China Minerals
MINING CORPORATION

(An Exploration Stage Entity)

CONSOLIDATED FINANCIAL STATEMENTS

For the Years ended

November 30, 2013 and 2012

January 14, 2014

Independent Auditor's Report

To the Shareholders of China Minerals Mining Corporation

We have audited the accompanying consolidated financial statements of China Minerals Mining Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at November 30, 2013 and 2012 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years ended November 30, 2013 and 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of China Minerals Mining Corporation and its subsidiaries as at November 30, 2013 and 2012 and their financial performance and their cash flows for the years ended November 30, 2013 and 2012 in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

China Minerals Mining Corporation
(An Exploration Stage Entity)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	November 30, 2013	November 30, 2012
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	$ 673,413	$ 2,143,684
Short-term investments (Note 4)	833,853	26,500
Other receivables	1,506	11,594
Prepaid expenses	39,885	164,086
Supplies inventory	10,000	36,479
	1,558,657	2,382,343
Property, plant and equipment (Note 5)	1,068,513	1,426,417
Reclamation bonds (Note 6)	349,444	349,444
Exploration and evaluation assets (Note 6)	18,764,216	18,480,553
	$ 21,740,830	$ 22,638,757
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 137,064	$ 165,053
Asset retirement obligation (Note 6)	1,313,150	898,546
	1,450,214	1,063,599
EQUITY		
Share capital (Note 7)	51,550,715	51,550,715
Share-based payment reserve	9,764,870	9,754,913
Foreign currency translation reserve	(1,929)	(26,516)
Deficit	(41,023,040)	(39,703,954)
	20,290,616	21,575,158
	$ 21,740,830	$ 22,638,757

Nature of operations and liquidity risk (Note 1)
Commitments (Note 9)

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

(An Exploration Stage Entity)

Consolidated Statements of Operations and Comprehensive Loss

For the Years Ended November 30

(Expressed in Canadian dollars)

	2013	2012
Expenses		
Accretion of asset retirement obligation	$ 35,675	$ 20,900
Amortization	3,625	6,736
Bank charges and financing interests	2,125	2,370
Director and executive fees	228,000	343,884
Filing fees and transfer agent	22,159	30,672
Investor relations	41,755	110,341
Loss from disposal of equipment	163,768	15,321
Professional and consulting fees	77,551	149,577
Project investigation	22,226	29,506
Rent and office expenses	553,979	733,803
Salaries and benefits	442,307	707,398
Shareholder information	3,981	12,424
Share-based payments (Note 7)	9,565	12,639
Travel	8,503	22,036
Loss before the undernoted	(1,615,219)	(2,197,607)
Other income (expenses)		
Interest income	20,197	82,027
Other income	284,533	239,239
Foreign exchange loss	(8,597)	(3,367)
Net loss for the year	(1,319,086)	(1,879,708)
Item that may be reclassified subsequently to profit or loss		
Cumulative translation adjustments	24,587	(26,516)
Loss and comprehensive loss for the year	(1,294,499)	(1,906,224)
Basic and diluted loss per common share	(0.01)	(0.01)
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

(An Exploration Stage Entity)

Consolidated Statements of Cash Flows

For the Years Ended November 30

(Expressed in Canadian dollars)

	2013	2012
Cash provided by (used in):		
Operating activities		
Loss for the year	$ (1,319,086)	$ (1,879,708)
Items not affecting cash:		
Accretion of asset retirement obligation	35,675	20,900
Amortization	3,625	6,736
Loss from disposal of equipment	163,768	15,321
Share-based payments	9,565	12,639
	(1,106,453)	(1,824,112)
Changes in non-cash working capital		
Other receivables and prepaid expenses	134,289	(48,146)
Supplies inventory	26,479	14,803
Accounts payable and accrued liabilities	2,856	17,173
Due to related parties	-	(174,601)
	(942,829)	(2,014,883)
Investing activities		
Proceeds from sale of equipment	40,640	(3,262)
Proceeds from government exploration tax credits (Note 6)	564,840	-
Exploration and evaluation expenditures	(350,156)	(2,539,040)
Short-term investments	(807,353)	-
	(552,029)	(2,542,302)
Financing activity		
Repayment of mortgage	-	(87,288)
Effect of exchange rate changes on cash and cash equivalents	24,587	(26,516)
Decrease in cash and cash equivalents	(1,470,271)	(4,670,989)
Cash and cash equivalents, beginning of year	2,143,684	6,814,673
Cash and cash equivalents, end of year	$ 673,413	$ 2,143,684

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

CHINA MINERALS MINING CORPORATION
(An Exploration Stage Entity)
Consolidated Statements of Changes in Equity
For the Years Ended November 30, 2013 and 2012
(Expressed 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	-	-	9,565	-	-	9,565
Share-based payments capitalized	-	-	392	-	-	392
Net loss for the year	-	-	-	-	(1,319,086)	(1,319,086)
Cumulative translation adjustment	-	-	-	24,587	-	24,587
Balance, November 30, 2013	189,873,268	$ 51,550,715	$ 9,764,870	$ (1,929)	$ (41,023,040)	$ 20,290,616

Balance, December 1, 2011	189,873,268	$ 51,550,715	$ 9,735,799	$ -	$ (37,824,246)	$ 23,462,268
Share-based payments expensed	-	-	12,639	-	-	12,639
Share-based payments capitalized	-	-	6,475	-	-	6,475
Net loss for the year					(1,879,708)	(1,879,708)
Cumulative translation adjustment	-	-	-	(26,516)	-	(26,516)
Balance, November 30, 2012	189,873,268	$ 51,550,715	$ 9,754,913	$ (26,516)	$ (39,703,954)	$ 21,575,158

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

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 490 – 1111 Melville Street, Vancouver, British Columbia, Canada. China Minerals is listed on the TSX Venture Exchange under the trading symbol "CMV". The Company and its subsidiaries (collectively referred to as the "Group") 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 November 30, 2013, the Company had an accumulated deficit of $41,023,040 (2012 - $39,703,954) and no sources of revenue. As a result, the Company is exposed to liquidity risk, a risk that the Company might not have sufficient funds to fulfill its obligations as they come due or be forced to liquidate its assets to meet the commitments.

The Company has budgeted $0.9 million for its 2014 operational requirements. As at November 30, 2013, the Company has cash and cash equivalents of $0.7 million and short-term investments of $0.8 million to meet its operating costs for the coming twelve months. However, for the continuation of the Company's exploration activities, additional funding will be required through equity/debt financings or in finding strategic joint venture partners.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on January 14, 2014.

(b) Basis of consolidation

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

(c) Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars. The functional currency of the Company's Canadian subsidiary is Canadian dollars whereas the Chinese subsidiary is Renminbi ("RMB"). The financial statements of the Chinese subsidiary ("foreign operation") are translated into the Canadian dollar presentation currency as follows:

- Assets and liabilities – at the closing rate at the date of the statement of financial position
- Income and expenses – at the average rate of the period (as this is considered a reasonable approximation to actual rates)

All resulting changes are recognized in other comprehensive income (loss) as translation adjustments.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash held in the Company's bank accounts at major financial institutions and highly liquid guaranteed investment certificates that are readily available to the Company on demand or with maturity dates of three months or less from the date of purchase.

(e) Short-term investments

Short-term investments are investments in guaranteed investment certificates with maturity over three months.

(f) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated amortization and any impairment charges. The cost of an item of property, plant and equipment includes the purchase price and related costs in bringing the item to the location and preparing the condition necessary for its intended use, as well the estimated costs of dismantling, removing the item and restoring the site on which the item is installed.

Amortization expenses of assets used in exploration are capitalized to exploration and evaluation assets. Amortization is recorded over the expected useful lives of the assets on the declining balance basis at the following annual rates:

Buildings and bridges	10%
Site equipment	20%
Vehicles	30%
Computer equipment	30%
Office furniture	20%

(g) Exploration and evaluation assets ("E&E" assets)

The Company capitalizes costs related to the acquisition and exploration of E&E assets. These costs include drilling, assaying, geological, geophysical, technical studies and any other exploratory activities. When a feasibility study confirms economically recoverable mineral reserves, the capitalized costs of the related E&E asset are reclassified as mine development assets and amortized under the unit-of-production method. When an unproven mineral interest is abandoned, all related expenditures are written off to operations for the period.

(h) Impairment of non-current assets

The recoverability of exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to option its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

The Company's non-current assets are reviewed for indications of impairment at each reporting period. The Company performs impairment tests on property, plant and equipment and exploration and evaluation assets when events or circumstances occur which indicate the carrying amounts of the assets may not be recoverable.

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.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

(i) Asset retirement obligation ("ARO")

Restoration provision is made for future obligations to retire exploration and evaluation assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date.

Upon initial recognition of the ARO liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The ARO liability increases in following periods as the accretion expenses are accounted for. The ARO is adjusted annually for changes to factors such as expected amount of cash flows required to discharge the liability, the timing of such cash flows and the current market discount rate.

(j) Share-based payments

The Company uses the fair value method of accounting for share-based payments on stock option grants. Under this method, the cost of stock options is recorded based on the estimated fair value at the grant date, including an estimate of the forfeiture rate, and charged either to operations or capitalized to exploration and evaluation asset costs over the vesting period. The fair value is calculated using the Black-Scholes option pricing model.

Share-based payment transactions for employees and others providing similar services is determined based on the grant date fair value. Share-based payment for non-employees is determined based on the fair value of the goods or services received or option granted measured at the date on which the Company obtains such goods or services.

Each tranche in an option award is considered a separate award with its own vesting period. Share-based payment expense is recognized over each tranche's vesting period, in earnings or capitalized as appropriate, based on the number of awards expected to vest. Where awards are forfeited, the expense previously recognized is proportionately reversed in the period the forfeiture occurs. If stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

(k) Earnings (loss) per share

The Company uses the treasury stock method to calculate earnings (loss) per share by taking the profit or loss for the period divided by the weighted average number of common shares outstanding during the period. Using the treasury stock method, the dilutive effect on earnings (loss) per share is calculated presuming the exercise of outstanding stock options.

For the years ended November 30, 2013 and 2012, basic and diluted losses per share are the same as the effect of potential issuances of shares under outstanding stock options are proved to be anti-dilutive.

(l) Income taxes

Income taxes comprise current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year using enacted tax rates at the reporting date. Deferred tax is calculated using the liability method on temporary differences between the carrying values of assets and liabilities and their respective income tax bases.

Deferred tax assets and liabilities are measured at the enacted tax rates that are expected to apply when the assets are recovered and the liabilities settled. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences to the extent that future taxable income will be available against which they can be used.

(m) Management judgments and estimates

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

The area that management judgments and estimates having a significant effect on the financial statements are:

Impairment of exploration and evaluation assets

The process of determining if impairment indicators exist on the exploration and evaluation assets ("the assets") involves significant judgment and estimation on their cost recoverability. The judgment and estimation rely on both external and internal factors. Externally, factors include future commodity prices, global economy, investor sentiments and regulatory compliances. Internally, technical data interpretation of the mineral resources estimates and the Company's exploration plans for the assets. As new data comes up and the economy and market continually change, the recoverable amounts of the assets and the impairment loss might be different from these judgments and estimates. Management has determined that no impairment indicators existed as at November 30, 2013.

(n) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and its related risks and rewards are transferred. Financial liabilities are derecognized when they expire, are discharged or cancelled.

Financial instruments are classified into five categories:
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale
- Financial assets at fair value through profit and loss ("FVTPL")
- Financial liabilities at amortized cost

All financial instruments except the FVTPL and derivatives are measured initially at fair value plus transaction costs. Financial assets at FVTPL and derivatives are recognized initially at fair value while the transaction costs are expensed in the consolidated statement of income. The classification determines how the asset is subsequently measured and whether the resulting gains or losses are recognized in profit or loss or in other comprehensive income.

After initial recognition, loans and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method. Any changes to the carrying amounts of the held-to-maturity investments including impairment charges are recognized in profit and loss.

Available-for-sale financial assets are measured at fair value with gains and losses recognized in other comprehensive income.

Financial assets at FVTPL include financial assets that are classified either as held-for-trading or those are designated at FVTPL upon initial recognition. Gains or losses in these financial assets are recorded in profit and loss.

Financial liabilities are measured subsequently at amortized cost except for those held-for-trading which are carried subsequently at fair value with gains or losses recorded in profit and loss.

(o) Changes in accounting policies

i) Standards, interpretations and amendments effective for annual periods beginning on or after January 1, 2013

IAS 1 – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendment requires that items of other comprehensive income must be grouped together into two sections:
- Those that will or may be reclassified into profit or loss
- Those that will not

The Company has adopted the amendment in the presentation of its statement of operations and comprehensive loss.

IFRS 10 - Consolidated Financial Statements

IFRS replaces the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements* and *SIC-12 Consolidation – Special Purpose 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. Power is the current ability to direct the activities that significantly influence returns. IFRS 10 also provides guidance on participating and protective rights, and brings the notion of "de facto" control within the standard.

IFRS 10 is not expected to have any impact on the Group's financial position.

IFRS 11 - Joint Arrangements

IFRS 11 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. All parties to a joint arrangement must recognize their rights and obligations from the arrangement. 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.

As the Group does not have joint arrangements, IFRS 11 does not have any impact on its financial position.

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 and assumptions made in determining control and entity's involvement with the investees.

IFRS 12 does not have any impact on the Group's financial position except in the requirement of a number of new disclosures.

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 which categorizes the inputs used in the valuation into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities; and the lowest priority to unobservable inputs.

ii) Standards, interpretations and amendments effective for annual periods beginning on or after January 1, 2014

IAS 36 – Impairment of Assets

In May 2013, the IASB issued limited scope amendments to IAS 36 applicable on a retrospective basis.

The effect of these amendments is as follows:

- Require disclosure of the recoverable amount of an asset or cash generating unit ("CGU") when an impairment loss has been recognized or reversed
- Require detailed disclosure of how the fair value less cost to dispose has been measured when an impairment loss has been recognized or reversed, including the level of the fair value hierarchy for which the fair value measurement is categorized

The Company does not expect any significant impact on its financial statements from the adoption of these amendments.

iii) Standard effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted

IFRS 9 - Financial Instruments

The standard replaces *IAS 39 Financial Instruments: Recognition and Measurement*. In July 2013, the IASB deferred a mandatory effective date for IFRS 9 pending the finalization of requirements on impairment, classification and measurement.
Under the standard, 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.

With 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.

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:

			November 30, 2013		November 30, 2012
Cash at bank and in hand -	Canadian dollars	$	83,177	$	126,476
Cash at bank and in hand -	U.S. dollars		121,113		380,111
Cash at bank and in hand -	Chinese reminbi		14,073		8,872
Short-term deposits - Canadian dollars			455,050		1,628,225
Cash and cash equivalents		$	673,413	$	2,143,684

4. SHORT-TERM INVESTMENTS

As at November 30, 2013, short-term investments consist of cashable guaranteed investment certificates with six months to one year to maturity. The yields on the investments were between 1.2% and 1.5%.

As at November 30, 2012, short-term investments consisted of cashable guaranteed investment certificates with one year to maturity. The yield on the investment was 1.2%.

5. 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
Disposals	-	(65,638)	(413,035)	(78,648)	-	(20,000)	(577,321)
As at November 30, 2013	$ 20,000	$ 1,224,411	$ 82,531	$ 21,000	$ 69,988	$ 26,064	$ 1,443,994
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	-	108,397	34,246	7,227	2,479	1,146	153,495
Disposals	-	(25,275)	(282,589)	(51,448)	-	(13,600)	(372,912)
As at November 30, 2013	$ -	$ 248,831	$ 31,143	$ 8,635	$ 64,205	$ 22,667	$ 375,481
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 November 30, 2013	20,000	975,580	51,388	12,365	5,783	3,397	1,068,513

For the year ended November 30, 2013, amortization of $149,870 (2012 - $202,343) was capitalized to exploration and evaluation assets and $3,625 (2012 - $6,736) expensed to operations.

6. 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 a drilling program on the area named the Sky Vein prospect for possible gold-bearing veins. In 2013, a short surface exploration program was conducted on the southwest part of the property. The goal of the exploration work was to further explore gold and other types mineralization potentials.

Taurus Property

The Taurus property contains the Taurus gold deposit, a large gold system, located about 8 kilometres from the Table Mountain milling facility. In 2012, a drilling program was conducted on the property. The program focused on tests 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 exploration expenditures for the years ended November 30, 2013 and 2012 were as follows:

	2013	2012
Balance, beginning of the year	$ 18,480,553	$ 15,704,295
Acquisition and maintenance of mineral claims	116	2,162
Exploration costs		
Amortization	149,870	202,343
Asset retirement obligation	378,930	51,147
Camp and expediting	55,967	249,810
Drilling	-	1,061,110
Equipment rental and maintenance	11,929	102,440
Environmental and permits	1,581	4,203
Assaying	11,206	276,038
Geological and geophysics	11,655	448,278
Consulting and professional	116,312	54,629
Share-based payments	392	6,475
Travel, helicopter and vehicle expenses	30,381	79,974
Property tax, insurance and others	24,946	29,095
Wages and benefits	55,218	208,554
Costs incurred during the year	848,503	2,776,258
Less: Mineral exploration tax credits	(564,840)	-
Balance, end of the year	$ 18,764,216	$ 18,480,553

Certain Canadian provincial government authorities provide incentives to encourage mineral property exploration and development in their jurisdictions. Such incentives include reimbursements of qualifying expenditures to a Company's exploration activities. The expenditures claimed for rebate is subject to review, audit and approval by the government authorities. When the Company is advised that such rebate has been approved and will be made to the Company, the reimbursement will be recorded as a recovery of the exploration and evaluation costs.

For the year ended November 30, 2013, the Company received British Columbia mining exploration tax credits ("BCMETC") from Canada Revenue Agency in the amounts of $475,626 and $89,214 for reimbursements of its 2012 and 2011 qualifying exploration expenditures on the Cassiar project respectively. Both exploration tax credits were recorded as a reduction to the exploration and evaluation assets.

Asset Retirement Obligation ("ARO")

The Company has future obligations 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 net present value of the ARO is initially recognized as a long-term liability and is added to the exploration and evaluation assets; and it 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:

		2013		2012	
Asset retirement obligation - beginning balance	$	898,546	$	826,499	
Change in estimates		378,930		51,147	(1)
Accretion expense		35,674		20,900	
Asset retirement obligation - ending balance	$	1,313,150	$	898,546	

(1) The Company revised its retirement obligation cost estimates after reassessing the expected timing of the abandonment of its properties including new inflationary data.

The total discounted cash flow estimated to settle the obligations as at November 30, 2013 was $1,313,150 which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 3.15%. Certain minimum amounts of ARO will occur each year with the significant amounts expected to be incurred in 2016.

At November 30, 2013, the Company has $349,444 (2012 - $349,444) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. The reclamation bonds are interest-bearing at prime rate less 1.8%. $85,000 of the reclamation bonds will be maturing on February 13, 2014 and $264,444 on August 15, 2014. The reclamation bonds are automatically renewed upon maturity.

7. SHARE CAPITAL

Common Shares

Authorized - unlimited number of common shares without par value

Issued and outstanding – see Consolidated Statements of Changes in Equity

Stock Option Plan

The Company has 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 November 30, 2013, the maximum number of shares that could be reserved for issuance was 13,827,727. The exercise price of the options cannot be lower than the market's closing price of the Company's common shares the day before the grant date. The term of option grants is from five to ten years. Options granted to investor relations consultants generally have one to two-year terms and are vested over a twelve-month period with 25% vested every three months from the date of grant. Options granted to directors, officers, employees and consultants have a five-year term and a vesting period of eighteen months with one-third vested every six months from the date of grant.

Share-based Payments

For the year ended November 30, 2013, the Company did not grant any stock options whereas in the fiscal year 2012, the Company granted 1,810,000 stock options to directors, officers, employees and consultants at an exercise price of $0.10. The options have a five year term and vested one-third every six months from the date of the grant.

The fair value of stock options granted during the year ended November 30, 2012 was calculated using the Black-Scholes option pricing model with the following assumptions:

Weighted average:	2013	2012
Expected option life in year	-	5
Expected stock price volatility	-	121%
Expected dividend yield	-	- %
Risk free interest rate	-	1.25%
Fair value of option	-	$ 0.03
Forfeiture rate	-	8.95%

The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The risk free interest rate is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life.

The Black-Scholes option pricing model requires the input of highly subjective assumptions including the expected stock price volatility and forfeiture rate. Changes in the assumptions can significantly affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

During the years ended November 30, 2013 and 2012, the Company recognized share-based payments in the financial statements as follows:

	2013	2012
Share-based payments capitalized to exploration and evaluation assets	$ 392	$ 6,475
Share-based payments expensed	9,565	12,639
	$ 9,957	$ 19,114

Outstanding Stock Options

The continuity of the Company's stock options to November 30, 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	(3,029,800)	(0.33)
Forfeited	(90,600)	(0.10)
Balance, November 30, 2013	5,159,600	$ 0.19

At November 30, 2013, the Company's outstanding stock options, including weighted average remaining contractual life, are as follows:

Number of Options Outstanding	WA* Remaining Contractual Life (Years)	Weighted Average Ex. Price	Number of Options Exercisable	Weighted Average Ex. Price	Expiry Date
139,600	0.32	0.11	139,600	0.11	March, 2014
605,000	0.33	0.40	605,000	0.40	April, 2014
500,000	0.78	0.48	500,000	0.48	Sept., 2014
1,755,000	2.35	0.16	1,755,000	0.16	April, 2016
500,000	2.66	0.12	500,000	0.12	July, 2016
1,660,000	3.54	0.10	1,095,600	0.10	June, 2017
5,159,600	2.32	0.19	4,595,200	0.21	

WA (Weighted Average)*

8. RELATED PARTY TRANSACTIONS

For the year ended November 30, 2013, the Company was charged office rents of $103,329 (2012 - $224,578) in regards to its Beijing subsidiary's office lease with Beijing Mansion No. 1 Real Estate Ltd. As of November 30, 2013, the Company had no outstanding amounts (2012 - $nil) owed to its related party.

Beijing Mansion No.1 Real Estate Ltd. is considered a party 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 followings:

		2013		**2012**
Remuneration and short-term benefits	$	355,052	$	713,172
Share-based payments		7,873		6,816
Total compensation	$	362,925	$	719,988

9. COMMITMENTS

The Company's commitments to office leases are $257,391 for fiscal year 2014. 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 November 30, 2014.

10. SEGMENTED INFORMATION

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

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

	Year ended November 30, 2013		
	Canada	China	Total
Current assets	$ 1,422,949	$ 135,708	$ 1,558,657
Property, plant and equipment	1,068,513	-	1,068,513
Reclamation bonds	349,444	-	349,444
Exploration and evaluation assets	18,764,216	-	18,764,216
Total assets	$ 21,605,122	$ 135,708	$ 21,740,830
Current liabilities	$ 108,335	$ 28,729	$ 137,064
Asset retirement obligation	1,313,150	-	1,313,150
Total liabilities	$ 1,421,485	$ 28,729	$ 1,450,214
Expenses	$ (1,322,334)	$ (292,885)	$ (1,615,219)
Other income (expense)	304,506	(8,373)	296,133
Cumulative translation adjustments	-	24,587	24,587
Loss and comprehensive loss for the year	$ (1,017,828)	$ (276,671)	$ (1,294,499)

	Year ended November 30, 2012		
	Canada	China	Total
Current assets	$ 1,993,820	$ 388,523	$ 2,382,343
Property, plant and equipment	1,426,417	-	1,426,417
Reclamation bonds	349,444	-	349,444
Exploration and evaluation assets	18,480,553	-	18,480,553
Total assets	$ 22,250,234	$ 388,523	$ 22,638,757
Current liabilities	$ 156,228	$ 8,825	$ 165,053
Asset retirement obligation	898,546	-	898,546
Total liabilities	$ 1,054,774	$ 8,825	$ 1,063,599
Expenses	$ (1,712,587)	$ (485,020)	$ (2,197,607)
Other income (expense)	321,228	(3,329)	317,899
Cumulative translation adjustments	-	(26,516)	(26,516)
Loss and comprehensive loss for the year	$ (1,391,359)	$ (514,865)	$ (1,906,224)

11. FINANCIAL INSTRUMENTS

a) Fair value measurement

IFRS 13 *Fair Value Measurement* establishes a three-level fair value hierarchy that reflects the significance of the inputs in measuring the fair values. The hierarchy prioritizes the inputs to valuation methods used to measure fair value, with Level 1 inputs having the highest priority. The hierarchy is as follows:

- Level 1 – quoted prices in active markets for items identical to the asset or liability being measured
- Level 2 – quoted prices for similar assets or liabilities in non-active markets either directly (i.e. as prices) or indirectly (derived from prices)
- Level 3 – unobservable prices with little or no market activity for the asset or liability.

The fair values of the Company's cash and cash equivalent, short-term investments and other receivables approximate their carrying values, which are the amounts receivable on the consolidated statements of financial position date.

The fair values of the Company's accounts payable and other liabilities are lower than their carrying values, which are the amounts payable on the consolidated statements of financial position dates as a result of liquidity risk per Note 1. The effect of discounting is immaterial.

b) Financial risk management

The Company is exposed to certain financial risks and the material ones are liquidity risk and credit risk. The Company's overall risk management is to maintain the Company's ability to continue as a going concern.

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As of November 30, 2013, the Company has accumulated a deficit of $41 million and has no sources of revenue.

The Company manages this 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 2014 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 (refer to Note 1).

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 statement of financial position.

Foreign exchange risk

The functional currency of the Company is the Canadian dollar and the functional currency of its Chinese subsidiaries is RMB. Most of the foreign currency risk is related to US dollar funds held by its Chinese subsidiaries. Therefore, the Company's net earnings are impacted by fluctuations in the valuation of the US dollar in relation to the RMB.

The Company does not hedge its exposure to currency fluctuations. The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, Based on the Company's US$113,567 monetary assets at year-end. This sensitivity analysis shows that a change of +/- 10% in US$ foreign exchange rate would have a +/- US$11,357 impact on net loss.

12. CAPITAL RISK MANAGEMENT

The Company's capital management objectives are to ensure its ability to continue as a going concern to meet its obligations in general operations and to maintain capital access for funding of its exploration activities at the Cassiar property.

The capital that the Company manages is the total of liabilities and equity on the consolidated statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions.

13. INCOME TAXES

a) A reconciliation of deferred taxes (recovery) at statutory rates with the reported taxes is as follows:

		2013		2012
Loss before income taxes	$	(1,319,086)	$	(1,879,708)
Statutory tax rate		25.67%		25%
Expected income tax recovery at statutory rates		(338,609)		(469,927)
Non-deductible expenses		3,164		6,942
Unrecognized benefits of non-capital losses		335,445		462,985
Total deferred tax recovery	$	-	$	-

b) Details of deferred tax assets are as follows:

		2013		2012
Equipment	$	979,940	$	862,934
Resource deductions		(718,195)		(558,997)
Financing costs		54,653		133,226
Asset retirement obligation		341,419		224,636
Non-capital losses available for future periods		6,533,349		6,117,482
		7,191,167		6,779,281
Unrecognized tax benefits		(7,191,167)		(6,779,281)
Net deferred tax assets	$	-	$	-

As of November 30, 2013, the Company has non-capital losses for Canadian income tax purposes of approximately $25,128,267 which can be carried forward to reduce taxable income in future years. These tax losses expire at various times between years 2014 and 2033. In addition, the Company has resource deductions available to reduce taxable income of future years. The Company did not recognize deferred income tax assets because the Company has a history of losses as evidenced by its accumulated deficit.

China Minerals
MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended

November 30, 2013

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GENERAL

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. China Minerals is listed on the TSX Venture Exchange under the symbol "CMV". The Company, an exploration stage entity, is in the business of acquisition, exploration and development of resource properties.

This management's discussion and analysis ("MD&A") of the Company has been prepared on the basis of available information up to the date of this report, January 14, 2014 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the years ended November 30, 2013 and 2012.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("ISAB"). All monetary amounts are expressed in Canadian dollars unless stated 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 SEDAR at www.sedar.com and on the Company's website at www.chinamineralsmning.com.

FORWARD-LOOKING STATEMENTS

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

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 AND OVERVIEW OF EXPLORTAION ACTIVITIES

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.

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. As such, an 8,200 metre exploration-focused drilling campaign was carried out during the summer of 2012. 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.

In 2013, the Company carried out a short surface exploration program on the southeast part of the Cassiar properties where geological mapping, prospecting and silt-sampling were conducted. A geologist and a crew of three technicians completed the short field program under the supervision of the Chief Geologist. A total of 150 silt samples and 83 soil samples were taken as well as 22 outcrop rock samples showing alteration and/or veining.

The purpose of the field exploration program was to search for more Table Mountain style gold vein systems on the 50 square kilometre Hunter-Pooley claims area. Some low grade veins are known to exist in the north western portion of the claims, but much of this area is under explored. The work will also be applied for assessment credits. All samples have been submitted to the assay labs and results are awaited.

During the year of 2013, the Company has engaged Dale Sketchley, a specialist in gold resource evaluation with experience in the Cassiar Gold camp, to complete an in-depth evaluation of the Taurus gold deposit. His assessment report was to evaluate resource opportunity at Taurus and determine if further work could increase gold resources on the complex Taurus gold deposit. The results and conclusions of the report are currently being reviewed.

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 an 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 November 30, 2012, 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

Following the completion of the 2012 drilling program, the Company engaged a consultant in 2013 to perform further analysis to refine high priority drill targets for future exploration activities. The Company is continuing to assess the market condition and sourcing joint venture partners to co-explore its Cassiar mineral properties.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table is summarized from the Company's financial statements for the fiscal years ended

November 30, 2013, 2012 and 2011. The financial information was prepared in accordance with IFRS.

	2013	2012	2011
Total revenue	$ -	$ -	$ -
Net loss	(1,319,086)	(1,879,708)	(12,985,702)
Net loss per share - basic and diluted	(0.00)	(0.01)	(0.08)
Total assets	21,740,830	22,638,757	24,686,282
Total long-term financial liabilities	-	-	-
Cash dividends declared per share	-	-	-

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The table presented below highlights the Company's unaudited quarterly results for the last eight quarters.

	2013				2012			
	Nov 30	Aug 31	May 31	Feb 28	Nov 30	Aug 31	May 31	Feb 29
	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-
Net loss	(325,113)	(318,875)	(301,283)	(373,815)	(334,357)	(308,549)	(478,061)	(758,741)
Net loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The Company has not yet generated revenue as it is at the exploration stage. Since the beginning of 2012, the Company has been steadily reducing its expenditures from the average of $470,000 quarterly in 2012 to the average of $330,000 per quarter in 2013, so as to preserve its cash resources. The higher first quarter loss in 2012 was a result of a severance payment to an officer.

REVIEW OF FINANCIAL RESULTS

(Rounded to the nearest thousand ('000))

Net Loss

For the year ended November 30, 2013, the Company incurred a net loss of $1,319,000 as compared to $1,880,000 in 2012. The lower net loss for 2013 was due to the overall cost reduction in administrative expenses.

Expenses

Administrative expenses for the year ended November 30, 2013 were $1,615,000 as compared to $2,198,000 for 2012. Excluding non-cash expenses for accretion and amortization (2013 - $39,000; 2012 - $28,000), loss from disposal of equipment (2013 - $164,000; 2012 - $15,000) and share-based payments (2013 – $10,000; 2012 - $13,000) the administrative (cash) expenses for the fiscal years 2013 and 2012 were $1,403,000 and $2,142,000 respectively, a reduction of $739,000.

Areas of major decreased (cash) expenses for the comparative periods of 2013 and 2012 were: directors and executive fees reduced by $116,000, investor relations $69,000, professional and consulting fees $72,000, rent and office expenses $180,000 and salaries and benefits $265,000, totalling cost reduction of $702,000.

Other Income (Expenses)

For the years ended November 30, 2013 and 2012, other income was $285,000 and $239,000 respectively.

The income was related to the rental income from subleasing its Vancouver offices and the provision of office administrative services to a sub-tenant. For the foreign exchange loss (2013 - $8,600; 2012 - $3,400), as the Company and its subsidiaries have their functional currencies in Canadian dollar and Chinese renminbi, the foreign exchange fluctuations in their holdings of financial assets and liabilities in foreign currencies have resulted in the gain/loss in the foreign exchange.

Exploration and Evaluation Assets Expenditures

The Company capitalizes expenditures incurred in connection with the acquisition and exploration of its mineral property interests. In 2013, the Company received mineral exploration tax credits of $564,840 which have been recorded as a reduction to the exploration and evaluation assets.For the years ended November 30, 2013 and 2012, the carrying values of the Cassiar mineral interests were $18,764,000 (net of mineral exploration tax credits) and $18,481,000 respectively. During the fiscal year 2013, $849,000 was incurred on exploration activities (2012 - $2,776,000). Details of the exploration and evaluation expenditures are disclosed in Note 6 to the audited financial statements for the fiscal year 2013.

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2013, the Company's cash and cash equivalents were $673,000 compared to $2,144,000 at November 30, 2012; and its short-term investments at the fiscal year ends of 2013 and 2012 were $834,000 and $27,000 respectively. The Company's working capital at November 30, 2013, was $1,422,000 (2012 - $2,217,000).

After reviewing its cash on hand, the Company further trimmed its operating expenditures. Management has budgeted $0.9 million for its administrative expenses for fiscal year 2014. As at November 30, 2013, the Company has sufficient working capital to operate as a going concern to meet its general obligations for the next twelve months.

For the activities of its exploration and evaluation assets, the Company has been assessing the results of its 2012 and 2013 drilling programs to refine the high potential targets for its future exploration program upon the recovery of the market. In addition, management continues the sourcing of joint venture partners to collaborate with on exploration activities for its Cassiar mineral properties.

Under operating activities, the Company used $943,000 of its cash for the year ended November 30, 2013 compared with $2,015,000 for the same period in 2012. The lower cash consumed in 2013 reflected the Company's cost reduction measures to preserve cash.

In the investing activities, the Company incurred $350,000 on the exploration and evaluation asset (2012 - $2,539,000). The Company conducted a short surface soil sampling program in 2013 whereas in 2012 an eight-thousand-meter drilling program on the Cassiar properties was carried out.

The Company did not have any financing activity in 2013. In 2012, the sole financing activity was the repayment of $87,000 on a mortgage relating to land and certain infrastructure facilities at the Cassiar Gold Camp. The mortgage balance was paid off in September 2012 and the liability was discharged.

The Company has no long-term debt obligations or off-balance sheet arrangements. However, the Company has commitments to the rentals of its offices in Vancouver and Beijing, which are disclosed below under "Commitments".

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.

RELATED PARTY TRANSACTIONS

For the year ended November 30, 2013, the Company was charged office rents of $103,329 (2012 - $224,578) in regards to its Beijing subsidiary's office lease with Beijing Mansion No. 1 Real Estate Ltd. As of November 30, 2013, the Company had no outstanding amounts (2012 - $nil) owed to its related party.

Beijing Mansion No.1 Real Estate Ltd. is considered a party 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:

		2013		2012
Remuneration and short-term benefits	$	355,052	$	713,172
Share-based payments		7,873		6,816
Total compensation	$	362,925	$	719,988

CHANGES TO CORPORATE MANAGEMENT

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

COMMITMENTS

The Company has entered into operating lease agreements for its offices in Vancouver and Beijing. The lease terms are between one and six years. The commitments to these office leases are $257,391 for fiscal year 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 November 30, 2014.

OUTSTANDING SHARE DATA

As at January 14, 2014, 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 5,159,600 with a weighted average exercise price at $0.19. For additional details on share capital, see Note 7 of the audited consolidated financial statements for the year ended November 30, 2013.

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. 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 November 30, 2013, the Company has accumulated a deficit of $41 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 2014 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 audited financial statements for the year ended November 30, 2013.

As at November 30, 2013, the Company had cash resources of $673,000 to settle current liabilities of $137,000. 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 and short-term investments are held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and short-term investments on its consolidated financial statements.

Foreign exchange risk

The functional currency of the Company is the Canadian dollar and the functional currency of its Chinese subsidiaries is RMB. Most of the foreign currency risk is related to US dollar funds held by its Chinese subsidiaries. Therefore, the Company's net earnings are impacted by fluctuations in the valuation of the US dollar in relation to the RMB.

The Company does not hedge its exposure to currency fluctuations. The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, Based on the Company's US$113,567 monetary assets at year-end. This sensitivity analysis shows that a change of +/- 10% in US$ foreign exchange rate would have a +/- US$11,357 impact on net loss.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make estimates and judgments that affect the reported amounts of the Company's financial position and operating results. Estimates are based on various assumptions such as expectations of future events that are believed to be reasonable under the circumstances.

The following is considered to be essential to the understanding of the estimates and judgments used in the preparation of these financial statements. Due to the uncertainties and volatile changes in the industry, actual results could differ from 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 following is a summary of these standards, interpretations and amendments:

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

IAS 1 – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendment requires that items of other comprehensive income must be grouped together into 2 sections:

- Those that will or may be reclassified into profit or loss
- Those that will not

The Company has adopted the amendment in the presentation of its statement of operations and comprehensive loss.

IFRS 10 - Consolidated Financial Statements

IFRS replaces the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements* and *SIC-12 Consolidation – Special Purpose 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. Power is the current ability to direct the activities that significantly influence returns. IFRS 10 also provides guidance on participating and protective rights, and brings the notion of "de facto" control within the standard.

IFRS 10 is not expected to have any impact on the Company's financial position.

IFRS 11 - Joint Arrangements

IFRS 11 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.

As the Company does not have joint arrangements, IFRS 11 does not have any impact on its financial position.

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 12 does not have any impact on the Company's financial position except in the requirement of a number of new disclosures.

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 which categorizes the inputs used in the valuation into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities; and the lowest priority to unobservable inputs.

Management does not expect IFRS 13 to have any impact on the Company's financial position.

Accounting standards effective for annual periods beginning on or after January 1, 2014

IAS 36 – Impairment of Assets

In May 2013, the IASB issued limited scope amendments to IAS 36 applicable on a retrospective basis.

The effect of these amendments is as follows:

- Require disclosure of the recoverable amount of an asset or cash generating unit ("CGU") when an impairment loss has been recognized or reversed
- Require detailed disclosure of how the fair value less cost to dispose has been measured when an impairment loss has been recognized or reversed, including the level of the fair value hierarchy for which the fair value measurement is categorized

The Company does not expect any significant impact on its financial statements from the adoption of these amendments.

Accounting standard effective for annual periods beginning on or after January 1, 2015

IFRS 9 - Financial Instruments

The standard 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.

The Company is in the process of determining the impact of IFRS on its financial position.

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 has no revenue from its operations and relies on the capital markets to raise equity financings for its exploration activities, operating expenses and business development. The continual rising debts of European countries and United States have led to shortage of capital and tightening of credit facilities. This results in increasing difficulties for the exploration companies to access to the financial markets.

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 underlying assets of the Company. For the Company's ongoing working capital 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 and high rates of inflation. 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 termination of any of their services could have a material adverse effect on the Company's business direction and continual operations.