of business processes, information technology and data systems based on the diagnostic report.

3) Phase 3 is the application of IFRS 1 "First Time Adoption of IFRS" identifying exemptions and exceptions and compliance requirements. Reconciliations and calculation of an opening IFRS balance sheet for December 1, 2010 will be prepared. It will also include the collection of financial information such as fair values necessary to prepare IFRS-compliant financial statements. IFRS consultant will be monitoring the process to ensure compliance and accuracy. The Company will consider any amendments to IFRS 1 when it prepares its opening IFRS statement of financial position and its interim financial reports for part of the period covered by their first IFRS financial statements.

4) Phase 4 is the post implementation. It will include assessment of the implementation and review of accounting policy compliance. There will be continuous monitoring and updating of IFRS policies and their amendments, such as facilitating ongoing improvement to the IFRS reporting.

IFRS 1 – First Time Adoption

Under IFRS 1, first-time adopters are required to prepare their first IFRS financial statements with the opening balances restated since inception of the entity as if IFRS accounting policies had always been applied. This retrospective application would be costly and impractical.

Recognizing the enormous task, IFRS 1 provides certain relief from the full retrospective application in the form of mandatory and optional exemptions. The objective is to ensure the costs of compliance do not exceed the benefits to users of the financial statements. IFRS 1 has provided 4 mandatory exceptions and 15 optional exemptions from retrospection. The followings are some of the exceptions and exemptions applicable to the Company. This is not, however, a complete list of changes that will result from the transition to IFRS.

Property, Plant and Equipment ("PPE")

IAS 16 permits fist-time adopters to select either the cost or the revaluation method for each class of PPE. Under the revaluation method, each asset class will be re-valued at fair value at the date of transition less accumulated amortization and impairment. The Company will review and analyse the capitalized PPE costs to bring their costs closely reflecting the fair values at the transition date. The land at Cassiar Gold Camp will be revalued by a contractor to bring it to fair market value.

Impairment of Assets

IAS 36 requires an entity to assess at each reporting date any indication that an asset may be impaired. Impairment indicators such as a decline in market value of the entity and an increase in expected cost of dismantling assets and site restoration. IFRS 1 permits a first-time adopter to elect not to comply fully with the requirement for liabilities such ARO incurred before the IFRS transition date. However, the Company will recalculate the liability as at the transition date; adjust the amount for a historical risk discount rate, and to estimate the amount when the liability arose. This amount will be then added or deducted to the asset cost and accumulated amortization adjusted accordingly.

Decommissioning Liabilities (Asset Retirement Obligation "ARO")

Without the IFRS1 exemption, an entity is required to retrospectively recalculate the decommissioning liability (ARO under Canadian GAAP) and the related impact on the cost of the related asset and accumulated amortization. That would be impractical under circumstances. Hence, IFRS 1 permits a first-timer to elect not to comply with the requirement for liabilities incurred before the IFRS transition date. However, the entity will need to recalculate the liability as at the transition date, adjust the amount for a historical risk discount rate, and to estimate the amount when the liability arose. This amount is then added to the asset cost and accumulated amortization adjusted accordingly.

Exploration for and Evaluation ("E&E") of Mineral Resources

Under IFRS 6, E&E expenditures are exploration costs incurred before the technical feasibility and commercial viability of extracting the mineral resources. An entity adopting IFRS 6 may continue to use the accounting policies applied immediately before adopting IFRS. This includes continuing using recognition and measurement practices that are part of the accounting policies. IFRS 6 requires entities to perform impairment test on capitalized E&E assets when facts and circumstances suggest that the asset's carrying amount may exceed its recoverable value. The resulting impairment loss is to be measured in accordance with IAS 36.

Share-based Payment Transactions

The Company could elect not to apply *IFRS 2 Share-based Payments* to awards that vested prior to December 1, 2010 which have been accounted for under Canadian GAAP.

Flow-through shares

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under GAAP and there is no equivalent IFRS guidance. We will review flow-through shares operations at the date of transition.

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.