



**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**For the Nine Months ended August 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 nine months ended August 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 – Prepared by Management)  
(Expressed in Canadian dollars)  
AS AT

	Notes	August 31, 2017	November 30, 2016
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 76,596	\$ 271,304
Receivables and prepaids		2,162	5,155
Receivables and prepaids		<u>15,158</u>	<u>9,168</u>
<b>Total current assets</b>		93,916	285,627
<b>Property, plant and equipment</b>	3	452,019	503,654
<b>Reclamation bonds</b>	5	349,444	349,444
<b>Exploration and evaluation assets</b>	4	<u>7,010,969</u>	<u>7,010,969</u>
<b>Total assets</b>		\$ 7,906,348	\$ 8,149,694
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	7	\$ 90,552	\$ 88,057
Loan payable to related party	7	<u>270,463</u>	<u>272,665</u>
<b>Total current liabilities</b>		361,015	360,722
<b>Asset retirement obligation</b>	5	<u>1,690,752</u>	<u>1,665,153</u>
<b>Total liabilities</b>		<u>2,051,767</u>	<u>2,025,875</u>
<b>Shareholders' equity</b>			
Share capital	6	51,550,715	51,550,715
Share-based payments reserve		9,764,046	9,764,046
Foreign currency translation reserve		-	4,926
Deficit		<u>(55,460,180)</u>	<u>(55,195,868)</u>
<b>Total shareholders' equity</b>		<u>5,854,581</u>	<u>6,123,819</u>
<b>Total liabilities and shareholders' equity</b>		\$ 7,906,348	\$ 8,149,694

**Basis of presentation** (Note 2)

**Events subsequent to the reporting period** (Note 12)

**On behalf of the Board:**

“Bernard Kahlert”

Director

“Ling Zhu”

Director

The accompanying notes are an integral part of these financial statements.

**CHINA MINERALS MINING CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian dollars)

	Three Months Ended August 31, 2017	Three Months Ended August 31, 2016	Nine Months Ended August 31, 2017	Nine Months Ended August 31, 2016
<b>EXPENSES</b>				
Accretion of asset retirement obligation	\$ 8,533	\$ 8,783	\$ 25,599	\$ 26,349
Amortization	12,180	146	37,994	441
Consulting fee	15,917	-	30,941	-
Director and executive fees (Note 7)	(1,000)	1,000	1,500	11,334
Filing and transfer agent	3,172	750	14,774	11,871
Loan interest (Note 7)	5,100	-	15,700	-
Management fees (Note 7)	42,000	-	56,000	-
Professional fees	22,116	5,467	33,315	16,902
Rent and office expenses (Note 7)	1,763	7,158	16,215	20,448
Salaries and benefits (Note 7)	-	24,975	25,934	74,532
Shareholder relations	14,564	393	17,207	1,087
Camp maintenance	24,732	34,503	48,197	54,073
<b>Total expenses</b>	<b>(149,077)</b>	<b>(83,175)</b>	<b>(323,376)</b>	<b>(217,037)</b>
<b>OTHER ITEMS</b>				
Interest income	1,633	1,954	2,225	3,404
Gain on disposal of equipment	-	5,100	16,359	5,100
Gain (loss) on foreign exchange	11,271	(30)	11,271	(422)
Write-off of accounts payable	24,283	-	24,283	-
<b>Total other items</b>	<b>37,187</b>	<b>7,024</b>	<b>54,138</b>	<b>8,082</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (111,890)</b>	<b>\$ (76,151)</b>	<b>\$ (269,238)</b>	<b>\$ (208,955)</b>
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding	7,594,813	7,594,813	7,594,813	7,594,813

The accompanying notes are an integral part of these financial statements.

**CHINA MINERALS MINING CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian dollars)

	Nine Months Ended August 31, 2017	Nine Months Ended August 31, 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (269,238)	\$ (208,955)
Items not affecting cash:		
Accretion of asset retirement obligation	25,599	26,349
Amortization	37,994	441
Gain on disposal of equipment	(16,359)	(5,100)
Unrealized foreign exchange gain on loan	(17,902)	-
Write-off of accounts payable	(24,283)	-
Changes in non-cash working capital items:		
Other receivables and prepaids	(2,997)	(2,763)
Accounts payable and accrued liabilities	26,778	(13,944)
Interest accrued in loan payable	15,700	-
Net cash used in operating activities	<u>(224,708)</u>	<u>(203,972)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of equipment	30,000	5,100
Short-term investment	-	11,500
Net cash used in investing activities	<u>30,000</u>	<u>16,600</u>
Change in cash during the period	(194,708)	(187,372)
Cash, beginning of period	<u>271,304</u>	<u>275,582</u>
Cash, end of period	<u>\$ 76,596</u>	<u>\$ 88,210</u>

**Supplemental disclosures with respect to cash flows (Note 11)**

The accompanying notes are an integral part of these financial statements.

**CHINA MINERALS MINING CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian dollars)

	Share Capital						Total
	Number	Amount	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Deficit		
<b>Balance, December 1, 2015</b>	7,594,813	\$ 51,550,715	\$ 9,764,046	\$ 5,411	\$ (54,882,856)	\$ 6,437,316	
Loss for the period	-	-	-	-	(208,533)	(208,533)	
<b>Balance, August 31, 2016</b>	7,594,813	\$ 51,550,715	\$ 9,764,046	\$ 5,411	\$ (55,091,389)	\$ 6,228,361	
<b>Balance, December 1, 2016</b>	7,594,813	\$ 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	-	
Loss for the period	-	-	-	-	(269,238)	(269,238)	
<b>Balance, August 31, 2017</b>	7,594,813	\$ 51,550,715	\$ 9,764,046	\$ -	\$ (55,460,180)	\$ 5,854,581	

The accompanying notes are an integral part of these financial statements.

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**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
**(Unaudited)**  
**For the Nine Months ended August 31, 2017**

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**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 August 31, 2017, the Company had cash of \$76,596, a working capital deficiency of \$175,922 and a deficit of \$267,099.

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 should be read in conjunction with the Company’s audited consolidated financial statements for the year ended November 30, 2016.

These financial statements were approved and authorized for issue by the Board of Directors on September 28, 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

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**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
**(Unaudited)**  
**For the Nine Months ended August 31, 2017**

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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 nine months ended August 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.

**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
**(Unaudited)**  
**For the Nine Months ended August 31, 2017**

**3. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Site Equipment	Vehicles	Computers	Office Furniture	Total
	\$	\$	\$	\$	\$	\$	\$
<b>COST</b>							
<b>Balance, November 30, 2015</b>	20,000	780,000	82,531	13,000	64,988	18,064	978,583
<b>Additions</b>	-	-	-	-	-	-	-
<b>Disposals</b>	-	-	-	-	-	-	-
<b>Balance, November 30, 2016</b>	20,000	780,000	82,531	13,000	64,988	18,064	978,583
<b>Additions</b>	-	-	-	-	-	-	-
<b>Disposals</b>	-	-	(42,531)	-	-	-	(42,531)
<b>Balance, August 31, 2017</b>	20,000	780,000	40,000	13,000	64,988	18,064	936,052
<b>Accumulated amortization</b>							
<b>Balance, November 30, 2015</b>	-	276,771	49,641	8,729	63,204	17,810	416,155
<b>Additions</b>	-	50,326	6,579	1,281	536	52	58,774
<b>Disposals</b>	-	-	-	-	-	-	-
<b>Balance, November 30, 2016</b>	-	327,097	56,220	10,010	63,740	17,862	474,929
<b>Additions</b>	-	33,971	1,900	673	1,248	202	37,994
<b>Disposals</b>	-	-	(28,890)	-	-	-	(28,890)
<b>Balance, August 31, 2017</b>	-	361,068	29,230	10,683	64,988	18,064	484,033
<b>Carrying amounts</b>							
<b>At November 30, 2016</b>	20,000	452,903	26,311	2,990	1,248	202	503,654
<b>At August 31, 2017</b>	20,000	418,932	10,770	2,317	-	-	452,019

For the nine months ended August 31, 2017, amortization of \$nil (2016 - \$29,093) was capitalized to exploration and evaluation assets and \$37,994 (2016 - \$441) expensed to operations.

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**CHINA MINERALS MINING CORPORATION**  
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#### **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.

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**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
**(Unaudited)**  
**For the Nine Months ended August 31, 2017**

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**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:

	August 31, 2017	November 30, 2016
Asset retirement obligation – beginning balance	\$ 1,665,153	\$ 1,619,054
Chang in estimates	-	10,969
Accretion expense	25,599	35,130
Asset retirement obligation – ending balance	\$ 1,690,752	\$ 1,665,153

The total discounted cash flow estimated to settle the obligations as at August 31, 2017 was \$1,690,752 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 August 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 nine months ended August 31, 2017 or the year ended November 30, 2016.

**Share consolidation**

On September 13, 2017, the Company consolidated its shares on a basis of one (1) post consolidated share for twenty-five (25) pre consolidated shares. After share consolidation, the Company has 7,594,813 common shares issued and outstanding. In these condensed interim financial statements, reference to common shares and per share amounts has been retroactively restated.

**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.

**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
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**For the Nine Months ended August 31, 2017**

**Stock options**

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

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2015	127,200	\$ 3.25
Expired	<u>(74,600)</u>	<u>\$ 3.75</u>
Balance, November 30, 2016	52,600	\$ 2.50
Expired	<u>(52,600)</u>	<u>\$ 2.50</u>
Balance, August 31, 2017	-	\$ -
Exercisable, at August 31, 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 August 31, 2017, interest of \$15,700 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 nine months ended August 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 nine months ended August 31, 2017, the Company paid or accrued \$32,000 (2016 -\$Nil) to the company controlled by the President. As of August 31, 2017, \$32,000 (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 CFO of the Company. During the nine months ended August 31, 2017, the Company paid or accrued \$24,000 (2016 -\$Nil) to the company controlled by the CFO. As of August 31, 2017, \$25,200 (November 30, 2016 - \$Nil) payable to the company controlled by the CFO was included in accounts payable and accrued liabilities.
- c) During the nine months ended August 31, 2017, the Company paid \$25,934 (2016 - \$74,532) 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 nine months ended August 31, 2017, the Company paid or accrued \$2,000 (2016 -\$Nil) to the company. As of August 31, 2017, \$1,000 (November 30, 2016 - \$Nil) payable to the company was included in accounts payable and accrued liabilities.
- e) During the nine months ended August 31, 2017, the Company paid or accrued \$1,500 (2016 -\$10,334) to directors of the Company.

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

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**CHINA MINERALS MINING CORPORATION**  
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**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 August 31, 2017, the Company had cash of \$76,596, and a working capital deficiency of \$267,099.

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.

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**CHINA MINERALS MINING CORPORATION**  
**Notes to Condensed consolidated interim financial statements**  
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**For the Nine Months ended August 31, 2017**

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**11. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

The significant non-cash transactions during the six months ended August 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 nine months ended August 31, 2016.

**12. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

On July 25, 2015, the Company held its Annual General and Special Meeting of Shareholders, on which the shareholders approved of consolidating its issued and outstanding shares on the basis of up to one (1) new common share for every existing twenty-five (25) common shares, or on such other basis as the board of directors determines. On September 13, 2017, the 25:1 consolidation was in effect.