CHINA MINERALS MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

For the Three Months ended February 28, 2013

(Unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), the Company discloses that the unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the three months ended February 28, 2013 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, PricewaterhouseCoopers LLP, has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

China Minerals Mining Corporation
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - in Canadian dollars)

	February 28, 2013	November 30, 2012
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	$ 1,738,905	$ 2,143,684
Short-term investments	11,500	26,500
Other receivables	8,211	11,594
Prepaid expenses	123,959	164,086
Supplies inventory	35,449	36,479
	1,918,024	2,382,343
Property, plant and equipment (Note 4)	1,320,988	1,426,417
Reclamation bonds (Note 5)	349,444	349,444
Exploration and evaluation assets (Note 5)	18,626,439	18,480,553
	$ 22,214,895	$ 22,638,757
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 103,222	$ 165,053
Asset retirement obligation (Note 5)	903,203	898,546
	1,006,425	1,063,599
EQUITY		
Share capital (Note 6)	51,550,715	51,550,715
Share-based payment reserve	9,762,040	9,754,913
Foreign currency translation reserve	(26,516)	(26,516)
Deficit	(40,077,769)	(39,703,954)
	21,208,470	21,575,158
	$ 22,214,895	$ 22,638,757

Nature of operations (Note 1)
Commitments (Note 9)
Subsequent event (Note 12)

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

Approved on behalf of the Board:

"Harvey Brooks" — Chairman of the Audit Committee

"Ling Zhu" — Director

China Minerals Mining Corporation
Consensed Consolidated interim Statements of Comprehensive Loss
(Unaudited - in Canadian dollars)

	Three months ended February 28, 2013	February 29, 2012
Expenses		
Accretion of asset retirement obligation	$ 4,658	$ 5,225
Amortization	1,167	1,684
Bank charges and financing interests	677	1,058
Director and executive fees	61,500	108,250
Filing fees and transfer agent	7,114	7,842
Investor relations	8,023	17,570
Loss from disposal of equipment	61,153	12,321
Professional and consulting fees	5,140	13,384
Project investigation	309	8,978
Rent and office expenses	161,443	184,543
Salaries and benefits	125,755	392,182
Shareholder information	120	3,804
Share-based payments (Note 6)	4,685	70,123
Travel	998	528
Loss before the undernoted	(442,742)	(827,492)
Other income (expenses)		
Interest income	4,511	17,151
Other income	65,745	55,405
Foreign exchange loss	(1,329)	(3,805)
Other comprehensive loss	(373,815)	(758,741)
Cumulative translation adjustments	-	(24,419)
Net loss, being comprehensive loss for the period	(373,815)	(783,160)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average number of common shares outstanding	189,873,268	189,873,268

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

China Minerals Mining Corporation
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - in Canadian dollars)

	Three months ended February 28, 2013	February 29, 2012
Cash provided by (used in):		
Operating activities		
Net loss for the period	$ (373,815)	$ (758,741)
Items not affecting cash:		
Accretion of asset retirement obligation	4,658	5,225
Amortization	1,167	1,684
Loss from disposal of equipment	61,153	12,321
Share-based payments	4,685	70,123
	(302,152)	(669,388)
Changes in non-cash working capital		
Other receivables and prepaid expenses	43,510	(44,811)
Supplies inventory	1,030	-
Accounts payable and accrued liabilities	(56,712)	(35,134)
Due to related parties	-	28,925
	(314,324)	(720,408)
Investing activities		
Proceeds from sale of equipment	3,000	-
Exploration and evaluation expenditures	(108,455)	(85,199)
Short-term investments	15,000	-
	(90,455)	(85,199)
Financing activities		
Repayment of mortgage	-	(25,283)
Effect of exchange rate changes on cash and cash equivalents	-	(24,419)
Decrease in cash and cash equivalents	(404,779)	(855,309)
Cash and cash equivalents, beginning of period	2,143,684	6,814,673
Cash and cash equivalents, end of period	$ 1,738,905	$ 5,959,364

Supplemental cash flow information (Note 7).

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

CHINA MINERALS MINING CORPORATION
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - in Canadian dollars)

	Number of Shares	Share Capital	Share-based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Total Shareholders' Equity
Balance, December 1, 2012	189,873,268	$ 51,550,715	$ 9,754,913	$ (26,516)	$ (39,703,954)	$ 21,575,158
Share-based payments expensed	-	-	4,685	-	-	4,685
Share-based payments capitalized	-	-	2,442	-	-	2,442
Net loss for the period	-	-	-	-	(373,815)	(373,815)
Balance, February 28, 2013	189,873,268	$ 51,550,715	$ 9,762,040	$ (26,516)	$ (40,077,769)	$ 21,208,470

Balance, December 1, 2011	189,873,268	$ 51,550,715	$ 9,735,799	$ -	$ (37,824,246)	$ 23,462,268
Share-based payments expensed	-	-	70,123	-	-	70,123
Share-based payments capitalized	-	-	3,143	-	-	3,143
Net loss for the period					(758,741)	(758,741)
Cumulative translation adjustment	-	-	-	(24,419)	-	(24,419)
Balance, February 29, 2012	189,873,268	$ 51,550,715	$ 9,809,065	$ (24,419)	$ (38,582,987)	$ 22,752,374

1. NATURE OF OPERATIONS

China Minerals Mining Corporation ("China Minerals" or the "Company") was incorporated in January 2006 under the laws of British Columbia, Canada as Hawthorne Resources Inc. and renamed as Hawthorn Gold Corp. in October 2006. In April 2011, the Company's name was further changed to China Minerals. The Company's registered office is Suite 717 – 1030 West Georgia Street, Vancouver, British Columbia, Canada. China Minerals is listed on the TSX Venture Exchange under the trading symbol "CMV". The Company and its subsidiaries are in the business of acquisition, exploration and development of mineral properties.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. At February 28, 2013, the Company had an accumulated deficit of $40,077,769 (November 30, 2012 - $39,703,954) and no sources of revenue. The ability of the Company to continue as a going concern is dependent upon the recoverability of the carrying values of its mineral property interests, the discovery of economically recoverable reserves and its ability to raise the necessary financing to successfully complete the exploration and development of its properties into profitable operations. Although the Company has been previously successful in raising the necessary capital to meet its obligations as they come due, there can be no assurance that the Company will have continual access to the financing market in the future or such financing will be on reasonable commercial terms to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting.* They do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2012.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value; as well they are prepared on an accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements are unaudited and were reviewed and approved by the Audit Committee on April 10, 2013.

(b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Cassiar Gold Corp. ("Cassiar") and North American Mining Consulting Ltd. ("North American Mining"). The Company consolidates these subsidiaries on the basis that it controls these subsidiaries, through its ability to govern their financial and operating polices so as to obtain benefits from their activities. All intercompany transactions and balances have been eliminated on consolidation.

(c) Accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management the use of certain critical accounting estimates and their exercise of judgment in applying the Company's accounting policies.

Area that management judgments and estimates having the most significant effect on the financial statements is:

Impairment of exploration and evaluation assets

The Company carries out impairment assessments on its exploration and evaluation assets when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining if an impairment indicator exists involves significant judgment and estimation on the recoverability of exploration and evaluation assets as it relies on both an interpretation of technical geological data as well as economic considerations including current and estimated future commodity prices, global market volatility and exploration activities. As new data or information comes up, the recoverable amounts of the assets and the impairment loss may be different from these judgments and estimates.

(d) Standards, amendments and interpretations that are not yet effective

The standards and interpretations that are not yet effective up to the date of authorization of these condensed consolidated interim financial statements are disclosed below. The Company does not expect the standards and interpretations have a material impact on the Company's consolidated financial statements.

IFRS 9 - Financial Instruments

The standard introduces new requirements for the classification and measurement of financial instruments. It is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

A financial asset will be classified on the basis of the Company's business model for managing the financial asset and the related contractual cash flow characteristics. This asset will be initially measured at fair value and subsequently measured at amortized cost or fair value. Gains and losses on investments in the instruments that are not held for trading may be presented in other comprehensive income if so elected at initial recognition.

Under the new standard, entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity. However, if presenting the change in fair value attributable to the credit risk of the liability in OCI would create an accounting mismatch in profit or loss, all fair value movements are recognised in profit or loss.

IFRS 10 - Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 replacing IAS 27 *Consolidated and Separate Financial Statements* and *SIC-12 Consolidation – Special Purpose Entities.* The standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control, such that the same consolidation criteria will apply to all entities. It lays out three elements of control: 1) power over the investee; 2) rights to variable returns from involvement with the investee; and 3) the ability to use power over the investee to affect the amount of investors' return. IFRS 10 also provides guidance on participating and protective rights, and brings the notion of "de facto" control within the standard.

IFRS 11 - Joint Arrangements

In May 2011, the IASB issued IFRS 11 which replaces IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities.* The standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 11 defines a joint arrangement as an arrangement where two or more parties contractually agree to share control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement requiring the unanimous consent of the parties sharing control. The focus is no longer on the legal structure of the joint arrangement but rather on how the rights and obligations are shared by the joint arrangement parties. IFRS 11 categorizes joint arrangements as joint operations or joint ventures.

The standard eliminates the existing policy choice of proportionate consolidation for jointly controlled entities and requires such entities to be accounted for using the equity method.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 outlines the disclosure requirements for entities reporting under IFRS 10 and IFRS 11 and has the same effective date as those standards. The standard establishes disclosure requirements for entities that have interests in other entities such as associates, joint arrangements and unconsolidated structured entities. The disclosures are to address the nature, risks and financial effects associated with the entity's interests in other entities. Specific disclosures include significant judgments made in determining control and entity's involvement with the investees.

IFRS 13 - Fair Value Measurement

In May 2011, the IASB issued IFRS 13 which is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. IFRS 13 sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurement. Its objective is to bring consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy.

3. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in Canadian dollar, U.S. dollar and Chinese renminbi and the details are as follows:

		February 28, 2013	November 30, 2012
Cash at bank and in hand -	Canadian dollars	$ 184,733	$ 126,476
Cash at bank and in hand -	U.S. dollars	295,304	380,111
Cash at bank and in hand -	Chinese reminbi	7,395	8,872
Short-term deposits - Canadian dollars		1,251,473	1,628,225
Cash and cash equivalents		$ 1,738,905	$ 2,143,684

(Unaudited – in Canadian Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Site Equipment	Vehicles	Computers	Office Furniture	Total
As at December 1, 2011	$ 20,000	$ 1,290,049	$ 495,566	$ 99,648	$ 85,743	$ 46,064	$ 2,037,070
Additions	-	-	-	-	3,262	-	3,262
Disposals	-	-	-	-	(19,017)	-	(19,017)
As at November 30, 2012	20,000	1,290,049	495,566	99,648	69,988	46,064	2,021,315
Additions	-	-	-	-	-	-	-
Disposals	-	(65,637)	-	(51,648)	-	(20,000)	(137,285)
As at February 28, 2013	$ 20,000	$ 1,224,412	$ 495,566	$ 48,000	$ 69,988	$ 26,064	$ 1,884,030
Accumulated amortization							
As at December 1, 2011	$ -	$ 40,783	$ 225,464	$ 29,462	$ 61,422	$ 32,386	$ 389,517
Amortization	-	124,926	54,022	23,394	4,000	2,735	209,077
Disposals	-	-	-	-	(3,696)	-	(3,696)
As at November 30, 2012	-	165,709	279,486	52,856	61,726	35,121	594,898
Amortization	-	27,098	10,805	2,205	619	548	41,275
Disposals	-	(25,275)	-	(34,256)	-	(13,600)	(73,131)
As at February 28, 2013	$ -	$ 167,532	$ 290,291	$ 20,805	$ 62,345	$ 22,069	$ 563,042
Net book value							
As at November 30, 2012	20,000	1,124,340	216,080	46,792	8,262	10,943	1,426,417
As at February 28, 2013	20,000	1,056,880	205,275	27,195	7,643	3,995	1,320,988

For the three months ended February 28, 2013, amortization of $40,108 (2012 - $50,586) was capitalized to exploration and evaluation assets and $1,167 (2012 - $1,684) expensed to operations.

5. EXPLORATION AND EVALUATION ASSETS

Cassiar Project, British Columbia

The Company, through its subsidiary Cassiar Gold Corp., owns 100% of the Cassiar mineral assets. The Cassiar project, located in northern British Columbia, Canada, comprises approximately 58,900 hectares of mineral rights. The Cassiar project's two major areas of exploration and development activities to date are the Table Mountain and the Taurus properties.

Table Mountain Property

Table Mountain is a past-producing underground gold mine. The property has a fully permitted gold mill and tailings management facility which are available for future ore processing. In 2012, the Company carried out exploration activities on the property with 10 drill holes for 1,340 metres. The drilling activity was to explore the area named the Sky Vein prospect for possible gold-bearing veins.

Taurus Property

Taurus contains the Taurus gold deposit, a large gold system, located about 8 kilometres from the Table Mountain milling facility. A group of 10 claims comprising 250 hectares on the Taurus property is subject to a 2.5% net smelter return royalty held by Sable Resources Ltd.

In 2012, an exploration program was completed on the Taurus property. The drilling program focused on test for extensions of the Taurus deposit to the east and south of the known mineralization as well as on infilling the internal gaps within the Taurus deposit. The program completed 43 drill holes for 6,857 meters.

(Unaudited – in Canadian Dollars)

The Company's expenditures on its exploration and evaluation assets were as follows:

	Three months ended February 28, 2013	Year ended November 30, 2012
Costs, beginning of the period	$ 18,480,553	$ 15,704,295
Acquisition and maintenance of mineral claims	-	2,162
Exploration costs		
Amortization	40,108	202,343
Asset retirement obligation	-	16,147
Camp and expediting	11,914	284,810
Drilling	-	1,061,110
Equipment rental and maintenance	312	102,440
Environmental and permits	162	4,203
Assaying	-	276,038
Geological and geophysics	15,415	448,278
Consulting and professional	51,378	54,629
Share-based payments	2,442	6,475
Travel and vehicle expenses	-	79,974
Financing and others	4,593	29,095
Wages and benefits	19,562	208,554
Costs incurred during the period	145,886	2,776,258
Costs, end of the period	$ 18,626,439	$ 18,480,553

Asset Retirement Obligation ("ARO")

The Company has future obligation in retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

The Company prepares estimates of the timing and amount of expected cash flows when an ARO will be incurred. The ARO's net present value is initially recognized as a long-term liability and added to the exploration and evaluation assets and is subsequently re-measured at each reporting period.

A continuity of the asset retirement obligation relating to the exploration and evaluation assets is as follows:

	February 28, 2013	November 30, 2012	
Asset retirement obligation - beginning balance	$ 898,545	$ 826,498	
Change in estimate	-	51,147	(1)
Accretion expense	4,658	20,900	
Asset retirement obligation - ending balance	$ 903,203	$ 898,545	

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

The total undiscounted cash flow estimated to settle the obligations as at February 28, 2013 was $976,496, which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 2.29%. Certain minimum amounts of ARO will occur each year with the significant amounts expected to be paid in 2014.

(Unaudited – in Canadian Dollars)

At February 28, 2013, the Company has $349,444 (2012 - $314,444) of reclamation bonds with the Ministry of Energy, Mines and Petroleum Services British Columbia as commitments to meet its regulatory obligations. The reclamation bonds are interest-bearing at prime rate minus 1.95% to 2%. $264,444 of the reclamation bonds is maturing on August 16, 2013 and $85,000 on February 14, 2014. The reclamation bonds are automatically renewed annually.

6. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Issued and outstanding – see Condensed Consolidated Interim Statements of Changes in Equity

Stock Option Plan

The Company has adopted a stock option plan whereby the maximum number of common shares reserved for issue shall not exceed 10% of the total number issued and outstanding common shares of the Company as at the grant date. At February 28, 2013, the maximum number of shares that could be reserved for issuance was 12,583,992. 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 3 months from the date of grant. Options granted to directors, officers, employees and consultants generally have a 5 year term and a vesting period of 18 months with 1/3 vested every 6 months from the date of grant.

Share Purchase Options

The continuity of the Company's share purchase options to February 28, 2013 is as follows:

	Number of options	Weighted average exercise price
Balance, December 1, 2011	9,825,000	$ 0.29
Expired	(1,586,668)	(0.47)
Forfeited	(1,768,332)	(0.14)
Granted	1,810,000	0.10
Balance, November 30, 2012	8,280,000	$ 0.24
Expired	(1,876,666)	(0.42)
Balance, February 28, 2013	6,403,334	$ 0.19

At February 28, 2013, the following share purchase options were outstanding:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Ex. Price	Number of Options Exercisable	Expiry Date
$ 0.16~0.40	233,334	0.21	0.26	233,334	May, 2013
$ 0.12	750,000	0.33	0.12	750,000	June, 2013
$ 0.40	605,000	1.09	0.40	605,000	April, 2014
$ 0.48	600,000	1.53	0.48	600,000	September, 2014
$ 0.16	1,805,000	3.11	0.16	1,805,000	April, 2016
$ 0.12	600,000	3.41	0.12	600,000	July, 2016
$ 0.10	1,810,000	4.29	0.10	597,300	June, 2017
	6,403,334	2.70	$ 0.19	5,190,634	

(Unaudited – in Canadian Dollars)

Share-based Payments

During the three months ended February 28, 2013 and 2012, the Company recognized share-based payments in the financial statements as follows:

	Three months ended February 28, 2013	Three months ended February 29, 2012
Share-based payments capitalized in exploration and evaluation assets	$ 2,442	$ 3,143
Share-based payments expensed	4,685	70,123
	$ 7,127	$ 73,266

7. SUPPLEMENTAL CASH FLOW INFORMATION

As at February 28, 2013, $25,726 (February 29, 2012 - $27,536) included in accounts payable and accrued liabilities was related to exploration and evaluation assets.

8. RELATED PARTY TRANSACTIONS

For the three months ended February 28, 2013, the Company was charged office rent of $33,405 (February 29, 2012 - $56,003). As at February 28, 2013, no outstanding amount (February 29, 2012 - $203,526) was included in current liabilities payable to these related parties with regards to the office lease with Beijing Mansion No. 1 Real Estate Ltd.

Beijing Mansion No.1 Real Estate Ltd. is considered a company related by way of a director and shareholder in common. The related party expenses were recorded at the exchange amounts as determined and agreed to by the parties. Balances with related parties are non-interest bearing, unsecured and payable on demand.

Key management compensation

The Company's directors and officers are considered key management personnel and their compensation comprises the following:

	Three months ended February 28, 2013	Three months ended February 29, 2012
Remuneration and short-term benefits	$ 93,263	$ 381,667
Share-based payments	3,418	51,659
Total compensation	$ 96,681	$ 433,326

9. COMMITMENTS

The Company's annual commitments to office leases are: 2013 - $340,885 and 2014 - $217,341. The lease commitments include the Company's 50% share of lease obligation of its former Vancouver office which has been subleased to June 2014, an office lease expiring August, 2014 and a one-year lease for its Chinese subsidiary ending December 31, 2013.

10. COMPARATIVE FIGURES

Certain comparative figures in the statements of financial position and operations have been reclassified to conform to the financial statement presentation for the current period.

(Unaudited – in Canadian Dollars)

11. SEGMENTED INFORMATION

Operating segment
The Company has one operating segment, being the acquisition, exploration and evaluation of mineral assets.

Geographic segments
The Company has two geographic segments - Canada and China. Their assets, liabilities, expenses and other income are as follows:

	Three months ended February 28, 2013		
	Canada	China	Total
Current assets	$ 1,615,082	$ 302,942	$ 1,918,024
Property, plant and equipment	1,320,988	-	1,320,988
Reclamation bonds	349,444	-	349,444
Exploration and evaluation assets	18,626,439	-	18,626,439
Total assets	$ 21,911,953	$ 302,942	$ 22,214,895
Current liabilities	$ 92,441	$ 10,781	$ 103,222
Asset retirement obligation	903,203	-	903,203
Total liabilities	$ 995,644	$ 10,781	$ 1,006,425
Expenses	$ (354,233)	$ (88,509)	$ (442,742)
Other income (expenses)	70,192	(1,265)	68,927
Loss and comprehensive loss for the period	$ (284,041)	$ (89,774)	$ (373,815)

	Three months ended February 29, 2012		
	Canada	China	Total
Current assets	$ 5,290,834	$ 918,658	$ 6,209,492
Property, plant and equipment	1,582,963	-	1,582,963
Reclamation bonds	314,444	-	314,444
Exploration and evaluation assets	15,852,166	-	15,852,166
Total assets	$ 23,040,407	$ 918,658	$ 23,959,065
Current liabilities	$ 155,794	$ 219,174	$ 374,968
Asset retirement obligation	831,723	-	831,723
Total liabilities	$ 987,517	$ 219,174	$ 1,206,691
Expenses	$ (676,563)	$ (150,929)	$ (827,492)
Other income (expenses)	72,502	(3,751)	68,751
Cumulative translation adjustments	-	(24,419)	(24,419)
Loss and comprehensive loss for the period	$ (604,061)	$ (179,099)	$ (783,160)

12. SUBSEQUENT EVENT

In March 2013, Mr. Liang Shi resigned as a Director and a member of the Audit Committee.

China Minerals
MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended

February 28, 2013

GENERAL

This management's discussion and analysis ("MD&A") of the Company and its subsidiaries was prepared as of April 10, 2013 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended February 28, 2013 as well as the audited financial statements for the year ended November 30, 2012.

The Company's financial statements are expressed in Canadian dollars except where indicated otherwise. The Company's shares are listed on the TSX Venture Exchange under the symbol "CMV", and quoted on the Pink Sheets in the United States under the symbol "HWTHF". Additional information about the Company is available on the Company's website at www.chinamineralsmning.com and on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain of the statements and information contained in this MD&A that are not historical facts are forward-looking statements within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

This MD&A contains forward-looking statements, such as estimates and statements regarding the Company's goals and future plans, including words to the effect that the Company expects a stated result or event to occur. These forward-looking statements are subject to known or unknown risks and uncertainties which could cause actual results or performance of the Company to differ materially from results implied by such forward-looking information. Factors that could cause the actual results to differ include commodity price fluctuations, market capital access, global economy and politics, government regulations, environmental restrictions, exploration results, mineral title disputes, limitation on insurance coverage and availability of consultants delivering timely services, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A.

Although the Company has attempted to identify important factors that could affect the Company or may cause actual actions, events or results to differ, there may be other causing factors out of the Company's anticipation or estimation. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results otherwise. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

DESCRIPTION OF BUSINESS

The Company and its wholly owned subsidiaries, Cassiar Gold Corp. ("Cassiar") and North American Mining Consulting Ltd., are engaged in the exploration and development of mineral properties. The Company's main asset is the Cassiar Gold Project comprising the Table Mountain Property ("Table Mountain") and Taurus Property ("Taurus"), of which it owns 100% through its subsidiary, Cassiar Gold Corp.

The Company has conducted an extensive review of its mineral assets at Table Mountain and Taurus. The evaluation suggests that intensive exploration expenditures are required to prove up the asset potential and to further advance the projects. In 2012, The Company conducted an exploration program of 8,200 metre campaign. The completed drilling program comprised 43 drill holes at Taurus and 10 drill holes at Table Mountain.

At Taurus, the 2012 drill holes were designed to a) test for down dip and along strike extensions to high-grade intercepts indentified in the historic drill hole database, b) step-out into peripheral, open ares of the deposit and c) infill, internal gaps in the deposit. In general this program succeeded in demonstrating the presence of gold-bearing veins and structures well outside the known deposit area. Drill-testing adjacent to high-grade intertercepts, however, met with mixed success.

At Table Mountain, the 2012 drill holes tested the Sky Vein prospect – a little-drilled but significant east-west trending structure known to contain gold-bearing veins in a setting very similar to the past-producing vein deposits on the property. Five of the ten drill holes encountered significant (> 10 m true width) veins below the Table Mountain thrust. However, assays are variable and inconclusive.

EXPLORATION AND EVALUATION ASSETS

Darcy Baker, Ph.D., P.Geo., the Company's advisor 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 Project, British Columbia

The Cassiar Gold Project is located in northern British Columbia. It comprises approximately 58,900 hectares (including two placer claims) of which the Company has 100% interest, which comprise the Table Mountain and Taurus Properties in the Liard Mining Division. The area is easily accessible by all-weather road along Highway 37, which runs through the center of the Cassiar properties, and by subsidiary roads which allow easy access to many parts of the projects. The area also can be accessed via fixed-wing aircraft flights to the Cassiar airstrip which lies immediately to the west of the Taurus Property near the old Cassiar town site. The Company owns an accommodation facility on Highway 37 in Jade City, British Columbia located between Table Mountain and Taurus that can accommodate up to 70 people. An office and core logging facility are located to the southwest of the camp area.

Approximately 425,000 ounces of gold have historically been produced from the Cassiar district, mainly from underground mines on the Company's current land holdings on the Table Mountain Property. Gold mineralization is of the orogenic (mesothermal) gold type, and has many similarities in mineralization style and geological controls to the Cariboo Gold district in British Columbia, the Mother Lode belt of California, and to gold deposits of the Abitibi Greenstone belt in Ontario. Mineralization occurs in mafic volcanic-hosted, steeply dipping quartz-sulphide-carbonate vein systems which splay off shear zones that are developed in stacked thrust fault surfaces localized along carbonate altered ultramafic rocks and carbonaceous sedimentary rocks.

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.

In January 2012, the Company initiated a systematic compilation and evaluation of the data available for the Cassiar Gold Project. In spite of gaps in historic reporting, the Company amassed a coherent database comprising 2,418 drill hole collar locations (521 Taurus; 1,897 Table Mountain), 48,862 drill hole lithological intervals (15,486 Taurus; 33,376 Table Mountain) and 84,466 gold assay results (54,424 Taurus; 27,042 Table Mountain). Collectively, this database represents 259,814 m of drilling including 201,187 of surface and underground drilling at Table Mountain and 58,627 m of surface drilling at Taurus.

This database formed the basis for target evaluation and recommendation for the 2012 summer drilling program. Additionally, areas for historic core re-sampling and re-logging were identified.

Table Mountain Property

The Table Mountain Property is located south of Highway 37 with in the southern portions of the Cassiar Gold Project and contains the Main (formerly Erickson), Bain, Cusac and Vollaug mines which are past producing underground high-grade gold mines. A permitted 270 tonne per day gravity/flotation mill, power plant, assay lab and tailings impoundment facility are located on the property, and were put under care and maintenance by previous owners in October 2007. Thirteen adits/portals, approximately 25 km of underground workings, and more than 23 km of surface access roads occur on the property.

Table Mountain contains several areas hosting NI 43-101 compliant resources supported by a technical report (the "Table Mountain Report") titled, "Technical Report on the Table Mountain Property, Liard Mining District, British Columbia" prepared by Clifford A. Pearson, P. Geo and Finley J. Bakker, P. Geo, which was filed at www.sedar.com May 26, 2010. Resources occur principally in the Bain and Cusac mine areas, and include an indicated resource of 21,471 tonnes at an average grade of 18.02 g/t Au (approximately 12,440 troy ounces of gold) and 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) in the East Bain system. Additional resources occur in the Cusac mine, mainly in the Eileen vein system. A summary of resources on the Table Mountain property that are derived from the Table Mountain Report are summarized in the table below:

Category	Tonnes	Au uncut 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

A feasibility study has not been completed on the Table Mountain property and there is no certainty that economically viable mining is possible.

During the year ended February 28, 2013, ten exploration drill holes for 1,340 metres were completed at the Sky Vein prospect ("Sky Vein"). Sky Vein is hosted in a steeply-dipping fault / shear structure which splays from the shallowly dipping Table Mountain Thrust. The thrust structure separates overlying argillite sedimentary rocks from underlying basalt and locally the thrust contains strongly hydrothermally altered ultramafic rocks (listwanite). This is a similar geological setting to the veins exploited, for example, at the Main and Cusac mines. Sulphide-bearing quartz veins from 8.30 to 30.10 metres true width were encountered in five of the ten 2012 drill holes. Assay results were generally low from these quartz intersections, however, wallrock adjacent to this vein returned up to 1.91 g/t Au over 12.50 metres.

Taurus Property

The Taurus Property is located north of Highway 37 within the northern portions of the Cassiar Gold Project. The Property contains the Taurus Gold Deposit ("Taurus Deposit"), a large gold system which has been the focus of recent exploration on the project. The Taurus Deposit is located approximately eight kilometres from the company's milling facility, and is located along the main access road to the former town of Cassiar. It lies low in the valley in an area of subdued topography, allowing year round exploration and ease of access. The Taurus underground mine produced approximately 35,000 ounces of gold from eastern portions of the Taurus Deposit in the 1980s. The Taurus Deposit was explored by previous operators with the objective of evaluating the potential for both large tonnage open pit and high grade underground mines. Sable Resources Ltd. holds a 2.5% Net Smelter Return Royalty (NSR) on a group of ten claims (Mack 1 to 4, Hopeful 1 to 4, Hillside and Highgrade) on the Taurus Property which cover a portion of the Taurus Deposit.

The Taurus Deposit hosts an inferred resource of 1.06 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. This resource is supported by the NI 43-101 technical report titled "Updated Resource Report on the Taurus Deposit – Liard Mining District, B.C." prepared by Thomas C. Stubens and Morinus Andre de Ruijter of Wardrop

Engineering Inc. which was filed at www.sedar.com on March 11, 2009.

After a review of the Taurus database in early 2012, the Company developed a three dimensional model of the major planar fault and shear structures and identified several target areas. The Taurus deposit is open in many directions around the periphery of the deposit but also internal to the known deposit footprint. Additionally, several targets were identified to have potential for higher-grade mineralization.

Between June and August 2012, the Company completed 43 drill holes for 6,857 metres of drilling at Taurus utilizing a single, skid-mounted drill. These holes targeted open areas of the Taurus deposit and potential higher-grade zones. Concurrent with the drilling, geological crews re-logged 69 historic drill holes within and proximal to drill targets to better refine structural models.

Drill results announced in the Company's news releases dated September 18, October 2 and October 24, 2012 from Taurus include several holes designed to test open areas of the Taurus Deposit which intersected ankerite altered basalt with veins, associated sulphide mineralization and gold mineralization. Some of the highlighted results include:

- Holes TA12-16 and TA-19 intersected, respectively, 8.80 m at 5.05 g/t Au and 19.00 m at 2.13 g/t Au outside previous eastern boundary of Taurus deposit
- A high grade vein grading 8.77 g/t Au over 1.80 m in hole TA12-24 demonstrates that gold mineralization at the Sable Zone extends to the south-east
- Wide gold intersections of 23.00 m grading 3.83 g/t Au and 10.45 m grading 4.42 g/t Au in holes TA12-38 and TA12-40, respectively, show new opportunity in the 88 Hill / Highway Gap

OUTLOOK

After the completion of the 2012 drilling program, the Company has continued with data assessment work by compiling geological information from the 53 drill holes conducted at the Taurus and Table Mountain properties, as well as by reviewing geological models and concepts developed from the drill core re-logging program. Through on-going compilation and interpretation of historic geochemical, geophysical and drilling data and through re-logging of drill core, high priority drill targets will be defined for future exploration activities. In addition, new prospective areas will be identified to expand the exploration boundaries beyond existing Table and Taurus properties.

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The following table highlights the Company's unaudited quarterly results for the last eight quarters. The financial information below has been prepared in accordance with IFRS as of December 1, 2010, the transition date.

	2013	2012				2011		
	Feb 28	Nov 30	Aug 31	May 31	Feb 29	Nov 30	Aug 31	May 31
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net loss	(373,815)	(334,357)	(308,549)	(478,061)	(758,741)	(11,435,423)	(804,808)	(498,086)
Net loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.06)	(0.00)	(0.00)

The Company's expenditures have been decreasing since 2011. In the second quarter of 2011, the Company completed an equity financing with SkyOcean Venture Investment Limited ("SkyOcean") for gross proceeds of $7.5 million. Following the completion of the financing with SkyOcean, a new Chief Executive Officer was appointed and an administrative office was set up in Beijing, China. The increased costs in the last two quarters of 2011 reflected the incremental expenses in connection with the Beijing administration. In the last quarter of 2011, the Company wrote down its Cassiar exploration and evaluation assets by $10.6 million to its estimated recoverable amount. In the first qurter of 2012, the higher loss was a result of a severance payment to an officer.

REVIEW OF FINANCIAL RESULTS

(Rounded to the nearest thousand ('000))

Net Loss

For the three months ended February 28, 2013, the Company incurred a net loss of $374,000 as compared to $759,000 in the same period of 2012. The reduced net loss in 2013 was attributable to the overall cost-cuts in all administrative expenses.

Expenses

Administrative expenses for the first quarter of 2013 were $443,000 as compared to $827,000 for the same quarter in 2012. Excluding non-cash expenses for accretion and amortization (2013 - $5,000; 2012 - $5,000), loss from disposal of equipment (2013 - $62,000; 2012 - $13,000) and share-based payments (2013 – $5,000; 2012 - $71,000) the administrative (cash) expenses for fiscal years 2013 and 2012 were $371,000 and $738,000 respectively.

The overall decrease in the administrative (cash) expenses for the first quarter of 2013 was a result of cost controls in all areas of the overhead especially in staffing: salaries were reduced from $392,000 in the first quarter of 2012 to $126,000 in the same period of 2013; director and executive fees decreased from $109,000 in the first three month period of 2012 to $62,000 in the same period of 2013.

Share-based payments were $5,000 and $70,000 for the respective quarters of 2013 and 2012. The decreased expense is due to the decreasing amortization from vested share purchase options granted in July 2011 and June 2012.

Other Income (Expenses)

For the first quarters of 2013 and 2012, other income and expenses consisted interest income (2013 - $4,500; 2012 – 17,000) , other income (2013 - $66,000; 2012 - $55,000) and foreign exchange loss (2013 - $1,300; 2012 - $3,800). Other income was related to the rental income from the subleasing of its Vancouver offices.

Exploration and Evaluation Assets Expenditures

The Company capitalizes expenditures incurred in connection with the acquisition and exploration of its mineral property interests. At February 28, 2013, the carrying value of the Cassiar mineral assets was $18,626,000 (February 28, 2013 - $18,481,000). During the three months ended February 28, 2013, $108,000 was incurred on assessment reports, consulting ans wages (February 29, 2012 - $85,000). Details of the exploration and evaluation expenditures are disclosed in Note 5 to the unaudited condensed consolidated interim financial statements as at February 28, 2013.

LIQUIDITY AND CAPITAL RESOURCES

At February 28, 2013, the Company's cash and cash equivalents were $1,739,000 compared with $2,144,000 at November 30, 2012, and its working capital at February 28, 2013, was $1,815,000 as compared to $2,217,000 at November 30, 2012. The Company has no long-term debt obligations or off-balance sheet arrangements.

The Company has projected and budgeted $1.4 million for its administrative expenses in fiscal year 2013. As at February 28, 2013, the Company has sufficient working capital to operate as a going concern to meet its general obligations for the fiscal year 2013. For the activities of its exploration and evaluation assets, the Company has been assessing the results of its 2012 drilling program to determine an exploration plan for 2013 and concurrently sourcing joint venture partners to continue exploration activities for its mineral properties.

Under operating activities, the Company used $314,000 of its cash for the three months ended February 28, 2013 compared with $720,000 for the same period in 2012.

In the investing activities, the Company expended $108,000 in 2013 on the exploration and evaluation assets as compared with $85,000 in 2012. The 2013 expenditures were primiarily camp wages, assessment work, government report preparation and filing.

To keep the Company's minerals claims in good standing and to continue having the rights to explore in the Cassiar properties, the Company has obligations to make cash payments to the government.

In addition to the mineral claim obligations, the Company has annual office lease commitments for its offices in Vancouver, Canada and Beijing, China (see Commitments below).

The Company's exploration and evaluation assets are at the exploration stage and will not generate cash flow in near term; accordingly, the Company will depend on equity/debt financings to continue its exploration activities and general administrative requirements. There is no assurance that the Company could raise such financings and on reasonable economic terms.

COMMITMENTS

The Company has entered into operating lease agreements for its offices in Vancouver and Beijing. The remaining lease terms are between eight and sixteen months. The annual commitments to these office rentals as of February 28, 2013 are: $340,885 for 2013 and $217,341 for 2014.

The office lease commitments include the Company's 50% share of lease obligation of its former Vancouver office which has been subleased to June 2014, an office lease expiring August, 2014 and a one-year lease for its Chinese subsidiary ending December 31, 2013.

CHANGES TO CORPORATE MANAGEMENT

In March 2013, Mr. Liang Shi resigned as a Director and a member of the Audit Committee.

OUTSTANDING SHARE DATA

As at April 10, 2013, the date of this MD&A, the Company's issued and outstanding common shares were 189,873,268; its share purchase options granted to directors, employees and consultants were 6,324,134 with a weighted average exercise price at $0.19. For additional details on share capital, see Note 6 of the unaudited condensed consolidated interim financial statements for the three months ended February 28, 2013.

RELATED PARTY TRANSACTIONS

For the three months ended February 28, 2013, the Company was charged $33,405 (February 29, 2012 - $56,003) regarding office rental from Beijing Mansion No.1 Real Estate Ltd., a related party by way of a director and shareholder in common. The related party expenses were recorded at the exchange amounts as determined and agreed to by the parties. Balances with the related party are non-interest bearing, unsecured and payable on demand. As at February 28, 2013, no outstanding amount (February 29, 2012 - $203,526) was included in current liabilities payable to the related party.

Key management compensation

The Company's directors and officers are considered key management personnel and their compensation comprises the following:

		Three months ended		
		February 28, 2013		February 29, 2012
Remuneration and short-term benefits	$	93,263	$	381,667
Share-based payments		3,418		51,659
Total compensation	$	96,681	$	433,326

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments comprise cash and cash equivalents, short-term investments, other receivables, accounts payable and accrued liabilities and due to related parties. The fair values of the financial instruments referred above approximate their carrying value due to their short term maturity.

The Company is exposed to a variety of financial instrument related risks as follows:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations and commitments as they come due. As of February 28, 2013, the Company has accumulated a deficit of $40 million and no sources of revenue.

The Company manages its liquidity risk with an annual budget to identify the timeline and amounts of its financial requirements. By monitoring the monthly actual expenditures against the budget, the Company ensures it has the control and flexibility to meet its operating obligations. Based on the 2013 operational budget authorized by the Board of Directors, the Company has sufficient cash reserves to meet its general operational obligations for the next twelve months. The Company continues to source funding for its exploration activities via equity/debt financings and/or joint venture partners. See Note 1 to the unaudited condensed consolidated interim financial statements for the three months ended February 28, 2013.

As at February 28, 2013, the Company had cash resources of $1,739,000 to settle current liabilities of $103,000. Management believes the Company has sufficient liquidity to meet its commitments and general operational needs for the next twelve months.

Credit risk

Credit risk arises from cash and cash equivalents and short-term investments held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash and cash equivalents, including guaranteed investment certificates, are held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its consolidated financial statements.

Foreign currency risk

The Company is exposed to foreign currency risk arising from fluctuations in foreign exchange rates among the Canadian dollar, U.S. dollar and Chinese renminbi. The Company raises its equity and incurs expenditures in Canadian dollars but provides funding to its Chinese subsidiary in U.S. dollar which is converted to Chinese renminbi for the subsidiary's expenditures.

The Company estimated that a 1% increase or decrease in the US dollar and Chinese renminbi in relation to the Canadian dollar would have an effect of approximately $2,919 increase or decrease to the Company's 2013 financial results based on the foreign currency financial instruments held at February 28, 2013.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company earns its majority of interest income from short-term investments invested in guarantee investment certificates. Fluctuations in interest rates will have a corresponding effect on the Company's interest income.

Price risk

The Company is exposed to price risk with respect to equity price. Equity price risk is the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the stock market. The Company does not hold any financial instruments that have direct exposure to other price risks and volatilities as at February 28, 2013 and 2012.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of the Company's financial position and operating results. The Company considers the following policies to be critical in understanding the estimates and judgments that are used in the preparation of these financial statements. Due to the uncertainties and continual changes in the business environment, actual results could differ from the management's estimates which could impact significantly the Company's financial position, operational results and cash flows.

Exploration and evaluation ("E&E") assets and Impairment assessment

Costs related to acquisition, exploration and development are capitalized to the E&E assets until economical recoverable mineral reserves are determined. The capitalized costs are then reclassified as mining assets and amortized on a unit-of-production basis.

The process of determining if an impairment indicator exists involves significant judgment and estimation on the recoverability of exploration and evaluation assets as it relies on both an interpretation of technical geological data as well as economic considerations including current and estimated future commodity prices, global market volatility and exploration activities. As new data or information comes up, the recoverable amounts of the assets and the impairment loss may be different from these judgments and estimates.

When impairment indicators are identified, an impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

CHANGES TO ACCOUNTING STANDARDS

The International Accounting Standards Board ("IASB") issues new accounting standards, amendments and interpretation from time to time that may impact the Company's future financial statements. The standards and interpretations that are not yet effective up to the date of authorization of these unaduidted condensed consolidated interim financial statements are disclosed below. The Company does not expect they have a material impact on the Company's financial statements.

IFRS 9 - Financial Instruments

The standard is effective for annual periods beginning on or after January 1, 2015. It introduces new requirements for the classification and measurement of financial instruments. A financial asset will be classified on the basis of the Company's business model for managing the financial asset and the related contractual cash flow characteristics. This asset will be initially measured at fair value and subsequently measured at amortized cost or fair value. Gains and losses on investments in the instruments that are not held for trading may be presented in other comprehensive income if so elected at initial recognition.

Under the new standard, entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to profit or loss, but accumulated gains or losses may be transferred within equity. However, if presenting the change in fair value attributable to the credit risk of the liability in OCI would create an accounting mismatch in profit or loss, all fair value movements are recognised in profit or loss.

Accounting standards effective for annual periods beginning on or after January 1, 2013

IFRS 10 - Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 replacing IAS 27 *Consolidated and Separate Financial Statements* and *SIC-12 Consolidation – Special Purpose Entities.*

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control, such that the same consolidation criteria will apply to all entities. It lays out three elements of control: 1) power over the investee; 2) rights to variable returns from involvement with the investee; and 3) the ability to use power over the investee to affect the amount of investors' return. IFRS 10 also provides guidance on participating and protective rights, and brings the notion of "de facto" control within the standard.

IFRS 11 - Joint Arrangements

In May 2011, the IASB issued IFRS 11 which replaces IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities.*

IFRS 11 defines a joint arrangement as an arrangement where two or more parties contractually agree to share control. Joint control exists only when the decisions about activities that significantly affect the returns of an arrangement requiring the unanimous consent of the parties sharing control. The focus is no longer on the legal structure of the joint arrangement but rather on how the rights and obligations are shared by the joint arrangement parties. IFRS 11 categorizes joint arrangements as joint operations or joint ventures.

The standard eliminates the existing policy choice of proportionate consolidation for jointly controlled entities and requires such entities to be accounted for using the equity method.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 outlines the disclosure requirements for entities reporting under IFRS 10 and IFRS 11. The standard establishes disclosure requirements for entities that have interests in other entities such as associates, joint arrangements and unconsolidated structured entities. The disclosures are to address the nature, risks and financial effects associated with the entity's interests in other entities. Specific disclosures include significant judgments made in determining control and entity's involvement with the investees.

IFRS 13 - Fair Value Measurement

IFRS 13 sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurement. Its objective is to bring consistency and comparability in fair value measurements and related disclosures through a fair value hierarchy.

RISKS AND UNCERTAINTIES

Due to nature of the Company's business in mineral exploration and development, it is subject to various risks and uncertainties associated with the mining and extraction industry. If any of the following risks occur, the Company's going concern, operating results and financial position could be adversely impacted.

Exploration Risk

Mineral exploration activities are inherently risky. Few properties that are explored are eventually developed into producing mines. Exploration activities on the Company's Cassiar mineral properties have not yet resulted in discoveries of commercial mineralization to take the Company to the producing stage. If there are no further discoveries of mineral reserves, the Company may be forced to look for other exploration projects and abandon the existing properties.

Titles to Mineral Properties

While the Company exercises due diligence with respect to determining titles to its mineral properties it has interests in and claims in good standing, there is no guarantee that titles to such properties will not be challenged or expropriated. The Company's properties may be subject to prior unregistered agreements or transfers, indigenous or government land claims. Any of which could result in the total loss of the Company's mineral property interests.

Mineral Resources

The mineral resource figures disclosed in the MD&A are estimates only and the Company cannot be certain that specific quantities of gold or other minerals will be realized. These estimates are subject to the assumptions and judgments used in the geological interpretations. Any material changes in the mineralization, grade, metal prices and market conditions could have a serious adverse effect on the economic viabilities of the Company. Until the estimated deposits are mined and processed, the mineral resources and its grades remain estimates only.

Commodity Prices

The Company's future viability depends largely on the movement of the price of gold as the Company's mineral resources are primarily of gold. Gold prices have historically been volatile reacting to conditions beyond the Company's control, including international politics, economic crisis, global production, consumption pattern and speculative activities. These uncertainties and volatility could affect negatively the Company's ability to raise capital and its continual operation.

Global Economy and Financial Markets

The Company relies on the capital markets to raise equity financings for its exploration activities, operating expenses and business development. The past year's European market debt crisis has led to serious damages to the global financial system and tightened credit facilities. This has increased difficulties for the Company to access to the financial markets and the resulting higher capital costs.

Share Price Volatility

The financial crisis in Europe and the slowdown of growth in China have resulted in reduced demand of base and precious metals and a general drop in the share prices of many companies in the mining industry. As a junior mineral explorer, the Company's share price has been unavoidably affected by such volatile market conditions, which may not be necessarily related to the financial condition and the Company's underlying assets. For the Company's ongoing operations and exploration activities, it relies on the issuance of common shares. The Company's depressed share price will cast a doubt on its ability to raise future equity financing.

Government and Environmental Regulations

The Company's operations are subject to various regulations governing prospecting, permitting, mine safety, labour standards, explosive storage, reclamation, spills, tailings disposal and any other environmental issues. There is no guarantee that new rules and compliances will not be enacted or existing regulations will not be changed and applied in such a way that they may adversely impact the Company's operations. Environmental legislation has becoming more stringent and penalties are enforced for non-compliance. Compliance with existing and evolving regulations means increasing costs to the Company.

Competition

The Company is in competition with all of its mining counterparts which may have greater financial resources and expertise. It competes with them in the acquisition of quality mineral properties, recruitment of qualified technical and geological employees in addition to the attraction of investors and joint venture partners. All these competitions create uncertainties to the Company's ongoing operations.

Foreign Operation

The Company's mineral properties are in Canada with the executive administration in China. This operation in the foreign country may expose the Company to local political and economic risks such as risks of nationalization or expropriation, changes in taxation rules, controls in capital flow in and out of the country, restrictions on currency exchange. Any changes in the local government's policies and politics could result in the executive management's business decisions on the Company's operating activities.

Uninsured Hazards

The Company may be subject to liabilities on hazards such as unusual geological conditions during exploration and drilling which cannot be insured against or against which the Company may elect not to insure because of the high premium or for other reasons. Such liability may result in the loss of the Company assets and its insolvency.

Key Personnel

The Company's success is substantially dependent on the performance and intangible qualities of its key officers and the Board of Directors – their experience, judgment, discretion and integrity. The termiantion of any of their services could have a material adverse effect on the Company's continual operations.