MINCO SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

This Management's Discussion and Analysis ("MD&A") of Minco Silver Corporation ("we", "our", "us", "Minco Silver", or the "Company") has been prepared by management on the basis of available information up to March 27, 2023, and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2022. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Except as noted, all financial amounts are expressed in Canadian dollars. All references to "$" and "dollars" are Canadian dollars, all references to "US$" are United States dollars and all references to "RMB" are Chinese Renminbi. Some dollar amounts are rounded to thousands ('000) for discussion purposes.

Additional information regarding the Company, including our continuous disclosure materials, the audited consolidated financial statements, MD&A and Annual Information Form ("AIF"), which contain extensive disclosure of the history and properties of the Company, are available under the Company's profile on SEDAR at www.sedar.com.

This MD&A contains forward-looking information subject to risk factors in a cautionary note included in the Company's MD&A. The Company's audit committee reviewed the consolidated financial statements and MD&A and recommended approval to the Company's Board of Directors.

Refer to Note 3 of the audited consolidated financial statements for the year ended December 31, 2022, for details of the Company's significant accounting policies.

Minco Silver (TSX: MSV) was incorporated under the laws of British Columbia, Canada, on August 20, 2004. Minco Silver is engaged in the acquisition, exploration and development of precious metals mineral properties and projects.

As of December 31, 2022, the Company had the following Chinese subsidiaries: Minco Investment Holding HK Ltd. ("Minco HK"), Minco Resource Limited ("Minco Resources"), Minco Mining (China) Co. Ltd. ("Minco China"), Guang Dong Changfu Mining Co. Ltd., ("Changfu Minco"), Tibet Minco Mining Co. Ltd. ("Tibet Minco"), and its 51% interest in Mingzhong Mining Co. Ltd. ("Mingzhong"). Changfu Minco is subject to a 10% net profit interest held by Guangdong Geological Bureau ("GGB") and the Company.

At the date of this MD&A, the Company has 61,025,083 common shares and 5,231,000 stock options outstanding.

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1. Highlights for the Year

(1) During the year ended December 31, 2022, the Company actively sought new mineral properties, reviewing the various mineral properties, visiting mineral sites, conducting due diligence, and discussing with project consultants and lawyers.

(2) During the year ended December 31, 2022, the Company entered into a share option to purchase agreement (the "Option Agreement") with VIAD Royalties AB ("VIAD"), a wholly owned subsidiary of EMX Royalty Corporation ("EMX), to acquire all of the issued and outstanding shares of VMS Exploration AS, a Norwegian corporation (the "Target Company"), free and clear of all encumbrances. Pursuant to the terms of the Option Agreement, Minco Silver was granted the exclusive right to acquire (the "Option") an 100% interest in the Sagvoll and Sulitjelma properties in Norway.

The Option Agreement provides VIAD with cash payments and work commitments by VIAD during a one-year option period. Upon exercise of an option on either project, the Company will pay the equity stakes, offer additional work commitments, advance royalty payments, milestone payment and a 2.5% net smelter return royalty from any production of the property (the "NRS royalty") to VIAD.

During the year ended December 31, 2022, the Company incurred a total of $469,000 of exploration and evaluation ("E&E") expenditures on Sagvoll and Sultijelma properties. (Refer to Section 2 for more details).

During the year ended December 31, 2022, the Company responded to Changning Longxin Mining Co., Ltd. ("Longxin Mining")'s appeal against the court verdict. On June 6, 2022, a final judgment was received, upholding the original decision on November 12, 2021. On June 17, 2022, the Company formally submitted the enforcement request to the court. On June 27, 2022, the court officially accepted the proposal and arranged for the enforcement judge.

During the year ended December 31, 2022, the Company received $6,556,000 (RMB 33,895,000) from Longxin Mining, including $3,189,000 (RMB 16,489,000) in Note principal payment, and $3,367,000 (RMB 17,405,000) for the Note accrued interests' payment.

As of December 31, 2022, the amount of the outstanding Note principal was $7,643,000 (RMB 38,936,000) (December 31, 2021: $11,057,000 (RMB 55,424,000)), and the accrued interest included in the Company's receivable was $72,000 (RMB 366,000) (December 31, 2021: $1,950,000 (RMB 9,774,000).

Subsequent to the year ended December 31, 2022, the Company further received $0.4 million (RMB 2 million) repayments of principal and accrued interests of the note receivable.

(3) The Company invested in specific equity through the public market using the Company's surplus cash held. The investment does not alter the Company's business focus on the exploration and development of mineral properties.

As of December 31, 2022, the fair market value of such investments was $1,587,000 (December 30, 2021 - $3,694,000). During the year ended December 31, 2022, the Company purchased various companies' common shares and warrants with a total cost of $660,000 and realized a gain of $510,000 from the disposal of certain investments with disposal proceeds of $2,033,000.

During the year ended December 31, 2022, the Company also invested in floating return wealth management products ("WMPs") without principal protection issued by China Merchant Bank.

As of December 31, 2022, the fair market value of such investments was $Nil (December 31, 2021 - $19,438,000). During the year ended December 31, 2022, the Company disposed of $19,280,000 of the investment and realized a gain of $616,000.

In October 2022, the Company, through Minco China, acquired an interest in the Tianjin Saikehuan Enterprise Management Center Limited (the "Saikehuan LP") from Tianjin Huaxin Anneng Management Consulting Partnership LP ("Huaxin") for $23,510,000 (RMB 119.8 million), which represent 9.54% interest in the limited partnership The Company's stake in the Saikehuan LP gives it an indirect interest in approximately 7,481,000 shares of Hexie. In conjunction with the acquisition, Minco China also entered into a restructuring and distribution agreement with Saikehuan LP as its general partner, pursuant to which the parties will restructure the Saikehuan LP to initiate Minco China as a direct holder of the Hexie Shares with the right to trade those shares directly on behalf of the Saikehuan LP. Under the terms of this restructuring agreement, the Company will be entitled to recoup its entire purchase price from the sale proceeds of Hexie shares. Once the purchase price has been recouped, all remaining proceeds will be distributed 20% to the general partner, with the remaining 80% to Minco China.

As of December 31, 2022, the fair value of the investment was $29,373,000 (RMB 149,632,000), net of the payable to the general partner. As a result, the Company recorded an unrealized gain of $5,777,000 (RMB 29,870,000). The Company announced a change of management. The former Chief Financial Officer ("CFO") and corporate secretary, Ms. Melinda Hsu, resigned and Ms. Renee Lin was appointed as the new CFO and corporate secretary, effective July 13, 2022.

(4) Subsequent to the year ended December 31, 2022, the Company further purchased additional equities from the public market for a total cost of $932,484, disposed of certain investments for total proceeds of $779,856, and realized a gain of $119,813.

2. Exploration and Project Development Activities

2.1 Impairment

In the past, the Company experienced significant delays in the renewal of exploration permits of both the Fuwan Silver Deposit and Changkeng Gold Project. As a result, in 2019, the Company impaired $60,246,258 of exploration and evaluation costs incurred in the Fuwan Silver Project and Changkeng Gold Project.

Although the Company fully impaired the Fuwan Silver project and Changkeng Gold project, the renewal applications for the exploration permits were still ongoing. In March 2021, the Company renewed the exploration permit on the Fuwan Silver Project for five years with an expiry date of March 8, 2026. During the year ended December 31, 2022, the Company renewed the exploration permit on the Changkeng Project for five years with an expiry date of November 21, 2027. With both renewal exploration permits, the Company plans to obtain a mining license for its Changkeng Gold Project and Fuwan Silver Projects.

A value-in-use calculation is not applicable as the Company has no expected cash flows from using these mineral properties at this stage of operations. In estimating the fair value less cost of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than $Nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

2.2 Disclosure of Technical Information

The Fuwan Silver Project and the Changkeng Gold Project are located in a major part of the northeast-trending Fuwan silver belt, which hosts the known gold and silver occurrences in the Sanzhou basin. Technical information or other scientific information about the Fuwan Silver Project are disclosed in two Technical Reports, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under the Company's profile or on the Company's website at www.mincosilver.com.

The following is a summary:

A National Instrument 43-101 ("NI 43-101") compliant technical report entitled "Technical Report and Updated Resource Estimate on the Fuwan Property Guangdong Province, China", dated January 25, 2008, was prepared by Eugene Puritch, P. Eng. Ontario, Tracy Armstrong, P. Geo Ontario, and Antoine Yassa, P.Geo. Québec. This technical report includes relevant information regarding the data, data validation and the assumptions, parameters, and methods of the mineral resource estimates on the Fuwan Silver Project.

A NI 43-101 compliant technical report entitled "Fuwan Silver Project Feasibility Study Technical Report" effective date September 1, 2009 (the "Feasibility Study") was prepared by John Huang, P.Eng., S. Byron V. Stewart, P.Eng., Aleksandar Živković, P.Eng. and Scott Cowie, B. Eng, MAusIMM, and Eugene Puritch, P.Eng.. These preparers are qualified persons for NI 43-101. This technical report includes relevant information regarding the data, data validation and the assumptions, parameters and methods used in determining the ore reserves on the Fuwan Silver Project.

The Company acquired Changkeng Gold Project from Minco Capital Corp. ("Minco Capital") on July 31, 2015. Technical Information of the Changkeng Gold Project is available from the NI 43-101 technical report prepared for Minco Capital entitled "Technical Report and Updated Resource Estimate on the Changkeng Gold Project Guangdong Province, China", dated effective February 21, 2009, and prepared by Tracy Armstrong, P. Geo Ontario, Eugene Puritch, P. Eng. Ontario and Antoine Yassa, P.Geo. Québec who are qualified persons for the purposes of NI 43-101. This technical report includes relevant information regarding the data, data validation and the assumptions, parameters, and methods of the mineral resource estimates on the Changkeng Gold Project and is available at www.sedar.ca under the profile of Minco Capital.

The Company has not updated the three technical reports or feasibility studies mentioned above since their initial publication. Readers are cautioned not to rely on the above-mentioned technical reports/feasibility study for the assessment of the prospect of the Fuwan Silver Project and Changkeng Gold Project, and for the accuracy of certain numbers, including the mineral resources estimates, capital cost, development cost, preproduction cost and operating cost presented in this MD&A, which have been derived from the above-mentioned technical reports.

All other disclosure of a scientific or technical nature in this MD&A was reviewed and approved by Wan Fang, a Member of the Association of Professional Engineers and Geoscientists of Ontario (P. Geo) and a "qualified person", as such term is defined in NI 43-101.

The Company is evaluating the Fuwan Project and the Changkeng Project for further exploration and development or for sale.

2.3 Fuwan Silver Project

The Company, through Changfu Minco, has Luoke-Jilinggang Permit on the Fuwan area covering a total area of 21.75 mk^2 located in Gaoming County, approximately 45 km southwest of Guangzhou, the fourth largest city in China and the capital city of Guangdong Province.

The Luoke- Jilinggang Permit was renewed in early March 2021 for five years with an expiry date of March 8, 2026.

2.4 Changkeng Gold Project

The Changkeng Gold Project is adjoined to the Fuwan Silver Project and is situated close to well-established water, power, and transportation infrastructure. The Company has a 51% interest in the Changkeng Project through its subsidiary Mingzhong, which is a cooperative joint venture established with three Chinese partners.

The Changkeng exploration permit was renewed and expires on November 21, 2028.

2.5 Sagvoll and Sulitjelma Projects

During the year ended December 31, 2022, the Company entered into an Option Agreement with VIAD, a wholly owned subsidiary of EMX, to acquire all of the issued and outstanding shares of VMS Exploration AS, the Target Company, free and clear of all encumbrances. Pursuant to the terms of the Option Agreement, Minco Silver has granted the Option a 100% interest in the Sagvoll and Sulitjelma properties in Norway.

Under the terms of the Option Agreement, the Company can acquire up to 100% interest in the Sagvoll and Sulijelma Projects. In order to exercise the Option, the Company needs to:

1. Pay to VIAD:
    a. $60,000 (paid) on the signing of the Option Agreement;
    b. $200,000 (paid) minimum exploration expenditures by the first anniversary of the Effective Date;
    c. $35,000 by the first anniversary of the Effective Date (the "Option Expiry Date"); and
    d. $9,780 (NOK 75,000) by the first anniversary of the Effective Date as reimbursement for the establishment of the Target Company;

2. Issue VIAD 2% of the issued and outstanding shares of the Company, or up to a maximum of 2,000,000 shares, by the first anniversary of the agreement
3. Deliver to VIAD a royalty agreement for a 2.5% net smelter returns royalty from any production of the properties (the "NSR"), subject to Minco Silver's right to buy down one-fifth of the NSR to reduce it to 2.0%, upon payment to VIAD of $1,000,000 on or before the 6th anniversary of the agreement.

After the exercise of the Option and on the date of the transfer of the properties to the Company (the "Closing Date"), and to maintain the option, the Company is required to incur exploration expenditures of:

1. $400,000 by the second anniversary of the Effective Date;
2. $1,400,000 by the third anniversary of the Effective Date;
3. Cumulative $4,000,000 by the fifth anniversary of the Effective Date

In addition, the Company is also required to:

1. issue to VIAD equal to 0.5% of the issued and outstanding shares of the Company, up to a maximum of 500,000 shares within six months of the Closing Date.
2. make the milestone payment of $250,000 on each retained project, a total of $500,000, upon completion of a preliminary economic assessment (or "PEA") and pay $250,000 on each retained project, a total of $500,000 upon completion of a positive feasibility study ("PFS") to EMX. These milestone payments can be made in cash or shares of Minco Silver.
3. pay VIAD an advanced annual royalty of $25,000 (the "Annual Advance Royalty") on each of the Properties retained, until the commencement of commercial production on the third anniversary of the Effective Date. The amount of the Annual Advanced Royalty payment will increase by fifteen percent (15%) each year but will be capped at $75,000 per year for each of the Properties.

The Company will be responsible for maintaining the properties in good standing under applicable Norwegian mining laws and reporting the exploration expenditures, before and after the Closing Date.

The Sagvoll and Sulitjelma polymetallic projects in Norway are located in the early Paleozoic VMS belt in Norway, which saw numerous districts and mines in operation from the 1600s through the 1990s. The Sagvoll project hosts both volcanogenic massive sulfide ("VMS") styles of mineralization and magmatic sulfide nickel-copper mineralization. The Sulitjelma project is a past producer of VMS polymetallic mineralization. The combination of base, battery and precious metals makes this an especially compelling portfolio of projects.

Sagvoll Project, Caledonian VMS Belt, Southern Norway: The Sagvoll project in southern Norway consists of both VMS and magmatic nickel-copper sulfide mineralization developed along the Caledonian orogenic trend. This metallogenic region represents a tectonically displaced continuation of the Cambrian-Ordovician VMS belts in northeastern North America, which includes the Buchans and Bathurst VMS camps in eastern Canada, and also the Avoca VMS district in Ireland. As such, this represents one of the more prolific VMS belts in the world in terms of total production from its various mining districts, albeit now tectonically displaced and occurring along opposite sides of the Atlantic Ocean.

At Sagvoll, mineralization and historic mining areas are positioned along a 13-kilometre trend. Although multiple historic mines are present in the area, only limited historical drilling has taken place, most of which were drilled over 100 years ago. Many prospects and mining areas remain untested. The most recent work conducted in the district took place in 2006 when Xstrata PLC ("Xstrata") flew airborne geophysical surveys and identified five prioritized nickel-copper targets and 11 VMS targets for further exploration and drill testing[1]. However, the follow-up exploration work was never completed.

It has been identified that several "walk-up" style drill targets are based on historical and more recent Xstrata data. The Company will work closely with EMX to systematically explore the area.

Sulitjelma District, Central Norway: The Sulitjelma VMS district was discovered in 1858 and was mined from 1891 to1991. Sulitjelma was one of the last operating base metal mines in Norway. VMS-style mineralization occurs along a trend that extends over 20 kilometres and is developed along multiple stratigraphic horizons and structurally repeated sections. Metamorphism and deformation have caused the thickening and repetition of mineralized horizons in the area. The district

[1] Internal Xstrata PLC internal report by Beaudoin for A/S Sulfidmalm Project 206, "Report of field work in the Skjarkerdalen area, central Norway: Summer 2006". On file at Geological Survey of Norway (NGU).

produced over 25 million tonnes, averaging 1.84% copper, 0.86% inc, 10 g/t silver and 0.25 g/t gold. Significant historical resources were left unmined at the time of closure in the early 1990s.

The district has seen very little work since the mines closed. Recent (2014) airborne geophysical surveys highlighted multiple conductive anomalies along the primary trend of mineralization that have not yet been drill tested. The geologists have found outcropping expressions of VMS style mineralization, also along trend, that have not been developed or drill tested.

2.6 E&E expenditures

E&E expenditures are the expenses related to Sagvoll and Sulitjelma projects in Norway. During the year ended December 31, 2022, E&E expenditures were $469,000 (2021 - $Nil).

E&E expenditures of the Company, by the property and by nature of the expense, for the year ended December 31, 2022, and 2021 were as follows:

	Sagvoll Project		Sulijelma Projects		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Acquisition costs	30,000	-	30,000	-	60,000	-
Assays and analyses	8,348	-	16,976	-	25,324	-
Camp, utilities and supplies	13,834	-	37,761	-	51,595	-
Consulting	44,130	-	60,989	-	105,119	-
Equipment rentals	8,377	-	8,679	-	17,056	-
Geophysical and other surveys	1,705	-	13,289	-	14,994	-
Legal	25,613	-	25,613	-	51,226	-
Sampling	2,812	-	2,149	-	4,961	-
Salaries	33,590	-	43,106	-	76,696	-
Travel	27,734	-	34,222	-	61,956	-
Total	196,143	-	272,784	-	468,927	-

2.7 Property investigation and permitting expenses

During the year ended December 31, 2022, the Company incurred the expenditures for maintaining the exploration permits.

The Company is also focused on the acquisition of advanced high-quality mineral projects around the world. During the year ended December 31, 2022, the exploration team reviewed and evaluated various potential properties and travelled to Europe and South America, conducting due diligence.

During the year ended December 31, 2022, the total expenditures related to property investigation and permitting expenses such as salary, consulting fees, legal fees, travelling, licensing and other costs were $729,000 (2021 - $862,000).

3. Selected Annual Information and Summary of Quarterly Results

3.1 Selected Annual Information

	2022	2021	2020
	$	$	$
Revenue	-	-	-
Net income (loss)	3,115,228	(1,571,997)	(1,210,050)
Income (loss) per share (basic and diluted)	0.05	(0.03)	(0.02)
Total assets	52,485,490	48,790,394	47,149,659
Total long-term financial liabilities	780,567	566,988	45,547
Cash dividends	-	-	-

Total assets increased by $3.7 million to $52.5.0 million as of December 31, 2022, compared to $48.8 million as of December 31, 2021, mainly due to $5.4 million of the realized and unrealized gain on financial assets at fair value through profit or loss, offsetting by $0.7 million of the foreign exchange loss.

Total assets increased by $1.7 million to $48.8 million as of December 31, 2021, compared to $47.1 million as of December 31, 2020, mainly due to $2.0 million of the realized and unrealized gain on financial assets at fair value through profit or loss, $3.2 million of the interest and dividend income, which offset the operating expenses and $2.6 million decreased carrying value of equity investment in Hempnova.

As of December 31, 2022, 2021 and 2020, the long-term financial liabilities were lease obligations.

3.2 Summary of Quarterly Results

	Income (loss) attributable to shareholders	Earnings (loss) per share Basic	Diluted
	$	$	$
12-31-2022*	4,636,367	0.08	0.08
09-30-2022	(523,259)	(0.01)	(0.01)
06-30-2022*	(1,234,756)	(0.02)	(0.02)
03-31-2022	262,104	0.00	0.00
12-31-2021*	(1,775,113)	(0.03)	(0.03)
09-30-2021*	846,518	0.01	0.01
06-30-2021	(132,687)	(0.00)	(0.00)
03-31-2021	(483,357)	(0.01)	(0.01)

The Company has not generated revenue yet. Variations in quarterly performance over the years and eight quarters were primarily due to variations in impairment charges recorded, changes in the foreign exchange rate and share-based compensation. Appreciation or depreciation of the US dollar can result in significant foreign exchange gains and losses due to the US dollar funds held by the Company.

*Net income of $4.6 million for the quarter ended December 31, 2022, was mainly due to an unrealized gain of $5.9 million on financial assets at fair value through profit or loss.

*Net loss of 1.2 million for the quarter ended June 30, 2022, was mainly due to an unrealized loss of $0.9 from investment in financial assets at fair value through profit or loss.

*Net loss of $1.8 million for the quarter ended December 31, 2021, was mainly due to a $1.4 million impairment on the equity investment in Hempnova.

*Net income of $0.9 for the quarter ended September 30, 2021, was mainly due to the realized gain from investment in financial assets at fair value through profit or loss.

4. Results of Operations

The Company’s working capital was $48.7 million at the end of the fourth quarter as of December 31, 2022, compared to $42.0 million at the end of the third quarter as of September 30, 2022. The increase of $6.7 million was due primarily to the increase of financial assets at fair value through profit or loss.

4.1 Operating Result Comparison for the Three Months Ended December 31, 2022 (“Q4 2022) and 2021(“Q4 2021”)

Q4	2022	2021	Change
	$	$	$
E&E expenditures	(127,000)	-	(127,000)
Operating expenses	(784,000)	(683,000)	(101,000)
Other income and expenses	6,493,000	996,000	5,497,000
Income tax expenses	(922,000)	(398,000)	(524,000)
Impairment of equity investment	-	(1,437,000)	1,437,000
Share of loss of equity investment	(31,000)	(260,000)	229,000
Net income (loss)	4,629,000	(1,782,000)	6,411,000

Net income for Q4 2022 was $4,629,000 compared to a net loss of $1,782,000 in Q4 2021. The increase in income of $6,411,000 was mainly due to an increase of $5,763,000 in unrealized gain in financial assets at fair value through profit or loss, and a decrease of $1,437,000 impairment of equity investment, which was offset by the increase of operating expenses of $101,000 during Q4 2022 compared to Q4 2021.

<u>Share of income of equity investment</u>

In May 2020, the Company purchased 7,950,000 common shares of Hempnova, representing approximately 12.7% of the issued and outstanding common shares of Hempnova. During Q4 2022, the Company’s share HempNova loss was $31,000 (2021 – $260,000) using the equity method for this investment.

<u>Impairment of equity investment</u>

Management assesses whether there is objective evidence that its investment in Hempnova is impaired each reporting period. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Impairment indicators may include loss events such as (i) significant financial difficulty of Hempnova (ii) significant changes with an adverse effect that have taken place in the market, economic or legal environment in which Hempnova operates and (iii) evidence of a significant or prolonged decline in fair value of Hempnova below its carrying value. In 2021, the Company identified impairment indicators mainly due to Hempnova significantly impairing $1.5 million of biomass inventory and $1.6 million of certain equipment. As a result, the Company impaired $1,437,000 of goodwill initially recorded upon the date of investment in May 2020. During Q4 2022, no such impairment was required by the Company.

The movement in connection with the operating expenses and other income (expenses) are discussed in sections 4.1.1 and 4.1.2, respectively, below.

4.1.1 Operating Expenses

The Company maintains a field office in Gaoyao County, Zhaoqin City, Guangdong province, an office in Beijing, China and an office in Vancouver, Canada. The Company’s operating expenses include overhead associated with administering, field expenses and property investigation activities.

The following table is a summary of the Company's operating expenses for Q4 2022, and Q4 2021:

Q4	ref	2022	2021	Change
		$	$	$
E&E expenditures	a	127,345	-	127,345
Audit, legal and regulatory	b	68,702	52,065	16,637
Amortization		74,524	68,207	6,317
Consulting		16,554	14,250	2,304
Directors' fees		19,500	17,250	2,250
Property investigation and permitting expenses	c	269,215	319,879	(50,664)
Interest expenses	d	36,579	14,814	21,765
Office administration	e	56,827	83,663	(26,836)
Rent		5,977	18,802	(12,825)
Salaries and benefit		106,770	76,920	29,850
Share-based compensation	f	113,231	1,822	111,409
Travel and transportation		16,019	15,597	422
Total operating expenses		911,243	683,269	(227,974)

During Q4 2022, the Company's operating expenses increased by $228,000 compared to Q4 2021.

The major changes in the operating expenses are as follows:

(a) E&E expenditures were the expenditures incurred related to Sagvoll and Sulijelma Projects related to the option agreement signed with EMX during the year ended December 31, 2022. The expenditures were mainly for the exploration expenses, including acquisition costs, mapping and sampling, assays and analysis, equipment rental, technical reports, consulting and travelling expenses. During Q4 2022, the E&E expenditures were $127,000 (2021 - $Nil).

(b) The audit, legal and regulatory fees increased by $17,000 during Q4 2022 compared to Q4 2021, mainly due to additional tax services sought for annual audit in China during Q4 2022.

(c) Included in property investigation and permitting expenses, there were consulting, permitting, insurance and general administration expenses related to the new project search and permitting renewal. During Q4 2022, the permitting expenses decreased by $51,000 due to less travel and activities in China under the Covid restriction policy.

(d) Interest expenses increased by $22,000 during Q4 2022 compared to Q4 2021, as the Company extended its rental agreement for another five years with the landlord in Q4 2022.

(e) Office administration expenses decreased by $27,000 during Q4 2022, as the Company had better control over the office expenditures.

(f) Shared-based compensation fluctuates from year to year depending on the timing and fair value of options vested in each period. During Q4 2022, the Company amortized the newly granted 3,000,000 stock options in May 2022.

4.1.2 Other Income (Expenses)

Q4	2022	2021	Change
	$	$	$
Foreign exchange loss	(355,817)	(35,374)	(320,443)
Credit loss (recovery)	(26,227)	16,600	(42,827)
Gain on disposal of financial assets at fair value through profit or loss	266,362	120,618	145,744
Unrealized gain on financial assets at fair value through profit or loss	6,199,238	435,596	5,763,642
Interest and dividend income	409,674	459,038	(49,364)
Total other income	6,493,230	996,478	5,496,752

Foreign exchange loss

The Company's foreign exchange gain (loss) is a result of two components:

- The effect of the change of exchange rate between the US dollar and the Canadian dollar on the US dollar denominated in cash and cash equivalent and short-term investment held by the Company's parent and Hong Kong subsidiaries. The Canadian dollar is the functional currency of these entities.
- The effect of the change of exchange rate between the US dollar and RMB on the US dollar-denominated deposit and short-term investment held by the Company's Chinese subsidiaries. RMB is the functional currency of the Company's Chinese subsidiaries.

During Q4 2022, the US dollar depreciated against Canadian dollars by approximately 1.2% (2021- 0.5%), and the US dollar depreciated against RMB by approximately 3.2% (2021 – 1.7%). As a result, the net foreign exchange loss was $356,000 in Q4 2022 compared to $35,000 in Q4 2021.

Credit losses

On May 11, 2021, the Company filed a lawsuit to the court in order to recover $11,057,000 (RMB 55,424,000) of the outstanding Note principal plus $629,000 (RMB 3,254,000) of interest accrued until April 1, 2021, at an annual interest rate of 24% for the period from January 1, 2020, to August 19, 2020, and at an interest rate of 15.4% per annum thereafter. On November 12, 2021, the Company received a court verdict on the lawsuit that Longxin and other related defendants shall pay the Company aforesaid claimed amounts as well as litigation expenses incurred.

As per the terms of the service agreement, the Company is required to pay a success fee which equals 10% of the total principal and interests recovered by the Company from this legal action. During Q4 2022, the Company paid a $635,000 (RMB 3,282,000) success fee to its legal consultant. As of December 31, 2022, the Company also recorded a success fee payable of $793,000 (RMB 4,037,000).

Gain on disposal of and net fair value gain on financial assets at fair value through profit or loss

The Company, through the public market, invested in certain common shares of public companies. The fair value is designated as a fair-value-through-profit-or-loss (FVTPL) financial asset and is measured at its fair value at inception and at each subsequent reporting period.

During Q4 2022, the Company recorded a realized gain of $266,000 (2021 - $121,000) from the investments. The Company also recorded an unrealized gain of $6,199,000 (2021 - $440,000) based on the fair market value as of the quarter-end.

The Company also invested WMPs issued by China Mercantile Bank. During Q4 2022, the Company recorded a realized gain of $616,000 (2021 - $Nil). The company disposed of all investments in WMPs during Q4 2022. During Q4 2021, the Company had an unrealized gain of $181,000 based on the fair market value.

Regarding the investment in common shares through a partnership, during Q4, 2022, the Company recorded an unrealized gain of $5,777,000 (RMB 29,870,000).

Interest and dividend income

During Q4 2022, interest and dividend income was in line with Q4 2021.

4.2 Operating Result Comparison for the Year Ended December 31, 2022, and 2021

	2022	2021	Change
	$	$	$
Operating expenses	(2,828,000)	(2,323,000)	(505,000)
Other income	7,326,000	3,926,000	3,400,000
Income taxes expenses, current and deferred	(922,000)	(603,000)	(319,000)
Impairment of equity investment	-	(1,437,000)	1,437,000
Share of loss of equity investment	(461,000)	(1,135,000)	674,000
Net income (loss)	3,115,000	(1,572,000)	4,687,000

Net income for the year ended December 31, 2022, was $3,115,000 (income of $0.05 per share) compared to a loss of $1,572,000 (loss of $0.03 per share) in 2021. The net income increased by $4,687,000, mainly due to an increase of unrealized gain of $3,836,000 on the financial assets through the profit or loss, decrease of credit loss of $943,000, and decrease of impairment loss of $1,437,000 from the share of equity investment in Hempnova, which was offset by the decrease of interest and sundry income of $1,387,000.

The movement in connection with the operating expenses and other income (expenses) are discussed in sections 4.2.1 and 4.2.2, respectively.

4.2.1 Operating Expenses for the Year Ended December 31, 2022, and 2021

The following table is a summary of the Company's operating expenses for the year ended December 31, 2022, and 2021:

Year ended December 31,	ref	2022	2021	Change
		$	$	$
E&E expenditures	a	468,927	-	468,927
Audit, legal and regulatory	a	253,554	218,921	34,633
Amortization	a	307,268	244,399	62,869
Consulting		64,779	70,625	(5,846)
Directors' fees		75,750	75,750	-
Property investigation and permitting expenses	a	729,451	862,327	(132,876)
Interest expenses	a	85,171	63,126	22,045
Office Administration	b	221,902	192,953	28,949
Rent		21,122	36,367	(15,245)
Salaries and benefit	c	262,553	378,298	(115,745)
Share-based compensation		289,293	127,694	161,599
Travel and Transportation		48,535	52,720	(4,185)
Total operating expenses		2,828,305	2,323,180	505,125

(a) Please refer to the analyses in section 4.1.1 above.

(b) Office and administration expenses increased by $29,000 during the year ended December 31, 2022, compared to the same period in 2021, as the Company shared a comparatively higher portion of office expenses.

(c) Salaries and benefits expenses decreased by $116,000 during the year ended December 31, 2022, compared to the same period in 2021, mainly due to the downsizing of the management team in the Vancouver office and the reallocation of the fee structure in China.

4.2.2 Other Income (Expenses) for the Year Ended December 31, 2022, and 2021

Year ended December 31,	2022	2021	Change
	$	$	$
Foreign exchange (loss) / gain	332,326	(64,181)	396,507
Credit losses	(239,085)	(1,181,871)	942,786
Gain on disposal of financial asset at fair value through profit or loss	1,126,016	1,512,962	(386,946)
Unrealized gain on financial assets at fair value through profit or loss	4,304,496	468,719	3,835,777
Interest and dividend income	1,802,570	3,189,903	(1,387,333)
Total other income	7,326,323	3,925,532	3,400,791

Please refer to section 4.1.2 for a detailed discussion.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Years ended December 31,	
Cash generated from (used in)	2022	2021
	$	$
Operating activities	(2,718,000)	(2,288,000)
Financing activities	(273,000)	(219,000)
Investing activities	5,173,000	(7,847,000)

Operating activities

During the year ended December 31, 2022, and 2021, there was no revenue generated from operations and cash used in the operating activities mainly accounted for $63,000 of changes in working capital (2021 - $432,000) and $2,781,000 of cash used in operation expenditures (2021 - $1,856,000).

Financing activities

During the year ended December 31, 2022, the Company paid $273,000 in connection with the lease obligation (2021 - $219,000).

Investing activities

During the year ended December 31, 2022, the Company received $3,189,000 note principal repayment (2021 - $Nil) and $3,623,000 interest income (2021 – 358,000). The Company acquired $23,823,000 of investments in financial assets at fair value through profit or loss (2021 - $28,843,000) and received $21,313,000 from the disposition of investments (2021 - $8,500,000). The net redemption of short-term investment during 2022 was $870,000 (2021 – $12,224,000).

5.2 Capital Resources and Liquidity Risk

The Company uses the following key financial measurements to assess its financial condition and liquidity:

	December 31, 2022	December 31, 2021
	$	$
Working capital	48,621,169	44,189,583
Cash and cash equivalents	7,533,518	5,020,671
Short-term investment	3,994,617	4,987,531
Note receivable	7,643,126	11,057,243

The Company has not generated revenues yet and currently relies on cash on hand for its working capital requirements to fund exploration, development, permitting and administrative activities.

The Company believes the working capital on hand is sufficient to meet its current operational and development obligations in the next 12-month operating period, and the Company is not subject to external constraints in using its resources on hand.

The Company has a significant amount of its cash, cash equivalent, and short-term investment in China. For the cash denominated in RMB that is maintained in China, the remittance of funds to jurisdictions outside China is subject to government rules and regulations on foreign currency controls. Such remittance requires approval by the relevant government authorities or designated banks in China or both.

Most of the Company's China operating subsidiaries had accumulated losses. However, if these Chinese subsidiaries become profitable in the future and have extra cash that can pay to the parent company outside China, the repatriations of profits out of China are subject to restrictions. To repatriate profits from China, the Company must comply with Chinese regulations pertaining to repatriations. Minco China must provide the following documents to its Chinese bank: (i) a board resolution authorizing the distribution; (ii) a capital verification report and an audit report; (iii) a tax certificate, which shows that Minco China has paid the related tax in compliance with Chinese laws; and (iv) a foreign exchange registration certificate. Minco China will comply with these requirements when needed.

In 2020, the Company applied to reduce the registered capital of Minco China by US $20 million from US $60 million to US $40 million. After a long working process, the application was approved by various Chinese government agencies in 2020. The Company plans to wire the funds once sufficient RMB term deposits have matured and/or the outstanding Note principal repayment has been received for funding the potential acquisition of properties outside of China.

6. Off-Balance Sheet Arrangements

The Company does not have off-balance sheet arrangements.

7. Transactions with Related Parties

(a) Key management compensation

Key management includes the Company's directors and senior management.

During the year ended December 31, 2022, and 2021, the following compensation and benefit were paid to or accrued for the key management.

	December 31, 2022	December 31, 2021
	$	$
Senior management remuneration and benefit	571,093	584,919
Directors' fees	75,750	75,750
Share-based compensation	237,219	93,669
	884,062	754,338

(b) Rental agreement with the CEO

On April 1, 2019, the Company's wholly-owned subsidiary, Minco China, entered into a lease agreement for the use of an office in Beijing, China, with the Company's CEO, the owner of the property, with an effective date on April 1, 2019, and expiry date on August 31, 2021. In 2021, the lease term was extended to August 31, 2026. The monthly rent is $17,407 (RMB 90,000).

Pursuant to the lease agreement, the Company was required to pay lease improvement expenses. During the year ended December 31, 2022, the Company revised lease improvements of $3,157 (RMB 16,321) (2021 – record lease improvement of $15,814 (RMB 81,400)).

(c) Shared office expenses

The Company, Minco Capital Corp. ("Minco Capital"), Hempnova and Minco Base Metals Corporation ("MBM") have certain directors and management in common. These four companies share certain offices and administrative expenses.

During the year ended December 31, 2022, the Company paid or accrued $63,927 (December 31, 2021 – $50,240) in respect of rent and $240,128 (December 31, 2021 – $219,593) in shared head office expenses and administration costs to Minco Capital.

(d) Due to and due from related parties

	December 31, 2022	December 31, 2021
	$	$
Due to:		
Companies owned by the CEO	-	(43,602)
Minco Capital - reimbursement of shared expenses	1,909	-
Total	1,909	(43,602)
Due from:		
CEO	7,287	-
Hempnova - reimbursement of shared expenses	136,811	132,220
Minco Capital - reimbursement of shared expenses	-	6,420
MBM – reimbursement of shared expenses	23,957	24,348
	168,055	162,988

The amounts due from (to) are unsecured, non-interest bearing and payable on demand.

(e) Trust arrangement with MBM

In 2018, the Company disposed of two former subsidiaries (Minco Yinyuan Co. and Minco International Resources Limited) to MBM. After the disposition, Minco Yinyuan has a trust arrangement with Minco China, a wholly owned subsidiary of the Company, to continue holding certain cash and short-term investments for Minco China. As of December 31, 2022, the amount held by Minco Yinyuan in trust for Minco China was $158,673 (December 31, 2021 - $155,296).

(f) Investment in Hempnova

The Company has significant influence even though its shareholding in Hempnova is below 20%. This is because the Company has the ability to influence decision-making due to the fact that the Company and Hempnova have certain directors and management in common; in addition, certain directors and management also directly and/or indirectly own Hempnova common shares.

8. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgment that the company has made in the preparation of the financial statements that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year for the following:

Impairment

In accordance with the Company's accounting policy, the Company's mineral interest and equity investment in Hempnova are evaluated every reporting period to determine whether there are any indications of impairment or impairment reversal. If any such indication exists, which is judgmental, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount or an impairment reversal is recognized to the extent that the recoverable amount exceeds the carrying value. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value, less costs to sell and value in use.

Mineral interest

The evaluation of asset-carrying values for indications of impairment or impairment reversal includes consideration of both external and internal sources of information, including such factors as the Company's right to explore in the specific area, whether substantive exploration and evaluation activities have been planned or budgeted, whether an evaluation in the specific area has not led to the discovery of commercially viable quantities of mineral resources, or sufficient data exist to indicate that the carrying value of the property will not be recoverable. The Company fully impaired the Fuwan Silver Project and Changkeng Gold Project on September 30, 2019 (Refer to Note 8, below, for details). As of December 31, 2022, management assessed the Fuwan Silver Project and Changkeng Gold Project for impairment reversal indicators and did not identify any.

Equity investment in Hempnova

Management assesses whether there is objective evidence that its investment in Hempnova is impaired each reporting period. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Impairment indicators may include loss events such as (i) significant financial difficulty of Hempnova (ii) significant changes with an adverse effect that have taken place in the market, economic or legal environment in which Hempnova operates and (iii) evidence of a significant or prolonged decline in fair value of Hempnova below its carrying value. As of December 31, 2021, the Company identified impairment indicators and impaired $1,436,514 of the equity investment in Hempnova. As of December 31, 2022, the Company did not require to impair the equity investment in Hempnova.

Significant Influence on Hempnova Lifetech Corp.

Management has assessed the level of influence that the Company has on Hempnova and determined that it has significant influence even though its shareholding is below 20%. This is because the Company has the ability to influence decision-making due to the fact that the Company and Hempnova have board members and management in common; in addition, certain directors and management also directly and/or indirectly own Hempnova common shares.

Note receivable

Management applied significant judgment in estimating the valuation of the collateral as part of their expected credit loss assessment related to the note receivable. To estimate expected credit losses, management considered the valuation of the security of the note receivable, the success fee, and the probability that the court verdict would be upheld. As a result, as of December 31, 2022, the amount of the outstanding Note principal was $7,643,126 (RMB 38,935,615) (December 31, 2021: $11,057,243 (RMB 55,424,433)), and the accrued interest included in the Company's receivable was $71,930 (RMB 366,427) (December 31, 2021: $1,949,863 (RMB 9,773,693).

During the year ended December 31, 2022, the Company received $6,555,707 (RMB 33,894,971) from Longxin Mining, including $3,189,141 (RMB 16,488,815) in Note principal payment and $3,366,566 (RMB 17,405,156) for to the Note accrued interests' payment. The Company continued its legal action to recover the outstanding Note principal and accrued interests. The Company should pay 10% of the total principal and interests recovered to its legal consultant. As such, during the year ended December 31, 2022, the Company paid a $634,840 (RMB 3,282,315) success fee. As of December 31, 2022, the Company recorded a success fee payable of $792,546 (RMB 4,037,387) to its legal consultant.

9. Significant Accounting Policies

The annual financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. The Company's management has made judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts incurred by the Company may differ from these values.

The Company's significant accounting policies, applied judgements, and estimates are set out in note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

10. Financial Instruments and Fair Value Measurements

The Company measured its investments in common shares from the open market at their fair value at inception and at each subsequent reporting period. Fair values of financial instruments not measured at fair value approximate their carrying value due to their short-term nature.

The following table shows the carrying values of assets and liabilities for each of these categories as of December 31, 2022, and December 31, 2021.

	December 31, 2022	December 31, 2021
	$	$
Fair value through profit and loss		
Non-principal-protected wealth management products (level 2)	-	19,438,062
Investment in marketable securities (level 1)	30,959,898	3,694,466
Amortized cost financial assets		
Cash and cash equivalents	7,533,518	5,020,671
Short-term investments	3,994,617	4,987,531
Note receivable	7,643,126	11,057,243
Receivables	143,283	2,112,919
Due from related parties	168,055	162,988
Deposit	70,468	69,407

Amortized cost financial liabilities	December 31, 2022	December 31, 2021
	$	$
Due to related party	1,909	43,602
Accounts payable and accrued liabilities	210,477	215,620
Credit losses payable	792,546	1,213,678
Due to minority shareholders of a subsidiary	348,514	354,195
Lease obligations, current	213,857	172,603
Lease obligations, non-current	780,567	566,988

Financial assets and liabilities that are recognized on the balance sheet at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalent, short-term investments, receivables, note receivable, security deposits, due to and from related parties, account payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. Risk management activities are carried out by management, who identifies and evaluates the financial risks.

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if the counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by these counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair value contracts with individual counterparties, which are recorded in the consolidated financial statements. The Company considers its Cash and cash equivalent, short-term investments, and note receivable to be exposed to credit risk.

In order to manage credit risk, the Company:

- limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high-credit quality financial institutions in Canada, Hongkong and China,
- Obtain adequate collateral to secure the recoverability of the note receivable (also refer to note 7).

Foreign exchange risk

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

The Company does not hedge its exposure to currency fluctuations. The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net US$3.3 million monetary assets at year-end. This sensitivity analysis shows that a change of +/- 10% in the US$ foreign exchange rate would have a -/+ US$0.33 million impact on net loss.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are cash and cash equivalents, short-term investments and note receivable.

The Company does not hold cash and cash equivalent, short-term investments and note receivable at variable rates. As a result, the Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk includes the risk that the Company cannot meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its exploration and development plans. The annual budget is approved by the Company's board of directors. As of December 31, 2022, the Company has positive working capital of approximately $44 million. Management concludes that the Company has sufficient funds to meet its current operating and exploration expenditures.

11. Risks Factor and Uncertainties

A comprehensive discussion of risk factors is included in the Company's AIF for the year ended December 31, 2022, which is available on SEDAR at www.sedar.com.

12. Disclosure Controls and Procedure and Internal Controls over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework used to design the Company's ICFR is the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded, based on its evaluation, that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and reported as required. Management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The CEO and the CFO, with the assistance of management, conducted an evaluation of the effectiveness of the Company's ICFR as of December 31, 2022. Based on the evaluation, the CEO and the CFO have concluded that as of December 31, 2022, the Company's internal control over financial reporting is effective.

The Board of Directors approves the financial statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

12.1. Changes in Internal Controls over Financial Reporting

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended December 31, 2022.

13. Cautionary Statement of Forward-Looking Information

Except for statements of historical fact, this MD&A contains certain "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which reflect management's current expectations regarding, among other things and without limitation, the Company's future growth, results of operations, performance and business prospects, opportunities, the future price of minerals and the effects thereof, the estimation of mineral reserves and resources, the timing and amount of estimated capital expenditures, the realization of mineral reserves estimates, costs and timing of proposed activities, plans and budgets for and expected results of exploration activities, exploration and permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation obligations and expenses, the availability of future acquisition opportunities and use of the proceeds of from financing. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative connotation thereof.Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company operates, including the price of silver and gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, silver and gold price volatility, mineral reserves and resources and metallurgical recoveries, mining operations and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation and the change of environmental laws and regulations), currency fluctuations, the speculative nature of mineral exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property.

Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking statements, there may be other factors that cause events or results not to be as anticipated, estimated or intended.

Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by statements containing forward-looking information. Such factors include, among others: results of exploration and development activities, management's historical experience with development-stage mining operations, regulatory changes, possible variations in reserves, grades or recovery rates, availability of material and equipment, timeliness of governmental approvals, changes in commodity prices (particularly silver prices), general economic, market and business conditions, unanticipated environmental impacts on operations, the availability of capital of acceptable terms, and the other factors discussed in the section entitled "Risk Factor and Uncertainties" in this MD&A.

Forward-looking statements included or incorporated by reference in this MD&A are based on a number of assumptions including, but not limited to:

- The collection of the note and accrued interest.
- The continued availability of equity and debt financing to fund the Fuwan Silver Project and Changkeng related exploration and development activities.
- The continued ability of the Company to attract and retain key management personnel.
- The ability of the Company to evaluate precious metals projects outside China for potential acquisition.
- The ability of the Company to renew the exploration permits, and mining area permit before their expiry.
- The ability of the Company to pursue an alternative strategy in finding a large mining group as a business partner in China or outside China.

- The Company is able to withdraw sufficient money from China when needed (e.g., to finance the acquisition of new mineral properties in areas other than China).

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward-looking information.

The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. Users of this MD&A are cautioned not to place undue reliance on forward-looking statements.