

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

**CHINA CHANGJIANG MINING & NEW ENERGY  
COMPANY, LTD.**

CIK:[29952](#) | IRS No.: **752571032** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **000-05474** | Film No.: **13850417**  
SIC: **1000** Metal mining

Mailing Address

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Business Address

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2013**

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: **000-52807**

**China Changjiang Mining & New Energy Co., Ltd.**

*(Exact name of registrant as specified in its charter)*

Nevada

(State or Other Jurisdiction of Incorporation or  
Organization)

75-2571032

(I.R.S. Employer Identification No.)

**Seventeenth Floor, Xinhui Mansion, Gaoxin  
Road**

**Hi-Tech Zone, Xi'An P.R. China 71005**

(Address of Principal Executive Offices; Zip Code)

+86(29) 8833-1685

(Registrant's Telephone Number, including area  
code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

None

Name of each exchange on which registered

None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class

**Common Stock, par value \$0.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting common stock held by non-affiliates of the issuer, based on the average bid and asked price of such stock, was \$484,321 at March 31, 2013.

At March 31, 2013, the registrant had outstanding 64,629,559 shares of common stock, \$0.01 par value.

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**CHINA CHANGJIANG MINING AND NEW ENERGY COMPANY LTD.**

*For the Quarter Ended March 31, 2013*

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**PART 1. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENT**

**CHINA CHANGJIANG MINING & NEW ENERGY CO., LTD.**

**FINANCIAL REPORT**

**At March 31, 2013 and December 31, 2012  
For the Three Months Ended March 31, 2013 and 2012**

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CHINA CHANGJIANG MINING & NEW ENERGY CO., LTD.  
CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2013 AND DECEMBER 31, 2012  
(Stated in US Dollars)

	March 31, 2013	December 31, 2012
	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,432,788	\$ 1,763,381
Restricted cash (Note 2)	2,073,729	1,113,674
Deferred tax assets	-	14,326
Other current assets and prepayments (Note 3)	147,159	107,217
<b>Total Current Assets</b>	<u>3,653,676</u>	<u>2,998,598</u>
Property, plant and equipment, net	95,816	102,280
Construction in progress	312,133	280,178
Land use rights, net	16,718,300	16,775,962
Long-term investment	313,407	312,931
Due from related parties (Note 4)	3,315,670	2,863,074
<b>TOTAL ASSETS</b>	<u><u>\$ 24,409,002</u></u>	<u><u>\$ 23,333,023</u></u>

*See accompanying notes to the unaudited consolidated financial statement*

CHINA CHANGJIANG MINING & NEW ENERGY CO., LTD  
CONSOLIDATED BALANCE SHEETS (continued)  
AS OF MARCH 31, 2013 AND DECEMBER 31, 2012  
(Stated in US Dollars)

	March 31, 2013	December 31, 2012
	(Unaudited)	(Audited)
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Other payables and accrued liabilities (Note 5)	1,451,747	705,132
Notes payable - related parties	434,137	434,137
Advance from customer	-	1,431,867
<b>Total Current Liabilities</b>	<b>1,885,884</b>	<b>2,571,136</b>
Non-current liabilities		
Due to related parties (Note 6)	1,819,613	1,858,861
Due to shareholders (Note 7)	4,197,634	4,186,907
Payable on acquisition of a subsidiary	1,992,846	1,987,583
<b>Total Long-term Liabilities</b>	<b>8,010,093</b>	<b>8,033,351</b>
<b>SHAREHOLDERS' EQUITY</b>		
Series C convertible preferred stock (\$0.01 par value, 10,000,000 shares authorized, no shares outstanding as of December 31, 2012 and March 31, 2013)	-	-
Common stock (\$0.01 par value, 250,000,000 shares authorized, 64,629,559 shares issued and outstanding as of December 31, 2012 and March 31, 2013)	646,295	646,295
Treasury stock	(489,258)	(489,258)
Additional paid-in capital	13,916,844	13,916,844
Retained earnings	(3,899,148)	(4,946,453)
Non-controlling interests	2,089,458	1,389,550
Accumulated other comprehensive income	2,248,834	2,211,558
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>14,513,025</b>	<b>12,728,536</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 24,409,002</b>	<b>\$ 23,333,023</b>

*See accompanying notes to the unaudited consolidated financial statement*

CHINA CHANGJIANG MINING & NEW ENERGY CO., LTD.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)  
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012  
(Stated in US Dollars)

	For the Three Months Ended March 31, 2013 <u>Unaudited</u>	For the Three Months Ended March 31, 2012 <u>Unaudited</u>
<b>Sales revenue (Note 8)</b>	\$ 298,700	\$ 297,732
<b>Cost of revenue</b>	<u>16,727</u>	<u>16,673</u>
<b>Gross Profit</b>	<u>281,973</u>	<u>281,059</u>
<b>Operating expenses (Income)</b>		
Administrative expenses	115,825	57,723
Gain on disposal of assets (Note 9)	(2,262,952)	
Depreciation	6,726	7,463
Amortization	101,950	101,620
<b>Total operating expenses (Income)</b>	<u>(2,038,451)</u>	<u>166,806</u>
<b>Income from operations</b>	2,320,424	114,253
<b>Other Income (Expenses)</b>		
Interest income	10,867	-
Interest expenses	(429)	-
Other expenses	(7,534)	(12,521)
<b>Total Other Income (Expense)</b>	<u>2,904</u>	<u>(12,521)</u>
<b>Income(Loss) before tax</b>	2,323,328	101,732
Income tax expense (benefit) (Note 10)	576,115	(7,563)
<b>Net Income</b>	<u>\$ 1,747,213</u>	<u>\$ 109,295</u>
<b>Net income attributable to:</b>		
<b>Non-controlling interests</b>	699,908	(8,399)
<b>Common Stockholders</b>	<u>\$ 1,047,305</u>	<u>\$ 117,694</u>
<b>Other comprehensive income/(loss)</b>		
Foreign currency translation adjustments	37,276	7,179
<b>Total Comprehensive Income</b>	<u>\$ 1,784,489</u>	<u>\$ 116,474</u>
Weighted average shares-Basic	64,629,559	64,629,559
Weighted average shares-Diluted	64,629,559	64,629,559
Earnings (loss) per share		
Basic	0.02	0.00
Diluted	0.02	0.00

*See accompanying notes to the unaudited consolidated financial statement*





**CHINA CHANGJIANG MINING & NEW ENERGY CO., LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012**  
**(Stated in US Dollars)**

	<b>For the Three Months Ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 1,747,213	\$ 109,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	108,677	109,083
Deferred tax assets	14,371	(7,575)
Gain on disposal of mines	(2,262,952)	-
Changes in operating assets and liabilities:		
Other current assets and prepayments	(40,067)	94,558
Other payables and accrued liabilities	622,132	(72,578)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>189,374</b>	<b>232,783</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,004)	-
Due from related parties	(454,011)	280,360
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(455,015)</b>	<b>280,360</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to related parties	(39,370)	289,088
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>(39,370)</b>	<b>289,088</b>
Effect of exchange rate changes on cash and cash equivalents	(25,582)	17,200
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(330,593)</b>	<b>819,431</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>\$ 1,763,381</b>	<b>\$ 20,932</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>\$ 1,432,788</b>	<b>\$ 840,363</b>
<u>Supplementary Disclosures for Cash Flow Information:</u>		
Income taxes paid	\$ -	\$ -
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Changes in restricted cash related to disposal of assets	\$ 957,106	\$ -
Changes in advance from customers related to disposal of assets	\$ (1,435,659)	-

*See accompanying notes to the unaudited consolidated financial statements*

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods followed in preparing these unaudited condensed consolidated financial statements are those used by China Changjiang Mining And New Energy company Ltd (the 'Company') as described in Special Notes of the notes to consolidated financial statements included in Annual Report on Form 10-K for the year ended December 31, 2012. The unaudited condensed consolidated financial statements for the three-months periods ended March 31, 2013 and 2012 have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission and do not confirm in all respects to the disclosure and information that is required for annual consolidated financial statements. The year-end condensed consolidated balance sheet data was derived from audited consolidated financial statements, but does not include all disclosure required by accounting principles generally accepted in the United States of America. These interim condensed consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements of the Company.

In the opinion of management, all adjustments, all of which are of a normal recurring nature, considered necessary for fair statement have been included in these interim condensed consolidated financial statements. Operating results for the three-month period ended March 31, 2013 are not indicative of the results that may be expected for the full year ending December 31, 2013.

### (a) Foreign Currency Translation

Exchange rates applied for the foreign currency translation during the period are as follows:

USD to RMB

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : RMB exchange rate	6.2689	6.2855
Average periodic US\$ : RMB exchange rate	6.2772	6.3125

USD to HKD

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : UHK exchange rate	7.7624	7.7522
Average periodic US\$ : UHK exchange rate	7.7727	7.7986

HK\$ is pegged to US\$ and hence there is no significant translation adjustment impact on these consolidated financial statements.

RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at the rates used in translation.

### (b) Earning/Loss per share

Basic earning/loss per share is computed by dividing earning/loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earning/loss per share is computed in a manner similar to basic earning/loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

## 2. RESTRICTED CASH

The Restricted cash of \$ 2,073,729 (RMB13,000,000) represents the amount received by the escrow account as of March 31, 2013. According to the transfer contract for the mines exploration rights, the buyer was required to deposit in the escrow account in the amount of \$ 1,116,623 (RMB7,000,000) within the 3 days after the signature of transfer contract, and subsequently the last payment of \$957,106 (RMB6,000,000) upon approval of the transaction from administrative department. When the mines transfer transaction was accomplished, the amount would be authorized by both parties to be transferred from the escrow account and deposited into the Company's bank account. At the end of the first quarter of 2013, the Department of Land and Resources of Shaanxi Province has approved this mines transfer transaction, and all of the contact amount has been settled.



### 3. OTHER CURRENT ASSETS AND PREPAYMENTS

Other current assets and prepayments of \$147,159 mainly represents the small amount advances to the employees.

### 4. DUE FROM RELATED PARTIES – NON CURRENT

The balance of \$3,315,670 due from related parties represents the loan owned from related parties, which are unsecured and repayable on demand.

Due from related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>	<b>Interest</b>
Du Kang Liquor Development Co., Ltd	\$ 797,588	795,482	interest free for the first year and bear interest in the benchmark lending rate over the same period afterwards
Shaanxi Du Kang Liquor Group Co., Ltd	\$ 191,916	-	bearing interest in the benchmark lending rate over the same period
Zhongke Aerospace & Agriculture Development Stock Co.,Ltd	\$ 450,637	449,447	interest free
Shaanxi Huanghe Bay Springs Lake Theme Park Ltd	\$ 1,495,478	\$ 1,193,222	interest free
Shaanxi Changfa Industrial Co., LTD	\$ 366,891	365,922	interest free
Mr Chen Weidong	\$ -	45,876	interest free
Shaanxi Changjiang Zhongxiayou Investment Co.,Ltd	\$ 13,160	13,125	interest free
<b>Total</b>	<b>3,315,670</b>	<b>2,863,074</b>	

### 5. OTHER PAYABLES AND ACCRUED EXPENSES

The following is a summary of other payables and accrued liabilities:

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Tax payable	\$ 1,212,218	\$ 510,173
Salary and welfare payable	24,800	24,734
Other payable	214,729	170,225
	<u>\$ 1,451,747</u>	<u>\$ 705,132</u>

## 6. DUE TO RELATED PARTIES

The balance of \$1,819,613 due to related parties represents the loan owed to related parties, which are interest free, unsecured and repayable on demand twelve months after March 31, 2013.

Due to related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Huiton World Property Superintendent Company	\$ 398,794	\$ 397,741
Due to Zhongke Lvxiang Development Stock Co., Ltd	\$ 1,116,623	1,113,674
Due to Shaanxi Changjiang electricity & new energy Co.,Ltd	\$ 293,652	292,876
Due to Baishui Du Kang Brand Management Co.,Ltd	\$ 9,571	9,546
Due to Shaanxi Xidenghui Technology Co. Ltd.	\$ 973	970
Due to Shaanxi Dukang Liquor Group Co.,Ltd	\$ -	44,054
<b>Total</b>	<b>\$ 1,819,613</b>	<b>1,858,861</b>

## 7. DUE TO SHAREHOLDERS

The balance of \$4,197,634 due to shareholders represents the loan owed to the shareholders, which are interest free, unsecured and repayable on demand twelve months after March 31, 2013.

Due to shareholders consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Wang Shengli	\$ 2,198,773	2,192,966
Due to Zhang Hongjun	1,398,491	1,394,798
Due to Chen Min	\$ 600,370	599,143
	<b>4,197,634</b>	<b>4,186,907</b>

## 8. SALES REVENUE

The Company entered into a lease and complementary agreements with the related company Huanghe dated July 26, 2010. According to the agreements, a piece of land with the area of 5,706,666.67 square meters was leased to Huanghe for traveling and amusement from January 1, 2011 to December 31, 2029. The annual rent in US dollars is approximately \$1.2 million (equivalent to RMB7, 500,000). The rent revenue of \$298,700 was recognized for the three months ended March 31, 2013, compared with the rent revenue of \$297,732 for the three months ended March 31, 2012.

## 9. GAIN ON DISPOSAL OF ASSETS

The gain on disposal of assets consists of the total consideration of \$2,389,600 (RMB15,000,000) and the related business tax and its surcharges of \$ 126,648.

## 10. INCOME TAX

The provision for taxes on earnings consisted of:

	For the three month ended March 31, 2013	For the three months ended March 31, 2012
PRC Enterprise Income Tax	\$ 576,115	\$ (7,563)
United States Federal Income Tax	\$ -	\$ -
<b>Income tax expense (benefit), net</b>	<u>\$ 576,115</u>	<u>\$ (7,563)</u>

The income taxes expense (benefit), which is all incurred in PRC, consists of the following:

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Current income tax expense	\$ 576,115	\$ -
Deferred income tax benefit	\$ -	\$ (7,563)
<b>Income tax, net</b>	<u>\$ 576,115</u>	<u>\$ (7,563)</u>

## 11. RELATED PARTY TRANSACTIONS - REVENUE

In addition to the other transactions and balances disclosed elsewhere in the financial statements, the Company leased the land use right to Huanghe, a company with the same controlling person, and generated rent revenue of \$298,700 for the three months ended March 31, 2013.

## 12. SEGMENT INFORMATION

The Company operates in two reportable segments, Land use right leasing and solar PV energy. Summarized information by business segment for the three months ended March 31, 2013 and 2012 is as follows.

	<b>For the three months ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
Revenue		
Land use right leasing	\$ 298,700	\$ 297,732
Solar PV energy	-	-
Cost of revenue		
Land use right leasing	16,727	16,673
Solar PV energy	-	-
Gross Profits		
Land use right leasing	281,973	281,059
Solar PV energy	-	-

The Company evaluates segment performance based on income from operations. As a result, the components of operating income for one segment may not be comparable to another segment.



## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

In addition to the historical information contained herein, we make statements in this Quarterly Report on Form 10-Q that are forward-looking statements. Sometimes these statements will contain words such as "believes," "expects," "intends," "should," "will," "plans," and other similar words. Forward-looking statements include, without limitation, assumptions about our future ability to increase income streams, reduce and control costs, to grow revenue and earnings, and our ability to obtain additional debt and/or equity capital on commercially reasonable terms, none of which is certain. These statements are only predictions and involve known and unknown risks, uncertainties and other factors included in our periodic reports with the SEC. Although forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment, actual results could differ materially from those anticipated in such statements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

The following discussion and analysis should be read in conjunction with our March 31, 2013 unaudited consolidated financial statements and related notes thereto included in the quarterly report and with our consolidated financial statements and notes thereto for the year ended December 31, 2012.

### **Overview**

We have transitioned our business from mining to clean new energy in the middle of 2012, and mainly focused on the solar PV downstream market at the present stage. Though the solar PV business did not generate revenue for the three months ended March 31, 2013, our Huanghe Bay Project was expected to begin the operation in 2013. And at the end of 2013, our Baisui Project is expected to complete its construction works. In the near future, we plan to gradually increase the resource devoted to marketing.

We also hold land use rights in a land parcel and we lease a portion of the land use rights on the 5.7 square kilometer parcel to Shaanxi Huanghe Bay Springs Lake Theme Park Ltd. ("Huanghe"), a company with a common control person. The term of the lease agreement is from January 1, 2011 to December 31, 2029. Our land use rights are amortized over their 50 year term. The Land use right was not only our largest asset, but also the stable operating income to support our other business, with an annual rent of approximately \$ 1.2 million (RMB7,500,000).

The following is a summary of the book value of our land use rights as of March 31, 2013:

Cost	\$ 20,407,410
Less: Accumulated amortization	(3,689,110)
Land use rights, net	\$ 16,718,300

Amortization expenses were approximately \$101,950 and \$101,620 for the three months ended March 31, 2013, and 2012, respectively.

As reflected in the accompanying consolidated financial statements, the Company had an accumulated deficit of \$3,899,148 as of March 31, 2013, which includes net income of \$1,747,213 for the three months ended March 31, 2013. The Company's operations provided cash of \$189,374 for the three months ended March 31, 2013.

We began to generate revenue for the year ended December 31, 2011, of which the revenue from land use right leasing was expected to provide stable cash flow. In the future, we expect that there will no longer be a need for us to continue to rely on loans from our directors and other related parties. We believe that we have adequate capital to assure that we will be able to meet our obligations or obtain sufficient capital to complete our plan of operations for the next twelve (12) months.

## **RESULTS OF OPERATIONS**

### **Comparison of the Three Months Ended March 31, 2013 and March 31, 2012**

#### **Sales revenue**

We generated total revenue of \$ 298,700 for the three months ended March 31, 2013, compared with the revenue of \$ 297,732 for the three months ended March 31, 2012. The revenue was the rent of Land use rights for both of the periods and are related party transactions.

#### **Operating Expenses**

Total operating income for the three months ended March 31, 2013 was \$2,038,451 compared with operating expense of \$166,806 for the three months ended March 31, 2012. The increase was partially due to a gain of \$2,262,952 recognized and an increase in the administrative expense, which increased to \$115,825 from \$57,723. The amortization expense for the three months ended March 31, 2013 remained stable, as no addition or disposal occurred for Land use rights and the depreciation for the three months ended March 31, 2013 decreased by \$737.

Income before taxes for the three months ended March 31, 2013 was \$2,323,328 as compared to an income of \$ 101,732 for the three months ended March 31, 2012. The significant increase for our operating results was attributable to the transaction for the disposal of mines recognized in the first quarter of 2013.

#### **Net Income**

We achieved a net income of \$1,747,213 for the three months ended March 31, 2013, compared to a net income of \$109,295 for the three months ended March 31, 2012. The significant increase was primarily due to the transaction for the disposal of mines recognized in the first quarter of 2013.

#### **Comprehensive Income**

Our comprehensive income for the three months ended March 31, 2013 was \$1,784,489 compared with comprehensive income of \$ 116,474 for the three months ended March 31, 2012. The comprehensive income (loss) for each period only referred to the foreign currencies translation gain (loss), between the U.S. Dollar and the Chinese Yuan RMB (or Hong Kong Dollar for Wah Bon).

#### **Stockholders' Equity**

Stockholders' equity increased to \$14,513,025 as of March 31, 2013, or approximately 14%, from \$12,728,536 as of December 31, 2012. The significant increase was primarily due to our net income of \$1,747,213 generated for the three months ended March 31, 2013.

## ***LIQUIDITY AND CAPITAL RESOURCES***

### ***Cash Flows From Operating Activities***

Net cash provided by operating activities of \$189,374 for the three months ended March 31, 2013 compared with net cash provided of \$232,783 for the three months ended March 31, 2012. The cash flow in operating activities maintained stable as the Company did not collect revenue for both of the periods. The adjustments to reconcile our net income to net cash flow mainly include depreciation expense of \$ 6,726, amortization of \$ 101,950 for land use rights, an increase in operating assets of \$40,067, an increase in operating liability of \$622,132 and the gain of \$2,262,952 on disposal of the mine exploration right.

### ***Cash Flows From Investing Activities***

Net cash used in investing activities of \$455,015 for the three months ended March 31, 2013 was the cash provided to the related parties and the purchase of property, plant and equipment.

### ***Cash Flows From Financing Activities***

Net cash of \$ 39,370 used by financing activities for the three months ended March 31, 2013 resulted from the repayment to related parties.

### ***General***

Collectability of our account receivable for the land use right leasing is important to our continuation of operation. In addition, we have access to short and long term loans of cash from our directors or other related parties.

We provided loans of \$454,011 to our related parties for the three months ended March 31, 2013.

We returned cash of \$ 39,370 to our related parties for the three months ended March 31, 2013.

Our current assets increased by \$655,079 and total assets increased by \$1,075,979 respectively.

We have cash of \$ 1,432,788 and \$1,763,381 as of March 31, 2013 and December 31, 2012 respectively.

We believe that we have sufficient cash to fund operations for the next 12 months.

## ***FINANCING***

We anticipated the cash generated from operating activities will be sufficient to sustain our daily operations for the next twelve months.

## ***INFLATION***

Our management believes that inflation did not have a material effect on our results of operations for the three months ended March 31, 2013.

### ***OFF-BALANCE SHEET ARRANGEMENTS.***

We do not have any off-balance sheet arrangements.

### ***CONTRACTUAL OBLIGATIONS***

None

### ***CRITICAL ACCOUNTING POLICIES***

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities to comply with generally accepted accounting principles. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from our estimates, which would affect the related amounts reported in our financial statements.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimates are made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur, could materially impact the consolidated financial statements. We believe that the following critical accounting policies reflect the significant estimates and assumptions which are used in the preparation of the consolidated financial statements and affect our financial condition and results of operations.

#### *Revenue Recognition*

The Company recognizes revenue when the earnings process is complete, both significant risks and rewards of ownership are transferred or services have been rendered and accepted, the selling price is fixed or determinable, and collectability is reasonably assured.

We are currently leasing the land use right to Huanghe for the development and operation of a theme park. We generally collect the annual rent every year, and then recognize land use right leasing revenue over the beneficial period described by the agreement, as the revenue is realized or realizable and earned.

#### *Related Party*

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, member of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting party might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Our related parties are the following individuals and entities: (i) Mr. Wang Shengli (a director of the Company), Mr. Chen Weidong (our President, Chief Executive Officer and Chairman of the Board), Ms Li Ping (a director of the Company), and Ms. Chen Min (a director of the Company), all of whom are shareholders of the Company; (ii) Mr. Zhang Hong Jun, who is currently a director of the Company; (iii) Ms Li Ping (our Chief Financial Officer and who has the same name with our Director Ms Li Ping); and (iv) the following companies: Du Kang Liquor Development Co., Ltd., Huiton World Property Superintendent Company, Xi Deng Hui Development Stock Co., Ltd. Zhongke Lvxiang Development Stock Co., Ltd., Shaanxi Du Kang Liquor Group Co., Ltd., Shaanxi Bai Shui Du Kang Brand Management Co., Ltd, Shaanxi Changjiang electricity & new energy Co.,Ltd, Shaanxi Huanghe Bay Springs Lake Theme Park Ltd, Shaanxi Changfa Industrial Co.,LTD, Shaanxi Tangrenjie Advertising Media Co.,Ltd and Zhongke Aerospace & Agriculture Development Stock Co.,Ltd.

Cash flows from due from related parties are classified as cash flows from investing activities. Cash flows from due to related parties are classified as cash flows from financing activities.

***ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.***

Not required for a smaller reporting company.

***ITEM 4. CONTROLS AND PROCEDURES.***

***Disclosure Controls and Procedures***

In connection with the preparation of this Quarterly Report on Form 10-Q, an evaluation was carried out by the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2013. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Based on their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2013.

***Internal Control over Financial Reporting***

***Management's Annual Report on Internal Control over Financial Reporting***

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2013. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework and Internal Control over Financial Reporting-Guidance for Smaller Public Companies. As a result of this assessment, management identified a material weakness in internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We note the following deficiencies that management believes to be material weaknesses:

- a) Various members of the Company's executive management are also members of its board of directors, including the board's chairman. This situation prevents a truly independent review of the actions of the Company's management.
- b) The Company does not have an independent audit committee to oversee the external financial reporting process and the internal control over financial reporting as required by the Sarbanes-Oxley Act of 2002. This, in combination with the lack of an independent board of directors, creates a material weakness in the oversight of the Company's management, its internal control and its financial reporting process.
- c) The Company does not have sufficient knowledge of all the necessary financial statement disclosures that are required to be made in accordance with U.S. generally accepted accounting principles.

Based on the material weakness described above, management has concluded that, as of March 31, 2013, the Company's internal control over financial reporting was not effective based on the criteria in Internal control - Integrated framework issued by the COSO.

The Company intends to take the following steps as soon as practicable to remediate the material weakness we identified as follows:

1. We intend to recruit independent directors such that at least a majority of our Board is independent.
2. We intend to constitute audit, nominating and compensation committees comprised entirely of independent directors and to adopt committee charters for those committees, in accordance with the corporate governance standards of the New York Stock Exchange. We intend that at least one member of our Audit Committee will qualify as an "Audit Committee financial expert."

#### *Changes in Internal Controls over Financial Reporting*

There has been no significant change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)- 15(f) of the Exchange Act) that occurred during the three months ended March 31, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II

### **ITEM 1. LEGAL PROCEEDINGS.**

We received a document subpoena dated April 4, 2011, pursuant to which the Enforcement Division of the SEC informed us that it was conducting an investigation of the Company to determine whether the Company has committed a violation of the federal securities laws. The subpoena required us to produce certain documents to the SEC, and we complied and responded on May 2, 2011.

On June 7, 2011, the SEC issued another subpoena in furtherance of its investigation and required the Company to produce additional documents relating to its land use right. We complied with the subpoena and responded on June 24, 2011 to the Los Angeles Regional Office of the SEC.

On September 5, 2012, the Securities and Exchange Commission officially notified us of its termination of the investigation against us that began in April 2011. The SEC also confirmed that it had no intention of recommending any enforcement action by the Commission.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On December 25, 2009, the Company issued an aggregate of 4,500,000 shares of common stock to Messrs. Donald R. Monroe and Stanley F. Wilson, the principals of Capital Advisory Services, Inc., in connection with our share exchange transaction. To the best of our knowledge, each of them now holds 2,250,000 shares of common stock the shares were issued without registration in reliance on section 4(2) of the Securities Act. All issued and outstanding shares of series C Preferred Stock have been converted into an aggregate amount of 609 million shares of our common stock which were issued without registration in reliance on SEC Regulation S and section 3(a)(9) of the Securities Act.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None

### **ITEM 4. (REMOVED AND RESERVED).**

### **ITEM 5. OTHER INFORMATION**

None

### **ITEM 6. EXHIBITS**

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### CHINA CHANGJIANG MINING AND NEW ENERGY COMPANY, LTD.

(Registrant)

Date: May 15, 2013

By /s/ Chen Wei Dong

Chen Wei Dong  
Chief Executive Officer and President

Date: May 15, 2013

By /s/ Li Ping

Li Ping  
Chief Financial Officer  
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ Chen Wei Dong</u>	Chief Executive Officer President and Chairman of Board of Directors (Principal Executive Officer)	May 15, 2013
<u>/s/ Li Ping</u>	Chief Financial Officer (Principal Financial Officer)	May 15, 2013
<u>/s/ Zhang Hong Jun</u>	Director	May 15, 2013
<u>/s/ Wang Sheng Li</u>	Director	May 15, 2013
<u>/s/ Tian Hai Long</u>	Director	May 15, 2013
<u>/s/ Chen Min</u>	Director	May 15, 2013
<u>/s/ Li Ping</u>	Director	May 15, 2013



## SECTION 302 CERTIFICATION

I, Chen Weidong, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, of China Changjing Mining & New Energy Co.,Ltd.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2013

Name: /s/ Chen Weidong  
Title: Chief Executive Officer  
(Principal Executive Officer)

## SECTION 302 CERTIFICATION

I, Li Ping certify that:

1. I have reviewed this Quarterly Report on Form 10-Q, of China Changjing Mining & New Energy Co.,Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons fulfilling the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2013

Name: /s/ Li Ping

Title: Chief Financial Officer  
(Principal Financial Officer)

**SECTION 906 CERTIFICATION**  
**CERTIFICATION PURSUANT TO**  
**18 U.S.C. SECTION 1350**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of China Changjiang Mining & New Energy Co., Ltd. (the "Company") on Form 10-Q, for the period ended March 31, 2013 as filed with the Securities and Exchange Commission (the "Report"), each of the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: May 15, 2013

Name: /s/ Chen Weidong  
Title: Chief Executive Officer  
(Principal Executive Officer)

Date: May 15,, 2013

Name: /s/ Li Ping  
Title: Chief Financial Officer  
(Principal Financial Officer)

*The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not filed with the Securities and Exchange Commission as part of the Form 10-Q or as a separate disclosure document and is not incorporated by reference into any filing of China Changjiang Mining & New Energy Co., Ltd. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in such filing.*

**RELATED PARTY  
TRANSACTIONS -  
REVENUE (Details  
Narrative) (USD \$)**

**3 Months Ended**

**Mar. 31, 2013 Mar. 31, 2012**

**Related Party Transactions - Revenue Details Narrative**

Rent revenue

\$ 298,700

\$ 297,732

**DUE TO RELATED  
PARTIES (Details Narrative) Mar. 31, 2013  
(USD \$)**

**Due To Related Parties Details Narrative**

Loan owed to related parties \$ 1,819,613

**SEGMENT  
INFORMATION (Tables)**

**3 Months Ended  
Mar. 31, 2013**

**Segment Information Tables**

**Summarized information by  
business segment**

The Company operates in two reportable segments, Land use right leasing and solar PV energy. Summarized information by business segment for the three months ended March 31, 2013 and 2012 is as follows.

	<b>For the three months ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
Revenue		
Land use right leasing	\$ 298,700	\$ 297,732
Solar PV energy	-	-
Cost of revenue		
Land use right leasing	16,727	16,673
Solar PV energy	-	-
Gross Profits		
Land use right leasing	281,973	281,059
Solar PV energy	-	-

**INCOME TAX (Details)**  
**(USD \$)**

**3 Months Ended**  
**Mar. 31, 2013 Mar. 31, 2012**

**Income Tax Details**

<u>PRC Enterprise Income Tax</u>	\$ 576,115	\$ (7,563)
<u>United States Federal Income Tax</u>		
<u>Income tax expense (benefit), net</u>	\$ 576,115	\$ (7,563)

**DUE FROM RELATED  
PARTIES - NON CURRENT**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 4 - DUE FROM  
RELATED PARTIES - NON  
CURRENT**

The balance of \$3,315,670 due from related parties represents the loan owned from related parties, which are unsecured and repayable on demand.

Due from related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>	<b>Interest</b>
Du Kang Liquor Development Co., Ltd	\$ 797,588	795,482	interest free for the first year and bear interest in the benchmark lending rate over the same period afterwards
Shaanxi Du Kang Liquor Group Co., Ltd	\$ 191,916		bearing interest in the - benchmark lending rate over the same period
Zhongke Aerospace & Agriculture Development Stock Co.,Ltd	\$ 450,637	449,447	interest free
Shaanxi Huanghe Bay Springs Lake Theme Park Ltd	\$1,495,478	\$1,193,222	interest free
Shaanxi Changfa Industrial Co., LTD	\$ 366,891	365,922	interest free
Mr Chen Weidong	\$ -	45,876	interest free
Shaanxi Changjiang Zhongxiayou Investment Co.,Ltd	\$ 13,160	13,125	interest free
<b>Total</b>	<b>3,315,670</b>	<b>2,863,074</b>	



**DUE FROM RELATED  
PARTIES - NON CURRENT  
(Details) (USD \$)**

**Mar. 31, 2013**

**Dec. 31, 2012**

<u>Due from related parties non current</u>	\$ 3,315,670	\$ 2,863,074
Du Kang Liquor Development Co Ltd [Member]		
<u>Due from related parties non current</u>	797,588	795,482
<u>Interest</u>	interest free for the first year and bear interest in the benchmark lending rate over the same period afterwards	interest free for the first year and bear interest in the benchmark lending rate over the same period afterwards
Shaanxi Du Kang Liquor Group Co Ltd [Member]		
<u>Due from related parties non current</u>	191,916	
<u>Interest</u>	bearing interest in the benchmark lending rate over the same period	bearing interest in the benchmark lending rate over the same period
Zhongke Aerospace &amp;amp;amp;amp;amp;amp; Agriculture Development Stock Co Ltd [Member]		
<u>Due from related parties non current</u>	450,637	449,447
<u>Interest</u>	interest free	interest free
Shaanxi Huanghe Bay Springs Lake Theme Park Ltd [Member]		
<u>Due from related parties non current</u>	1,495,478	1,193,222
<u>Interest</u>	interest free	interest free
Shaanxi Changfa Industrial Co LTD [Member]		
<u>Due from related parties non current</u>	366,891	365,922
<u>Interest</u>	interest free	interest free
Mr Chen Weidong [Member]		
<u>Due from related parties non current</u>		45,876
<u>Interest</u>	interest free	interest free
Shaanxi Changjiang Zhongxiayou Investment Co.,Ltd [Member]		
<u>Due from related parties non current</u>	\$ 13,160	\$ 13,125
<u>Interest</u>	interest free	interest free

**OTHER CURRENT  
ASSETS AND  
PREPAYMENTS (Details  
Narrative) (USD \$)**

**Mar. 31, 2013 Dec. 31, 2012**

**Other Current Assets And Prepayments Details Narrative**

<b><u>Other current assets and prepayments</u></b>	<b>\$ 147,159</b>	<b>\$ 107,217</b>
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**Disclosure - DUE FROM  
RELATED PARTIES - NON  
CURRENT (Details  
Narrative) (USD \$)**

**Mar. 31, 2013 Dec. 31, 2012**

**Disclosure - Due From Related Parties - Non Current Details Narrative**

Due from related parties non current

\$ 3,315,670 \$ 2,863,074

**OTHER PAYABLES AND  
ACCRUED EXPENSES  
(Details) (USD \$)**

**Mar. 31, 2013 Dec. 31, 2012**

**Other Payables And Accrued Expenses Details**

<u>Tax payable</u>	\$ 1,212,218	\$ 510,173
<u>Salary and welfare payable</u>	24,800	24,734
<u>Other payable</u>	214,729	170,225
<u>Total</u>	\$ 1,451,747	\$ 705,132

**OTHER CURRENT  
ASSETS AND  
PREPAYMENTS**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial Statements**

**Note 3 - OTHER CURRENT ASSETS AND PREPAYMENTS** Other current assets and prepayments of \$147,159 mainly represents the small amount advances to the employees.



SEGMENT INFORMATION (Details) (USD \$)	3 Months Ended	
	Mar. 31, 2013	Mar. 31, 2012
<u>Cost of revenue</u>	\$ 16,727	\$ 16,673
<u>Gross profit</u>	281,973	281,059
Land use right leasing [Member]		
<u>Revenue</u>	298,700	297,732
<u>Cost of revenue</u>	16,727	16,673
<u>Gross profit</u>	281,973	281,059
Solar PV energy [Member]		
<u>Revenue</u>		
<u>Cost of revenue</u>		
<u>Gross profit</u>		

**CONSOLIDATED  
BALANCE SHEETS (USD  
\$)**

	<b>Mar. 31, 2013</b>	<b>Dec. 31, 2012</b>
<b><u>ASSETS</u></b>		
<u>Cash and cash equivalents</u>	\$	\$
	1,432,788	1,763,381
<u>Restricted cash (Note 2)</u>	2,073,729	1,113,674
<u>Deferred tax assets</u>		14,326
<u>Other current assets and prepayments (Note 3)</u>	147,159	107,217
<u>Total Current Assets</u>	3,653,676	2,998,598
<u>Property, plant and equipment, net</u>	95,816	102,280
<u>Construction in progress</u>	312,133	280,178
<u>Land use rights, net</u>	16,718,300	16,775,962
<u>Long-term investment</u>	313,407	312,931
<u>Due from related parties (Note 4)</u>	3,315,670	2,863,074
<b><u>TOTAL ASSETS</u></b>	<b>24,409,002</b>	<b>23,333,023</b>
<b><u>LIABILITIES &amp; SHAREHOLDERS' EQUITY</u></b>		
<u>Other payables and accrued liabilities (Note 5)</u>	1,451,747	705,132
<u>Notes payable - related parties</u>	434,137	434,137
<u>Advance from customer</u>		1,431,867
<u>Total Current Liabilities</u>	1,885,884	2,571,136
<u>Due to related parties (Note 6)</u>	1,819,613	1,858,861
<u>Due to shareholders (Note 7)</u>	4,197,634	4,186,907
<u>Payable on acquisition of a subsidiary</u>	1,992,846	1,987,583
<u>Total Long-term Liabilities</u>	8,010,093	8,033,351
<b><u>SHAREHOLDERS' EQUITY</u></b>		
<u>Series C convertible preferred stock (\$0.01 par value, 10,000,000 shares authorized, no shares outstanding as of December 31, 2012 and March 31, 2013)</u>		
<u>Common stock (\$0.01 par value, 250,000,000 shares authorized, 64,629,559 shares issued and outstanding as of December 31, 2012 and March 31, 2013)</u>	646,295	646,295
<u>Treasury stock</u>	(489,258)	(489,258)
<u>Additional paid-in capital</u>	13,916,844	13,916,844
<u>Retained earnings</u>	(3,899,148)	(4,946,453)
<u>Non-controlling interests</u>	2,089,458	1,389,550
<u>Accumulated other comprehensive income</u>	2,248,834	2,211,558
<b><u>TOTAL SHAREHOLDERS' EQUITY</u></b>	<b>14,513,025</b>	<b>12,728,536</b>
<b><u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>	<b>\$</b>	<b>\$</b>
	<b>24,409,002</b>	<b>23,333,023</b>



**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

**3 Months Ended**

**Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 1 - SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES**

The accounting policies and methods followed in preparing these unaudited condensed consolidated financial statements are those used by China Changjiang Mining And New Energy company Ltd (the 'Company' ) as described in Special Notes of the notes to consolidated financial statements included in Annual Report on Form 10-K for the year ended December 31,2012. The unaudited condensed consolidated financial statements for the three-months periods ended March 31, 2013 and 2012 have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission and do not confirm in all respects to the disclosure and information that is required for annual consolidated financial statements. The year-end condensed consolidated balance sheet data was derived from audited consolidated financial statements, but does not include all disclosure required by accounting principles generally accepted in the United States of America. These interim condensed consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements of the Company.

In the opinion of management, all adjustments, all of which are of a normal recurring nature, considered necessary for fair statement have been included in these interim condensed consolidated financial statements. Operating results for the three-month period ended March 31, 2013 are not indicative of the results that may be expected for the full year ending December 31, 2013.

**(a) Foreign Currency Translation**

Exchange rates applied for the foreign currency translation during the period are as follows:

USD to RMB

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : RMB exchange rate	6.2689	6.2855
Average periodic US\$ : RMB exchange rate	6.2772	6.3125

USD to HKD

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : UHK exchange rate	7.7624	7.7522
Average periodic US\$ : UHK exchange rate	7.7727	7.7986

HK\$ is pegged to US\$ and hence there is no significant translation adjustment impact on these consolidated financial statements.

RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at the rates used in translation.

**(b) Earning/Loss per share**

Basic earning/loss per share is computed by dividing earning/loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earning/loss per share is computed in a manner similar to basic earning/loss per share except that the denominator is increased to include the number of additional common shares that

would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

**DUE TO SHAREHOLDERS**  
**(Details Narrative) (USD \$)**

**Mar. 31, 2013 Dec. 31, 2012**

**Due To Shareholders Details Narrative**

Due to shareholders \$ 4,197,634 \$ 4,186,907

**DUE TO RELATED  
PARTIES (Tables)**

**3 Months Ended  
Mar. 31, 2013**

**Due To Related Parties Tables**

Due to related parties

Due to related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Huiton World Property Superintendent Company	\$ 398,794	\$ 397,741
Due to Zhongke Lvxiang Development Stock Co., Ltd	\$1,116,623	1,113,674
Due to Shaanxi Changjiang electricity & new energy Co.,Ltd	\$ 293,652	292,876
Due to Baishui Du Kang Brand Management Co.,Ltd	\$ 9,571	9,546
Due to Shaanxi Xidenghui Technology Co. Ltd.	\$ 973	970
Due to Shaanxi Dukang Liquor Group Co.,Ltd	\$ -	44,054
<b>Total</b>	<b><u>\$1,819,613</u></b>	<b><u>1,858,861</u></b>

SALES REVENUE (Details Narrative) (USD \$)	3 Months Ended	
	Mar. 31, 2013	Mar. 31, 2012
<a href="#">Sales Revenue Details Narrative</a>		
<a href="#">Rent revenue</a>	\$ 298,700	\$ 297,732

## INCOME TAX (Tables)

**3 Months Ended  
Mar. 31, 2013**

### Income Tax Tables

Provision for taxes on earnings The provision for taxes on earnings consisted of:

	<b>For the three month ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
PRC Enterprise Income Tax	\$ 576,115	\$ (7,563)
United States Federal Income Tax	\$ -	\$ -
<b>Income tax expense (benefit), net</b>	<b>\$ 576,115</b>	<b>\$ (7,563)</b>

Income taxes expense (benefit) The income taxes expense (benefit), which is all incurred in PRC, consists of the following:

	<b>For the three months ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
Current income tax expense	\$ 576,115	\$ -
Deferred income tax benefit	\$ -	\$ (7,563)
<b>Income tax, net</b>	<b>\$ 576,115</b>	<b>\$ (7,563)</b>

## RESTRICTED CASH

**3 Months Ended**

**Mar. 31, 2013**

### Notes to Financial Statements

Note 2 - RESTRICTED CASH The Restricted cash of \$ 2,073,729 (RMB13,000,000) represents the amount received by the escrow account as of March 31, 2013. According to the transfer contract for the mines exploration rights, the buyer was required to deposit in the escrow account in the amount of \$ 1,116,623 (RMB7,000,000) within the 3 days after the signature of transfer contract, and subsequently the last payment of \$957,106 (RMB6,000,000) upon approval of the transaction from administrative department. When the mines transfer transaction was accomplished, the amount would be authorized by both parties to be transferred from the escrow account and deposited into the Company' s bank account. At the end of the first quarter of 2013, the Department of Land and Resources of Shaanxi Province has approved this mines transfer transaction, and all of the contact amount has been settled.

**CONSOLIDATED  
BALANCE SHEETS  
(Parenthetical) (USD \$)**

**Mar. 31, 2013 Dec. 31, 2012**

**SHAREHOLDERS' EQUITY**

<u>Series C Convertible preferred stock, par value</u>	\$ 0.01	\$ 0.01
<u>Series C Convertible preferred stock, Authorized</u>	10,000,000	10,000,000
<u>Series C Convertible preferred stock, outstanding</u>	0	0
<u>Common stock, par value</u>	\$ 0.01	\$ 0.01
<u>Common stock, Authorized</u>	250,000,000	250,000,000
<u>Common stock, Issued</u>	64,629,559	64,629,559
<u>Common stock, outstanding</u>	64,629,559	64,629,559



**SEGMENT  
INFORMATION**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 12 - SEGMENT  
INFORMATION**

The Company operates in two reportable segments, Land use right leasing and solar PV energy. Summarized information by business segment for the three months ended March 31, 2013 and 2012 is as follows.

	<b>For the three months ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
Revenue		
Land use right leasing	\$ 298,700	\$ 297,732
Solar PV energy	-	-
Cost of revenue		
Land use right leasing	16,727	16,673
Solar PV energy	-	-
Gross Profits		
Land use right leasing	281,973	281,059
Solar PV energy	-	-

The Company evaluates segment performance based on income from operations. As a result, the components of operating income for one segment may not be comparable to another segment.

**Document and Entity  
Information**

**3 Months Ended  
Mar. 31, 2013**

**Document And Entity Information**

<u>Entity Registrant Name</u>	CHINA CHANGJIANG MINING & NEW ENERGY COMPANY, LTD.
<u>Entity Central Index Key</u>	0000029952
<u>Document Type</u>	10-Q
<u>Document Period End Date</u>	Mar. 31, 2013
<u>Amendment Flag</u>	false
<u>Current Fiscal Year End Date</u>	--12-31
<u>Is Entity a Well-known Seasoned Issuer?</u>	No
<u>Is Entity a Voluntary Filer?</u>	No
<u>Is Entity's Reporting Status Current?</u>	Yes
<u>Entity Filer Category</u>	Smaller Reporting Company
<u>Entity Common Stock, Shares Outstanding</u>	64,629,559
<u>Document Fiscal Period Focus</u>	Q1
<u>Document Fiscal Year Focus</u>	2013

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES  
(Policies)**

**3 Months Ended**

**Mar. 31, 2013**

**Summary Of Significant  
Accounting Policies Policies**

**Foreign Currency Translation**

Exchange rates applied for the foreign currency translation during the period are as follows:

USD to RMB

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : RMB exchange rate	6.2689	6.2855
Average periodic US\$ : RMB exchange rate	6.2772	6.3125

USD to HKD

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : UHK exchange rate	7.7624	7.7522
Average periodic US\$ : UHK exchange rate	7.7727	7.7986

HK\$ is pegged to US\$ and hence there is no significant translation adjustment impact on these consolidated financial statements.

RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at the rates used in translation.

**Earning/Loss per share**

Basic earning/loss per share is computed by dividing earning/loss available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earning/loss per share is computed in a manner similar to basic earning/loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

**CONSOLIDATED  
STATEMENTS OF  
INCOME AND  
COMPREHENSIVE  
INCOME (LOSS)  
(Unaudited) (USD \$)**

**3 Months Ended**

**Mar. 31, 2013 Mar. 31, 2012**

**Consolidated Statements Of Income And Comprehensive Income Loss**

<u>Sales revenue (Note 8)</u>	\$ 298,700	\$ 297,732
<u>Cost of revenue</u>	16,727	16,673
<u>Gross Profit</u>	281,973	281,059
<b><u>Operating expenses</u></b>		
<u>Administrative expenses</u>	115,825	57,723
<u>Gain on disposal of assets (Note 9)</u>	(2,262,952)	
<u>Depreciation</u>	6,726	7,463
<u>Amortization</u>	101,950	101,620
<u>Total operating expenses (Income)</u>	(2,038,451)	166,806
<u>Income from operations</u>	2,320,424	114,253
<b><u>Other Income (Expenses)</u></b>		
<u>Interest income</u>	10,867	
<u>Interest expenses</u>	(429)	
<u>Other expenses</u>	(7,534)	(12,521)
<u>Total Other Income (Expense)</u>	2,904	(12,521)
<u>Income(Loss) before tax</u>	2,323,328	101,732
<u>Income tax expense (benefit) (Note 10)</u>	576,115	(7,563)
<u>Net Income</u>	1,747,213	109,295
<b><u>Net income attributable to:</u></b>		
<u>Non-controlling interests</u>	699,908	(8,399)
<u>Common Stockholders</u>	1,047,305	117,694
<b><u>Other comprehensive income/(loss)</u></b>		
<u>Foreign currency translation adjustments</u>	37,276	7,179
<u>Total Comprehensive Income</u>	\$ 1,784,489	\$ 116,474
<u>Weighted average shares-Basic</u>	64,629,559	64,629,559
<u>Weighted average shares-Diluted</u>	64,629,559	64,629,559
<b><u>Earnings (loss) per share</u></b>		
<u>Basic</u>	\$ 0.02	\$ 0.00
<u>Diluted</u>	\$ 0.02	\$ 0.00

## DUE TO SHAREHOLDERS

**3 Months Ended  
Mar. 31, 2013**

### Notes to Financial Statements

#### Note 7 - DUE TO SHAREHOLDERS

The balance of \$4,197,634 due to shareholders represents the loan owed to the shareholders, which are interest free, unsecured and repayable on demand twelve months after March 31, 2013.

Due to shareholders consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Wang Shengli	\$2,198,773	2,192,966
Due to Zhang Hongjun	1,398,491	1,394,798
Due to Chen Min	\$ 600,370	599,143
	<u>4,197,634</u>	<u>4,186,907</u>

**DUE TO RELATED  
PARTIES**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 6 - DUE TO RELATED  
PARTIES**

The balance of \$1,819,613 due to related parties represents the loan owed to related parties, which are interest free, unsecured and repayable on demand twelve months after March 31, 2013.

Due to related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Huiton World Property Superintendent Company	\$ 398,794	\$ 397,741
Due to Zhongke Lvxiang Development Stock Co., Ltd	\$1,116,623	1,113,674
Due to Shaanxi Changjiang electricity & new energy Co.,Ltd	\$ 293,652	292,876
Due to Baishui Du Kang Brand Management Co.,Ltd	\$ 9,571	9,546
Due to Shaanxi Xidenghui Technology Co. Ltd.	\$ 973	970
Due to Shaanxi Dukang Liquor Group Co.,Ltd	\$ -	44,054
<b>Total</b>	<b><u>\$1,819,613</u></b>	<b><u>1,858,861</u></b>

**DUE TO SHAREHOLDERS**  
**(Tables)**

**3 Months Ended**  
**Mar. 31, 2013**

**[Due To Shareholders Tables](#)**

**[Due to shareholders](#)**

Due to shareholders consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Due to Wang Shengli	\$2,198,773	2,192,966
Due to Zhang Hongjun	1,398,491	1,394,798
Due to Chen Min	<u>\$ 600,370</u>	<u>599,143</u>
	<u>4,197,634</u>	<u>4,186,907</u>

**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING POLICIES  
(Tables)**

**3 Months Ended**

**Mar. 31, 2013**

[Summary Of Significant Accounting Policies Tables](#)

[Exchange rates applied for foreign currency translation](#)

Exchange rates applied for the foreign currency translation during the period are as follows:

USD to RMB

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : RMB exchange rate	6.2689	6.2855
Average periodic US\$ : RMB exchange rate	6.2772	6.3125

USD to HKD

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Period end US\$ : UHK exchange rate	7.7624	7.7522
Average periodic US\$ : UHK exchange rate	7.7727	7.7986



## INCOME TAX

**3 Months Ended  
Mar. 31, 2013**

[Notes to Financial  
Statements](#)

[Note 10 - INCOME TAX](#)

The provision for taxes on earnings consisted of:

	<b>For the three month ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
PRC Enterprise Income Tax	\$ 576,115	\$ (7,563)
United States Federal Income Tax	\$ -	\$ -
<b>Income tax expense (benefit), net</b>	<b>\$ 576,115</b>	<b>\$ (7,563)</b>

The income taxes expense (benefit), which is all incurred in PRC, consists of the following:

	<b>For the three months ended March 31, 2013</b>	<b>For the three months ended March 31, 2012</b>
Current income tax expense	\$ 576,115	\$ -
Deferred income tax benefit	\$ -	\$ (7,563)
<b>Income tax, net</b>	<b>\$ 576,115</b>	<b>\$ (7,563)</b>

## SALES REVENUE

**3 Months Ended  
Mar. 31, 2013**

[Notes to Financial  
Statements](#)

[Note 8 - SALES REVENUE](#)

The Company entered into a lease and complementary agreements with the related company Huanghe dated July 26, 2010. According to the agreements, a piece of land with the area of 5,706,666.67 square meters was leased to Huanghe for traveling and amusement from January 1, 2011 to December 31, 2029. The annual rent in US dollars is approximately \$1.2 million (equivalent to RMB7, 500,000). The rent revenue of \$298,700 was recognized for the three months ended March 31, 2013, compared with the rent revenue of \$297,732 for the three months ended March 31, 2012.

**GAIN ON DISPOSAL OF  
ASSETS**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 9 - GAIN ON  
DISPOSAL OF ASSETS**

The gain on disposal of assets consists of the total consideration of \$2,389,600 (RMB15,000,000) and the related business tax and its surcharges of \$ 126,648.

**RELATED PARTY  
TRANSACTIONS**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial  
Statements**

**Note 11 - RELATED PARTY  
TRANSACTIONS**

In addition to the other transactions and balances disclosed elsewhere in the financial statements, the Company leased the land use right to Huanghe, a company with the same controlling person, and generated rent revenue of \$298,700 for the three months ended March 31, 2013.

<b>DUE TO SHAREHOLDERS</b>	<b>Mar. 31, 2013</b>	<b>Dec. 31, 2012</b>
<b>(Details) (USD \$)</b>		
<a href="#">Due to shareholders</a>	\$ 4,197,634	\$ 4,186,907
Due to Wang Shengli [Member]		
<a href="#">Due to shareholders</a>	2,198,773	2,192,966
Due to Zhang Hongjun [Member]		
<a href="#">Due to shareholders</a>	1,398,491	1,394,798
Due to Chen Min [Member]		
<a href="#">Due to shareholders</a>	\$ 600,370	\$ 599,143

**OTHER PAYABLES AND  
ACCRUED EXPENSES**  
(Tables)

**3 Months Ended  
Mar. 31, 2013**

**Other Payables And Accrued Expenses Tables**

Summary of other payables and accrued liabilities The following is a summary of other payables and accrued liabilities:

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Tax payable	\$1,212,218	\$ 510,173
Salary and welfare payable	24,800	24,734
Other payable	214,729	170,225
	<u>\$1,451,747</u>	<u>\$ 705,132</u>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(Details)**

**3 Months Ended 12 Months Ended**

**Mar. 31, 2013      Dec. 31, 2012**

USD to RMB [Member]		
<a href="#">Period end exchange rate</a>	6.2689	6.2855
<a href="#">Average periodic exchange rate</a>	6.2772	6.3125
USD to HKD [Member]		
<a href="#">Period end exchange rate</a>	7.7624	7.7522
<a href="#">Average periodic exchange rate</a>	7.7727	7.7986

**CONSOLIDATED  
STATEMENTS OF CASH  
FLOWS (Unaudited) (USD  
\$)**

**3 Months Ended  
Mar. 31, 2013 Mar. 31, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

<u>Net income</u>	\$ 1,747,213	\$ 109,295
<u>Depreciation and amortization</u>	108,677	109,083
<u>Deferred tax assets</u>	14,371	(7,575)
<u>Gain on disposal of mines</u>	(2,262,952)	

**Changes in operating assets and liabilities:**

<u>Other current assets and prepayments</u>	(40,067)	94,558
<u>Other payables and accrued liabilities</u>	622,132	(72,578)

**CASH PROVIDED BY OPERATING ACTIVITIES**

189,374      232,783

**CASH FLOWS FROM INVESTING ACTIVITIES**

<u>Purchase of property, plant and equipment</u>	(1,004)	
<u>Due from related parties</u>	(454,011)	280,360

**CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES**

(455,015)      280,360

**CASH FLOWS FROM FINANCING ACTIVITIES**

<u>Repayment to related parties</u>	(39,370)	289,088
-------------------------------------	----------	---------

**CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES**

(39,370)      289,088

<u>Effect of exchange rate changes on cash and cash equivalents</u>	(25,582)	17,200
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<b><u>NET INCREASE (DECREASE) IN CASH</u></b>	<b>(330,593)</b>	<b>819,431</b>
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<b><u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u></b>	<b>1,763,381</b>	<b>20,932</b>
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<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u></b>	<b>1,432,788</b>	<b>840,363</b>
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**Supplementary Disclosures for Cash Flow Information:**

Income taxes paid

**NON-CASH INVESTING AND FINANCING ACTIVITIES**

<u>Changes in restricted cash related to disposal of assets</u>	957,106	
<u>Changes in advance from customers related to disposal of assets</u>	\$ (1,435,659)	



**OTHER PAYABLES AND  
ACCRUED EXPENSES**

**3 Months Ended  
Mar. 31, 2013**

**Notes to Financial Statements**

**Note 5 - OTHER PAYABLES AND ACCRUED  
EXPENSES**

The following is a summary of other payables and accrued liabilities:

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Tax payable	\$1,212,218	\$ 510,173
Salary and welfare payable	24,800	24,734
Other payable	214,729	170,225
	<u>\$1,451,747</u>	<u>\$ 705,132</u>

**RESTRICTED CASH**  
**(Details Narrative) (USD \$)**

**Mar. 31, 2013**

Amount received by the escrow account \$ 2,073,729

Required to deposit in the escrow account 1,116,623

Subsequently the last payment of escrow account 957,106

RMB

Amount received by the escrow account 13,000,000

Required to deposit in the escrow account 7,000,000

Subsequently the last payment of escrow account \$ 6,000,000

INCOME TAX (Details 1) (USD \$)	3 Months Ended	
	Mar. 31, 2013	Mar. 31, 2012
<b><u>Income Tax Details 1</u></b>		
<u>Current income tax expense</u>	\$ 576,115	
<u>Deferred income tax benefit</u>		(7,563)
<u>Income tax, net</u>	\$ 576,115	\$ (7,563)

**DUE FROM RELATED  
PARTIES - NON CURRENT  
(Tables)**

**3 Months Ended**

**Mar. 31, 2013**

**Due From Related Parties -  
Non Current Tables**

**Due from related parties**

Due from related parties consists of the following.

	<b>March 31, 2013</b>	<b>December 31, 2012</b>	<b>Interest</b>
Du Kang Liquor Development Co., Ltd	\$ 797,588	795,482	interest free for the first year and bear interest in the benchmark lending rate over the same period afterwards
Shaanxi Du Kang Liquor Group Co., Ltd	\$ 191,916		bearing interest in the - benchmark lending rate over the same period
Zhongke Aerospace & Agriculture Development Stock Co.,Ltd	\$ 450,637	449,447	interest free
Shaanxi Huanghe Bay Springs Lake Theme Park Ltd	\$1,495,478	\$1,193,222	interest free
Shaanxi Changfa Industrial Co., LTD	\$ 366,891	365,922	interest free
Mr Chen Weidong	\$ -	45,876	interest free
Shaanxi Changjiang Zhongxiayou Investment Co.,Ltd	\$ 13,160	13,125	interest free
<b>Total</b>	<b>3,315,670</b>	<b>2,863,074</b>	