China Minerals
MINING CORPORATION

CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

For the Six Months ended May 31, 2017

(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 six months ended May 31, 2017 have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

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

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

		May 31, 2017		November 30, 2016
ASSETS				
Current assets				
Cash and cash equivalents	$	187,538	$	271,304
Other receivables		1,273		5,155
Prepaid expenses		7,521		9,168
		196,332		285,627
Property, plant and equipment (Note 3)		464,199		503,654
Reclamation bonds (Note 5)		349,444		349,444
Exploration and evaluation assets (Note 4)		7,010,969		7,010,969
Total assets	$	8,020,944	$	8,149,694
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	$	87,962	$	88,057
Loan payable to related party (Note 7)		284,292		272,665
		372,254		360,722
Asset retirement obligation (Note 5)		1,682,219		1,665,153
Total liabilities		2,054,473		2,025,875
EQUITY				
Share capital (Note 6)		51,550,715		51,550,715
Share-based payment reserve		9,764,046		9,764,046
Foreign currency translation reserve		-		4,926
Deficit		(55,348,290)		(55,195,868)
Total equity		5,966,471		6,123,819
Total liabilities and equity	$	8,020,944	$	8,149,694

Nature of operations and going concern (Note 1)
Commitment and contingency (Note 8)
Subsequent events (Note 12)

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

Approved on behalf of the Board:

"Bernard Kahlert" — Director

"Ling Zhu" — Director

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

	Three months ended May 31, 2017	Three months ended May 31, 2016	Six months ended May 31, 2017	Six months ended May 31, 2016
Expenses				
Accretion of asset retirement obligation	$ 8,533	$ 8,783	$ 17,066	$ 17,566
Amortization	13,526	146	25,814	295
Consulting fee	15,024	-	15,024	-
Director and executive fees (Note 7)	1,500	1,000	2,500	10,334
Filing fees and transfer agent	2,378	2,367	11,602	11,121
Loan interest (Note 7)	5,387	-	10,600	-
Management fees (Note 7)	14,000	-	14,000	-
Professional fees	2,654	8,349	11,199	11,435
Rent and office expenses (Note 7)	8,528	6,805	14,452	13,290
Salaries and benefits (Note 7)	6,725	25,242	25,934	49,557
Shareholder relations	1,923	222	2,643	694
Camp maintenance	15,217	10,659	23,465	19,570
Total expenses	(95,395)	(63,573)	(174,299)	(133,862)
Other income (expenses)				
Interest income (expenses)	(144)	180	592	1,450
Gain on disposal of equipment	-	-	16,359	-
Net loss for the period	(95,539)	(63,393)	(157,348)	(132,412)
Item that may be reclassified subsequently to profit or loss				
Cumulative translation adjustments	-	(304)	-	(392)
Loss and comprehensive loss for the period	$ (95,539)	$ (63,697)	$ (157,348)	$ (132,804)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
outstanding	189,873,268	189,873,268	189,873,268	189,873,268

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, 2016	189,873,268	$ 51,550,715	$ 9,764,046	$ 4,926	$ (55,195,868)	$ 6,123,819
Transfer of foreign currency translation reserve into deficit	-	-	-	(4,926)	4,926	-
Net loss for the period	-	-	-	-	(157,348)	(157,348)
Balance, May 31, 2017	189,873,268	$ 51,550,715	$ 9,764,046	$ -	$ (55,348,290)	$ 5,966,471

	Number of Shares	Share Capital	Share-based Payment Reserve	Foreign Currency Translation Reserve	Deficit	Total Shareholders' Equity
Balance, December 1, 2015	189,873,268	$ 51,550,715	$ 9,764,046	$ 5,411	$ (54,882,856)	$ 6,437,316
Net loss for the period	-	-	-	-	(132,412)	(132,412)
Balance, May 31, 2016	189,873,268	$ 51,550,715	$ 9,764,046	$ 5,411	$ (55,015,268)	$ 6,304,904

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

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

	Six months ended May 31, 2017	May 31, 2016
Cash provided by (used in):		
Operating activities		
Net loss for the period	$ (157,348)	$ (132,412)
Items not affecting cash:		
Accretion of asset retirement obligation	17,066	17,566
Amortization	25,814	295
Gain on disposal of equipment	(16,359)	-
Changes in non-cash working capital		
Other receivables and prepaid expenses	5,529	978
Accounts payable and accrued liabilities	(95)	(33,653)
Interest expense	11,627	-
	(113,766)	(147,226)
Investing activities		
Proceeds from disposal of equipment	30,000	-
Short-term investments	-	11,500
	30,000	11,500
Effect of exchange rate changes on cash and cash equivalents	-	(392)
Decrease in cash and cash equivalents	(83,766)	(136,118)
Cash and cash equivalents, beginning of period	271,304	275,582
Cash and cash equivalents, end of period	$ 187,538	$ 139,464

Supplemental disclosures with respect to cash flows (Note 11)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 890 – 580 Hornby 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 condensed consolidated interim 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. As the Company is in the exploration stage, no revenue has been generated to date. At May 31, 2017, the Company had cash of $187,538, a working capital deficiency of $175,922 and a deficit of $55,348,290.

In the past, operating capital and exploration requirements have been funded primarily from equity financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company. The Company's current financial situation indicates material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with IAS 34 Interim Financial Reporting.

These financial statements were approved and authorized for issue by the Board of Directors on June 26, 2017.

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. ("NAM"). The Company consolidates these subsidiaries on the basis that it controls these subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

On March 1, 2017, the dissolution of the Company's subsidiary, North American Mining Consulting Ltd. was finalized and completed.

Management judgments and estimates

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management use of estimates, assumptions and judgment that impact the Company's reported financial results. These estimates are based on past experiences and expectations of future events. Uncertainty on these judgments could result in material reassessments of the carrying amounts in the Company's financial position.

The key judgments and estimates that affect the condensed consolidated interim financial statements are:

Impairment of exploration and evaluation assets (E&E assets)

The Company carries out impairment assessment on its E&E assets when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the E&E assets as it relies on both an interpretation of geological and technical data as well as market conditions including commodity prices, investor sentiment and global financing. As new information comes up, the recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates. During the year ended November 30, 2015, after impairment evaluations, the Company reduced its E&E assets to an estimated recoverable amount of $7 million. For the year ended November 30, 2016, there were no new indicators of impairment on the Company's E&E assets.

Impairment of property, plant and equipment

The Company carries out impairment assessment on its property, plant and equipment when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the carrying value of the property, plant and equipment, which is impacted by factors such as the condition of and demand for such assets. Therefore, actual recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates. In 2015, after impairment assessments, an impairment charge of $286,990 on its property, plant and equipment was recorded.

Asset retirement obligation ("ARO")

Provision on the retirement of the E&E assets and site restoration is based on many assumptions and judgments: future estimated costs, expected amounts of cash flows to discharge the obligation, timing of such cash flows and the prevalent market discount rate. Any changes to the assumptions will result in an adjustment to the provision which affects the Company's liabilities and operating results.

New, amended and future accounting pronouncements

Standards and amendments issued but not yet effective for the six months ended May 31, 2017, are as follows:

IFRS 9, *Financial Instruments* addresses classification, measurement and recognition of financial assets and financial liabilities. In July 2014, IASB completed the final version of the Standard which replaces IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 provides a revised model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a reformed approach to hedge accounting. The effective date for this standard is for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not expect any impact from this amendment.

IFRS 16, *Leases*, addresses accounting for leases and lease obligations and replaces the leasing guidance in IAS 17, *Leases.* The guidance requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The guidance is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect any impact from this guidance.

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Buildings	Site Equipment	Vehicles	Computers	Office Furniture	Total
As at November 30, 2015	$ 20,000	$ 780,000	$ 82,531	$ 13,000	$ 64,988	$ 18,064	$ 978,583
Disposal	-	-	-	-	-	-	-
As at November 30, 2016	20,000	780,000	82,531	13,000	64,988	18,064	978,583
Disposal	-	-	(42,531)	-	-	-	(42,531)
As at May 31, 2017	$ 20,000	$ 780,000	$ 40,000	$ 13,000	$ 64,988	$ 18,064	$ 936,052
Accumulated amortization							
As at November 30, 2015	$ -	$ 276,771	$ 49,641	$ 8,729	$ 63,204	$ 17,810	$ 416,155
Amortization	-	50,326	6,579	1,281	536	52	58,774
As at November 30, 2016	-	327,097	56,220	10,010	63,740	17,862	474,929
Disposals	-	-	(28,890)	-	-	-	(28,890)
Amortization	-	22,648	1,267	449	1,248	202	25,814
As at May 31, 2017	$ -	$ 349,745	$ 28,597	$ 10,459	$ 64,988	$ 18,064	$ 471,853
Net book value							
As at November 30, 2016	$ 20,000	$ 452,903	$ 26,311	$ 2,990	$ 1,248	$ 202	$ 503,654
As at May 31, 2017	$ 20,000	$ 430,255	$ 11,403	$ 2,541	$ -	$ -	$ 464,199

For the six months ended May 31, 2017, amortization of $nil (2016 - $29,093) was capitalized to exploration and evaluation assets and $25,814 (2016 - $295) expensed to operations.

4. EXPLORATION AND EVALUATION ASSETS

Cassiar Project, British Columbia

The Company, through its subsidiary Cassiar Gold Corp., owns 100% of the Cassiar project's mineral assets. The Cassiar project is located in northern British Columbia, Canada.

The Cassiar project's two major areas of exploration and development activities are Table Mountain and Taurus properties. 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.

Since the acquisition of the Cassiar projects in 2008, the Company had conducted exploration programs on both Table Mountain and Taurus properties until 2013. Since 2014, the Company has not carried out any exploration activities except for maintaining the exploration permits.

Legal Matter with the Minister of Forests, Lands and Natural Resource Operations, Minister of Aboriginal Relations and Reconciliation, Kaska Dena Council and 0995817 B.C. Ltd.

In April 2013, the Province of British Columbia (the "Province") and the Kaska Dena Council ("KD") entered into an agreement which they have characterized as an "Incremental Treaty Agreement" ("ITA"). Under the ITA the Province agreed to make certain crown grants to the KD once express conditions precedent were satisfied. The crown grants in question are referred to for convenience as the "Land Parcels" and overlap, in part, Cassiar's mineral claims 226148, 226149, 510750, 514937, and 617143. The Land Parcels were transferred by the Province to a KD owned corporation (0995817 B.C. Ltd.) in April 2015.

China Minerals and Cassiar (together, the "Company") filed a petition in January 2016 seeking judicial review of the decision of the Minister of Aboriginal Relations and Reconciliation (the "Ministry") to sign the ITA with the KD. The Company's claims included that the Ministry failed to consult with or provide notice to the Company in advance of signing the ITA notwithstanding the impact of the ITA on the mineral tenures of the Company through the grant of the Land Parcels to the KDC.

The Company also claimed that the Minister of Forests, Lands and Natural Resource Operations violated their right to procedural fairness by failing to consult the Company before transferring the Land Parcels to the KD owned corporation pursuant to the ITA. The Company further alleged that the Minister of Forests, Lands and Natural Resource Operations failed to consider relevant factors in making his decision, failed to exercise independent judgment in transferring the lands, exceeded his jurisdiction and/or made an error of law by not considering the Company's mineral interests. The Company also made a number of claims regarding the Provincial respondents' failure to provide the Company with relevant information and the provision of misleading information to the Company.

The relief sought by the Company included declarations regarding the violation of the Company's right to procedural fairness, as well as relief with respect to the transfer of the Land Parcels at issue.

On July 12, 2016, the Ministry entered into a Land Transfer Agreement with the relevant KD owned corporation (the "Land Transfer Agreement"). The Land Transfer Agreement provided that the KD owned corporation would re-convey ownership of the Land Parcels to the Province within ten days of an amendment to the ITA.

The Company was not advised of this development by the Province or the respondent ministers, nor was it advised of any negotiations leading up to the execution of the Land Transfer Agreement.

On December 13, 2016, the Ministry entered into an amending agreement to the ITA with the KD Council (the "ITA Amendment") regarding the transfer of certain other parcels in fee simple to the KD Council and a payment of $200,000 to the KD Council for entering into the amended ITA.

On December 15, 2016, counsel for the Provincial respondents wrote to the Company's counsel taking the position that the judicial review proceedings were now moot because the ITA had been amended and the Land Parcels would be transferred back to provincial Crown ownership.

On January 16, 2017, at the Court hearing, both parties presented their arguments on whether the judicial review was moot. On January 17, 2017, the Court rendered its decision that it would not hear the judicial review on the basis that the land parcels had now been transferred back to the Crown; as such the dispute over the third party rights became moot.

With the return of the Land Parcel to Crown ownership, and subject to available funding, the Company will be able to move forward with activities on its mineral properties.

5. Asset Retirement Obligation ("ARO")

The Company has future obligations relating to 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.

A continuity of the asset retirement obligation is as follows:

		May 31 2017		November 30, 2016
Asset retirement obligation - beginning balance	$	1,665,153	$	1,619,054
Change in estimates		-		10,969
Accretion expense		17,066		35,130
Asset retirement obligation - ending balance	$	1,682,219	$	1,665,153

The total discounted cash flow estimated to settle the obligations as at May 31, 2017 was $1,682,219 which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 2.16%. Certain minimum amounts of ARO will occur each year with the significant amounts expected to be incurred in 2026.

At May 31, 2017, the Company has $349,444 (November 30, 2016 - $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 0.60% and 0.70% respectively. The reclamation bonds are hypothecated and automatically renewed upon maturity.

6. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

There was no share issuance during the three months ended May 31, 2017 or the year ended November 30, 2016.

Stock option plan

The Company has a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is from two to five years and the vesting period varies from twelve to eighteen months. The maximum number of common shares reserved for issue shall not exceed 10% of the total number of common shares issued and outstanding as at the grant date.

Stock options

The continuity of the Company's stock options to May 31, 2017 is as follows:

	Number of options	Weighted average exercise price
Balance, November 30, 2015	3,180,000	$ 0.13
Expired	(1,865,000)	(0.15)
Balance, November 30, 2016 and May 31, 2017	1,315,000	$ 0.10

At May 31, 2017, the Company's outstanding stock options are as follows:

Number of Options Outstanding and Exercisable	Weighted Average Remaining Contractual Life (Yr)	Weighted Average Exercise Price	Expiry Date
1,315,000	0.29	0.10	June 14, 2017

7. RELATED PARTY TRANSACTIONS

Loan payable

In September 2016, the Company received a director's loan in the amount of US$200,000 ($269,544) bearing interest at 8% per annum and payable on September 21, 2017 (the "Maturity Date"). The Maturity Date can be extended for an additional term of one year to September 21, 2018. At May 31, 2017, interest of $14,838 was accrued on the loan (November 30, 2016 - $4,085).

Key management compensation

The Company entered into the following transactions with related parties during the six months ended May 31, 2017:

a) Starting May 1, 2017, the Company pays a management fee of $8,000 per month to the President of the Company. During the six months ended May 31, 2017, the Company paid or accrued $8,000 (2016 -$Nil) to the company controlled by the President. As of May 31,2 017, $8,000 (November 30, 2016 - $Nil) payable to the company controlled by the President was included in accounts payable and accrued liabilities.

b) Starting May 1, 2017, the Company pays a management fee of $6,000 per month to the President of the Company. During the six months ended May 31, 2017, the Company paid or accrued $86,000 (2016 -$Nil) to the company controlled by the President. As of May 31, 2017, $6,300 (November 30, 2016 - $Nil) payable to the company controlled by the President was included in accounts payable and accrued liabilities.

c) During the six months ended May 31, 2017, the Company paid $25,934 (2016 - $49,557) of salaries and benefits to the former CFO.

d) Starting May 1, 2017, the Company pays a rent of $500 per month to a company of which the President is a director. During the six months ended May 31, 2017, the Company paid or accrued $500 (2016 -$Nil) to the company. As of May 31, 2017, $500 (November 30, 2016 - $Nil) payable to the company was included in accounts payable and accrued liabilities.

e) During the six months ended May 31, 2017, the Company paid or accrued $2,500 (2016 -$10,334) to directors of the Company. As of May 31, 2017, $1,000 (November 30, 2016 - $Nil) payable to directors was included in accounts payable and accrued liabilities.

Accounts payable to related parties do not bear interest, are unsecured and repayable on demand.

8. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Canada.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, and loan payable to related party.

The fair values of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, and loan payable to related party approximate their carrying values, which are the amounts receivable on the consolidated statements of financial position date.

Financial risk management

The Company's objective in risk management is to maintain its ability to continue as a going concern. It is exposed to the following risks:

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 at May 31, 2017, the Company had cash of $187,538, a working capital deficiency of $175,922.

The Company manages liquidity risk with an annual budget to identify the timeline and amounts of its financial requirements. In September 2016, the Company received a director's loan of US$200,000. Based on the Company's 2017 budget, the Company will require additional debt or equity financing to meet its obligations for the next twelve months. (See 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.

10. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its Cassiar mineral exploration activities.

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.

11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

The significant non-cash transactions during the six months ended May 31, 2017 included:

a) the transfer of $4,926 of foreign currency translation reserve into deficit upon the dissolution of the Company's Chinese subsidiary, North American Mining Consulting Ltd, in March 2017.

There were no significant non-cash transactions during the six months ended May 31, 2016.

12. SUBSEQUENT EVENTS

On July 25, 2017, the Company is to hold its annual general and special shareholders' meeting, on which the Company proposes to consolidate its shares on a basis of one (1) post consolidated share for up to twenty-five (25) pre consolidated shares. This proposal is subject to shareholders' and regulators' approval.