China Minerals
MINING CORPORATION

(An Exploration Stage Entity)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended

November 30, 2016

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 based on available information up to the date of this report, January 23, 2017 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended November 30, 2016, which 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 is available on SEDAR at www.sedar.com and on the Company's website at www.chinamineralsmining.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

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

The Company has conducted an extensive review of its mineral assets at Table Mountain and Taurus. The evaluation suggests that substantial exploration expenditures are required to prove up the asset potential and to further advance the projects. As such, an 8,200 m 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 km^2 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 expenditure amounts on the program have been applied in April 2014 as exploration work assessment credits to extend the expiry date of Cassiar's mineral claims to March 2019.

In addition to a short surface exploration program in 2013, the Company also 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.

EXPLORATION AND EVALUATION ASSETS

Dale Sketchley, M.Sc., 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 ha (including 217 mineral claims and 2 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.

In 2009, the Company 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, 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 within 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 on May 26, 2010 at www.sedar.com. In April 2015, the Company received a letter from British Columbia Securities Commission ("BCSC") advising that the above technical report has deficiencies as one of the authors, Finley J. Bakker, was not independent within the meaning of NI 43-101. Additionally, incorrect reporting formats were used. The Company has been discussing with the BCSC and technical professionals to address this matter.

Table Mountain 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.

In 2012, ten exploration drill holes for 1,340 m 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 metre true width were encountered in five of the ten 2012 drill holes. Assay results were generally very low from these quartz vein intersections, however, wallrock adjacent to this vein returned up to 1.91 g/t Au over 12.50 m.

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, 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 m 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

SELECTED ANNUAL INFORMATION

The following summarizes the Company's financial information for the years ended November 30, 2016, 2015 and 2014:

	2016	2015	2014
Total revenue	$ -	$ -	$ -
Net loss	(313,012)	(13,131,336)	(728,480)
Net loss per share - basic and diluted	(0.00)	(0.07)	(0.00)
Total assets	8,149,694	8,211,363	20,902,790
Total long-term financial liabilities	1,655,153	1,619,054	1,275,890

Total assets for 2015 decreased from 2014 by $12.7 million due to an impairment write-off of the Company's exploration and evaluation assets to its estimated recoverable value. 2016's net loss has reduced substantially compared to 2014's due to the closure of the Company's subsidiary in China in 2015 and reduced compensation of directors and officers.

QUARTERLY INFORMATION (UNAUDITED)

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

	2016				2015				2014	
	Nov 30	Aug 31	May 31	Feb 29	Nov 30	Aug 31	May 31	Feb 28	Nov 30	Aug 31
	$	$	$	$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	-	-	-	-
Net loss	(104,479)	(76,121)	(63,393)	(69,019)	(12,846,113)	(44,579)	(70,766)	(169,878)	(253,310)	(144,064)
Net loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.07)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

In the last quarter of 2015, upon impairment analysis on its exploration and evaluation assets and plant and equipment, the Company wrote off $12,186,775 and $286,990, respectively to the statement of loss. The Company's quarterly expenditures have been reduced from an average of $162,000 (excluding impairment) in 2015 to $78,000 in 2016.

REVIEW OF FINANCIAL RESULTS

(Rounded to the nearest thousand ('000))

Net Loss

In 2016, the Company incurred net loss of $313,000 as compared to $13,131,000 in 2015. The higher loss in 2015 was primarily attributable to the write-offs of $12,187,000 in exploration and evaluation assets and $287,000 in plant and equipment. Excluding the write-offs, the total other expenditures in 2015 was $657,000.

Expenses

Expenses in 2016 were $320,000 as compared to $729,000 in 2015, a decrease of $409,000.

Director and executive fees were lower by $144,000 in 2016, as a result of the cessation of the CEO's compensation and directors' fees.

Professional and consulting fees were higher in 2015 by $115,000 due to: (i) accrued consulting fees of $49,000 to address the deficiencies in the 2010 technical report filed with BC Securities Commission; and (ii) legal fees of $62,000 on the case with the Ministry of Aboriginal Relations and Reconciliation ("MARR") on the transfer of two Crown land parcels to Kaska Dena First Nation in March 2015. For details on the legal matter with MARR, see Note 5 to the Company's audited consolidated financial statements for the year ended November 30, 2016.

Camp maintenance costs of $35,000 were lower in 2016 by $81,000 due to the recovery of $61,000 septic remediation costs covered by the Company's insurance carrier offset partially by increased costs of $54,000 in camp site safety and security as well as environmental management.

In 2015, community relations costs of $70,000 were incurred. The costs related to the Company's contribution in 2014 to Cassiar's local community relating to BC Hydro's electrification project which was completed in October 2015.

Other Income (Expenses)

In 2016, other income was $nil whereas in 2015, other income included $48,000 of rental income from the leasing of certain camp facilities and $18,000 from the provision of administrative services to a mineral exploration operation.

In 2015, the Company recognized impairment charges on its exploration and evaluation assets of $12,187,000 and equipment of $287,000. In 2016, there were no impairment indicators on these assets.

Exploration and Evaluation Assets

The Company capitalizes expenditures incurred in connection with the acquisition and exploration of its mineral property interests. In April 2015, the Company received a mineral exploration tax credit ("METC") of $60,000 which had been recorded as a reduction to the exploration and evaluation assets. During the year 2015, the Company recognized impairment on its Cassiar properties and wrote down their carrying values to $7 million. In 2016, the Company continued care and maintenance on the mineral properties until the economic situations become favourable for the industry.

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 Petitioner'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.

At a Court hearing on January 4, 2017, counsel for the Provincial respondents sought to adjourn the Company's application for document production, and to argue that the judicial review hearing should not proceed on January 17-19, 2017 as planned. In doing so, counsel for the Provincial respondents attempted to rely upon the fact that recently the Provincial respondent had indicated that it would reverse the transfer of the Land Parcels. The Court decided to set additional hearing time (January 16-20, 2017) to hear the various motions during the same week that the judicial review itself was scheduled to be heard.

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.

The Company is disappointed with the outcome of the case, as the Court could have used the case to provide meaningful guidance to government on protection of third party rights. With the return of the Land Parcels to Crown ownership, and subject to available funding, the Company will be able to move forward with activities on its mineral properties.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

(Rounded to the nearest thousand ('000))

The Company is in the exploration stage and no revenue has been generated to date. At November 30, 2016, the Company had cash of $271,304, a working capital deficiency of $75,095 and an accumulated deficit of $55,195,868 (November 30, 2015 - $54,882,856). In September 2016, the Company received a loan of US$200,000 from a director of the Company.

Notwithstanding the director's loan, the Company will not have sufficient working capital to fund operations for the next 12 months. 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.

In the Company's 2017 budget, its operational requirements are projected at $280,000. Notwithstanding the funding from the loan, the Company will not have sufficient financial resources to meet its obligations for the next twelve months.

Cash Flows

Under operating activities, the Company consumed $291,000 in 2016 as compared with $443,000 in 2015. For details of the reduced cash outflows, see page 4 and 5 "*Expenses*" under "*Review of Financial Results*".

For the financing activities, the Company received a director's loan of $263,720 (US$200,000) to provide funding for its operations.

In the investing activities, in 2016 the Company disposed of certain camp equipment and redeemed short-term investment of $12,000 to fund its operations. In 2015, the Company received a BC METC refund of $60,000 relating the expenditures on its mineral properties.

The Company has no long-term debt obligations or off-balance sheet arrangements.

COMMITMENT AND CONTINGENCY

Office Lease

The Company has a commitment of $8,325 in total to an office lease in Vancouver with the expiry date on August 31, 2017.

Environmental Health Services' Notice

In September 2015, the Company received notice from the British Columbia Environment Health Services ("Health Services") that there was evidence of domestic sewage discharge to its campsite community's drinking water due to a breakage in the Company's camp sewage system. The existing sewerage system must be repaired and the water must be tested to the Health Services' drinking water standards. Prior to November 30, 2016, the sewerage system was remediated; however, as severe weather conditions at the camp has hampered access to the water, Health Services has provided the Company with an extension until Spring 2017 to complete water testing and analysis by an accredited laboratory acceptable to Health Services. The Company accrued in 2015 estimated remediation costs of $63,000, of which $52,744 had been incurred in 2016 and the remaining costs of water sampling will be expended in 2017. In September 2016, the Company received an insurance payment of $60,508 for the sewerage damage claim

SUBSEQUENT EVENT

On December 15, 2016, the Company received notice from the Ministry of Justice that the land parcels transferred to KDFN in April 2015 would be transferred back to the Province of BC.

On January 17, 2017, after hearings on January 4 and 16, 2017, the Court made the decision that it would not hear the judicial review as scheduled on January 17~19, 2017. See also page 5 under "*Legal Matter.*"

OUTSTANDING SHARE DATA

As at January 23, 2017, the Company had 189,873,268 common shares issued and outstanding and 1,315,000 stock options outstanding with a weighted average exercise price of $0.10 per share.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions as at the date of this report.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

In September 2016, a director of the Company provided China Minerals a loan of US$200,000 (CAD $263,720) bearing an annual interest rate of 8% 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 November 30, 2016, there was $4,085 interest payable on the loan.

Nam, the Company's Beijing subsidiary had an office lease with Beijing Mansion No. 1 Real Estate Ltd., a company owned by a director of the Company. The subsidiary was charged office rents of $12,074 for the first quarter of 2015 until the lease was terminated in February 2015. The Company had no outstanding amounts (2015 - $nil) owed to this related party.

Key management compensation

The Company's key management personnel are directors, Chief Executive Officer and Chief Financial Officer and their aggregate compensation is as follows:

	Year ended November 30,			
		2016		2015
Remuneration and short-term benefits	$	102,334	$	255,768
Share-based payments		-		-
Total compensation	$	102,334	$	255,768

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash and cash equivalents, short-term investments, other receivables, and accounts payable.

The fair values of the Company's cash and cash equivalents, 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 value of the Company's property, plant and equipment and exploration and evaluation assets are estimated using level three inputs.

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 November 30, 2016, the Company had cash of $271,304, a working capital deficiency of $75,095 and a deficit of $55,195,868.

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 $263,720 (US$200,000). However, based on the Company's 2017 budget, the operational needs are projected at $280,000. As a result, the Company must require additional debt or equity financing to meet its obligations for the next twelve months.

Credit risk

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

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

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 key estimates and judgments relate to the assessment of impairment of long-lived assets and asset retirement obligation as discussed below.

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

Impairment assessment for the Company's E&E assets involves the application of management's judgments over a number of internal and external factors. External factors include commodity prices, economic trends and changes in environmental and mineral tenure regulations. Internal factors include technical data interpretation of the mineral resources estimates and the Company's exploration plans for the properties. 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.

During the year 2015, after an impairment assessment of the carrying values of its E&E assets, the Company wrote down its mineral assets to an estimated fair value of $7 million. In determining the estimated fair value of the projects, the Company primarily considered comparable in-situ valuation and also the amount of exploration expenditures incurred by the Company on the project.

For fiscal year 2016, there were no new impairment indicators on the Company's E&E assets.

Impairment of property, plant and equipment

During the year 2015, after conducting impairment evaluations, the Company recorded an impairment charge on its property, plant and equipment in the amount of $286,990, to bring the assets to their estimated fair value. The process of determining the impairment involves significant judgment and estimation on the recoverability of the property, plant and equipment, such as 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.

Asset retirement obligation ("ARO")

Provision for 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 will affect the Company's liabilities and operating results.

CHANGES TO ACCOUNTING STANDARDS

Standards and amendments issued but not yet effective up to the date of this report are as below:

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.

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

The Company exercises due diligence with respect to determining titles to its mineral properties it has interests in and claims in good standing, however, there is no guarantee that titles to such properties will not be challenged or expropriated. In March 2015, the Ministry of Aboriginal Relations and Reconciliation ("the Ministry") advised the Company that it had transferred two Crown land parcels to Kaska Dena First Nation ("KDFN"). The transferred land parcels overlap with the Company's five subsurface mineral tenures. The Company still maintains titles to the mineral claims relating to the land parcels. In December 2016, the Ministry of Justice advised the Company that the land parcels would be returned to Crown ownership.

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 been historically volatile reacting to conditions beyond the Company's control, including international politics, economic crisis, global supply and demand and investors' sentiment. These uncertainties and volatility could affect negatively the Company's ability to raise capital for its exploration activities.

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 operations. The ongoing civil war in Syria, instability in the Middle East, proliferate terrorist attacks in Europe and the increase of US interest rate have all adversely affected the global economy. The market uncertainty has led to the capital especially in natural resource sectors with uneconomically low commodity prices. This results in extreme challenges for exploration companies to seek funds from the financial markets.

Share Price Volatility

The slowdown growth in China since 2014 has resulted in reduced demand of base and precious metals and drastic drops in the share prices of many resource-based companies. 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 has casted doubt on its ability to raise 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 affect 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.