MINCO SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 26, 2024, and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2023. 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 at www.sedarplus.com.

This MD&A contains forward-looking information subject to risk factors, as noted in a cautionary note 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, 2023, for details of the Company's material accounting policies.

Minco Silver (TSX: MSV) was incorporated on August 20, 2004, under the laws of British Columbia, Canada. It acquires, explores, and develops precious metals mineral properties and projects.

As of December 31, 2023, 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 6,900,000 stock options outstanding.

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1. Highlights For the Year

(1) During the year ended December 31, 2023, the Company sustained expenses associated with the maintenance of exploration permits. Despite these costs, the Company maintains unwavering dedication to its objective of acquiring advanced, high-quality mineral projects globally. In pursuit of this objective, the exploration team conducted a thorough review and evaluation of various prospective properties during the same period in 2023.

(2) During the year ended on December 31, 2023, in light of another promising investment opportunity and to ensure the optimal utilization of available funds, the board of directors has decided to discontinue the Sulitjelma and Sagvoll Projects.

In the ongoing effort to recover the outstanding amounts from Longxin, the court has taken significant steps. On January 10, 2023, the court issued an auction announcement for the initial batch of 89 sealed properties and further involved the completion of the first auction and second. Auctions yield unsatisfactory results, prompting management to take further action, including the forced sale of 89 properties on the maket and initiating new auction procedures for additional seized residential and commercial properties. Additionally, it is essential to note that management has thoroughly evaluated the carrying value of various collaterals, including residential and commercial properties, a 100% share interest in Longxin, equipment, land use rights, and mining permits, all guaranteed by Hunan Shengbang Investment Real Estate Co., Ltd. The estimated liquidation value of real estate properties is $17 million (RMB 93 million) based on the following assumptions: 1) average price of RMB 4,000 per square meter for residential properties and RMB 6,000 per square meter for commercial properties and 2) 44% liquidation discount on selling price. If the liquidation discount increases from 44% to 70%, the liquidation value will decrease by $8 million (RMB 43 million) to $9 million (RMB 50 million), which is above the carrying amount of the principal and interest of the note receivable as of December 31, 2023. Legal counsel for the Company has corroborated this assessment.

Management exercised material judgment and made estimations to determine whether the carrying value of the collaterals surpassed the note balance. They also assessed the likelihood of successful collateral sales and the Company's ability to recover the note receivable, including the interest portion.

During the year ended December 31, 2023, the Company received a total of $380,823 (RMB 1,998,103) from Longxin Mining, which included $168,134 (RMB 882,165) as the principal payment on the Note and $212,689 (RMB 1,115,938) as the payment of accrued interest on the Note.

As of December 31, 2023, the outstanding Note principal was $7,089,340 (RMB 38,053,450) (December 31, 2022: $7,643,126 (RMB 38,935,615)), and the accrued interest included in the Company's receivable was $970,452 (RMB 5,209,095) (December 31, 2022: $71,930 (RMB 366,427).

Looking ahead to the post-2023 period, the Company plans to undertake additional tasks. It will urge the Court to complete auction procedures for the 89 residential properties and additional commercial properties. Additionally, the company will advocate for the Court to implement measures restricting the judgment debtor's high consumption, including placing the legal representative on the list of dishonest judgment debtors. Furthermore, the Company will encourage the Court to enforce measures preventing the judgment debtor from leaving the country.

(3) The Company utilized its surplus cash to make targeted equity investments in Canada's public market. Importantly, this investment strategy does not deviate from the Company's core business focus, which remains centered on exploring and developing of mineral properties.

During the year ended December 31, 2023, the Company purchased $1,920,000 common shares (2022 - $660,000), disposed of $1,971,000 common shares (2022 - $2,033,000), recorded an unrealized loss of $162,000 (2022 –

$1,292,000), and recognized a gain of $172,000 (2022 - $510,000). As of December 31, 2023, the fair value of the investment was $1,524,000 (December 31, 2022 - $1,587,000).

In 2022, the Company also invested in common shares through a partnership in China. As of December 31, 2023, the fair value of the investment was $24,442,000 (RMB 131,199,000 after deducting the payable to the general partner (December 31, 2022 - $29,373,000 (RMB 149,632,281)). Consequently, during the year ended December 31, 2023, the Company recognized an unrealized loss of $3,513,000 (RMB 18,433,000) (December 31, 2022 – an unrealized gain of $5,777,000 (RMB 28,936,000)).

(4) During the year ended December 31, 2023, the Company granted 2,930,000 stock options to purchase common shares to employees, consultants and directors at an exercise price of $0.20 per share. These options vest 18 months from the grant date and expire on June 2, 2028.

2. Exploration and Project Development Activities

2.1 Mineral interests

In the past, the Company faced significant delays in renewing exploration permits for the Fuwan Silver Deposit and Changkeng Gold Project. Consequently, in 2019, the Company recorded an impairment of $60,246,258 related to exploration and evaluation costs incurred for these projects.

Although the Company had fully impaired the Fuwan Silver and Changkeng Gold projects, renewal applications for 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. In November 2022, the Company also 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 intends to obtain mining licenses for its Changkeng Gold 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. This valuation technique requires management's judgment and estimates of the recoverable amount, so 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 significant 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 is disclosed in two Technical Reports, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedarplus.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 on 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 is the qualified person for 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. It is available at www.sedarplus.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. Therefore, 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 specific 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 and Changkeng projects for further exploration and development or 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 close to well-established water, power, and transportation infrastructure. The Company has a 51% interest in the Changkeng Project through its subsidiary Mingzhong, a joint venture established with three Chinese partners.

The Changkeng exploration permit was renewed and expires on November 21, 2027.

2.5 Sagvoll and Sulitjelma Projects

On July 15, 2022, the Company entered into a share option to purchase agreement (the "Option Agreement") with VIAD Royalties AB, a subsidiary of EMX Royalty Corporation, to potentially acquire all issued and outstanding shares of VMS Exploration AS, a Norwegian corporation. VMS Exploration AS owned the Sagvoll and Sulitjelma properties in Norway, collectively referred to as the "Norway Project." The Option Agreement established various financial and operational requirements, including setting the option expiry date by the first anniversary of signing the agreement. Furthermore, if exercised, the Company would have been obligated to incur additional expenditures on the Norway Project, issue more shares, and make payments to VIAD as detailed in the agreement.

In July 2023, just before the option closing date, the Company decided not to exercise the Option Agreement. Consequently, the Company opted not to proceed with the acquisition of the Norway Project. This choice was made after careful consideration, taking into account the presence of another promising investment opportunity and the importance of maximizing the utilization of available funds.

As of December 31, 2023, the Company had incurred $599,056 in exploration and evaluation ("E&E") expenses, which included the initial $60,000 payment made upon signing the Option Agreement. These E&E expenses covered a range of costs, such as exploration rights, geological studies, drilling licenses, sampling, and directly attributable administrative expenses. During the year ended December 31, 2023, the Company incurred$130,129 in E&E expenses (compared to $468,927 in 2022).

2.7 Property investigation and permitting expenses

In 2019, the Company recorded an impairment of $60 million on capitalized exploration and evaluation costs incurred for the Fuwan Silver Project and Changkeng Gold Project. This impairment was necessary due to delays and uncertainties in renewing exploration permits. Since then, the Company has been expensing all permitting, exploration, and evaluation costs until a thorough review of the project's potential is conducted.

During the year ended December 31, 2023, the Company incurred expenses for maintaining the exploration permits. The Company remains committed to acquiring advanced, high-quality mineral projects globally. To achieve this objective, the exploration team conducted a thorough review and evaluation of various prospective properties during 2023.

During the year ended December 31, 2023, the total expenditures related to property investigation and permitting expenses such as salary, consulting fees, legal fees, travelling, licensing and other costs were $1,097,653 (2022 - $729,451).

3. Selected Annual Information and Summary of Quarterly Results

3.1 Selected annual information

	2023	2022	2021
	$	$	$
Revenue	-	-	-
Net income (loss)	(4,061,585)	3,115,228	(1,571,997)
Income (loss) per share (basic and diluted)	(0.07)	0.05	(0.03)
Total assets	45,707,052	52,485,490	48,790,394
Total long-term financial liabilities	535,566	780,567	566,988
Cash dividends	-	-	-

Total assets decreased by $6.8 million to $45.7 million as of December 31, 2023, compared to $52.5 million as of December 31, 2022, mainly due to a $8 million change in financial assets at fair value through profit or loss.

Total assets increased by $3.7 million to $52.5 million as of December 31, 2022, compared to $48.8 million as of December 31, 2021. This was mainly due to $5.4 million of the realized and unrealized gain on financial assets at fair value through profit or loss, offsetting $0.7 million of the foreign exchange loss.

As of December 31, 2023, 2022 and 2021, the long-term financial liabilities were lease obligations.

3.2 Summary of quarterly results

	Income (loss) attributable to shareholders	Earnings (loss) per share Basic	Earnings (loss) per share Diluted
	$	$	$
12-31-2023*	3,272,089	0.05	0.05
09-30-2023*	(1,489,357)	(0.02)	(0.02)
06-30-2023*	(6,082,399)	(0.10)	(0.10)
03-31-2023	280,838	0.00	0.00
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

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.

*The net loss of $1.2 million for the quarter ending June 30, 2022, was largely attributed to an unrealized loss of $0.9 million from investments in financial assets at fair value through profit or loss.

*The quarter-ending December 31, 2022, net income of $4.6 million was primarily driven by an unrealized gain of $5.9 million on financial assets at fair value through profit or loss.

*The net loss of $6.1 million for the quarter ending June 30, 2023, was primarily due to an unrealized loss of $4.9 million on financial assets at fair value through profit or loss.

*The net loss of $1.5 million for the quarter ending September 30, 2023, was mainly attributed to an unrealized loss of $1.3 million on financial assets at fair value through profit or loss.

*The net income of $3.2 million for the quarter ending December 31, 2023, was mainly attributed to an unrealized gain of $2.6 million on financial assets at fair value through profit or low. Other differences were due to the tax recovery.

4. Results of Operations

The Company maintains offices in Gaoyao County, Zhaoqin City, Guangdong Province, as well as in Beijing, China and Vancouver, Canada. The Company's operating expenses include E&E expenditures, the overhead expenses associated with administering and fees related to property investigation and permitting.

4.1 Operating result comparison for the three months ended December 31, 2023 ("Q4 2023) and 2022 ("Q4 2022")

	2023	2022	Change
	$	$	$
Operating expenses	(723,000)	(911,000)	188,000
Other income (expenses)	2,872,000	6,493,000	(3,621,000)
Share of gain (loss) from equity investment	300,000	(31,000)	331,000
Net income before tax	2,449,000	5,551,000	(3,102,000)

The net income before tax for Q4 2023, was $2.4 million, while the net income for Q4 2022 was $5.6 million. The decrease in net income of $3.1 million was primarily due to the decrease in fair value investment in China through the partnership.

Share of gain (loss) from equity investment

The Company owns 12.7% of issued and outstanding common shares of Hempnova Lifetech Corp. ("Hempnova"). In Q4 2023, the Company shared Hempnova's gain of $300,000 (2022 – shared a loss of $31,000).

The details regarding the movement in E&E expenditures, administrative expenses and other income (expenses) are discussed in sections 4.1.1 and 4.1.2 below.

4.1.1 Operating expenses

The table below summarizes the Company's operating expenses for Q4 2023 and 2022:

Three months ended December 31,	ref	2023	2022	Change
		$	$	$
E&E expenditures	a	(5,546)	127,345	(132,891)
Audit, legal and regulatory	b	54,238	68,702	(14,464)
Amortization	c	92,506	74,524	17,982
Consulting	d	-	16,554	(16,554)
Directors' fees		17,250	19,500	(2,250)
Interest expenses	e	15,853	36,579	(20,726)
Office administration expenses	f	43,237	56,827	(13,590)
Property investigation and permitting expenses		224,105	269,215	(45,110)
Rent		10,628	5,977	4,651
Salaries and benefits	g	132,328	106,770	25,558
Share-based compensation		120,078	113,231	6,847
Travel and others		18,634	16,019	2,615
Total operating expenses		723,311	911,243	(187,932)

During Q4 2023, the operating expenses decreased by $188,000 compared to Q4 2022. The material changes in operating costs are as follows:

(a) In Q4 2023, the Company reversed $6,000 in expenditures related to E&E expenses due to over-accrued, marking a material contrast with the $127,000 spent during the same period in 2022. This substantial shift was primarily due to the Company's decision to terminate the option agreement with EMX in July 2023.
(b) Audit, legal and regulatory expenses decreased by $14,000 in Q4 2023 compared to Q4 2022, primarily due to reduced audit and legal matters.
(c) Amortization increased by $18,000 during Q4 2023 due to adjustment in lease payment in the same period.
(d) Consulting fee decreased by $17,000 during Q4 2023 compared to Q4 2022 due to the reduction in consultant usage.
(e) Interest expenses decreased by $21,000 during Q4 2023. This was attributed to the Company's renewal of its lease agreement with the landlord in Q4 2022, increasing accrued liability.
(f) Office administration expenses decreased during Q4 2023 compared to Q4 2022 due to improved cost control measures implemented by management
(g) Share-based compensation increased by $7,000 during Q4 2023 compared to Q4 2022 as the Company has a more extensive options base to expense in Q4 2023.

4.1.2 Other income (expenses)

Three months ended December 31,	2023	2022	Change
	$	$	$
Credit recovery (loss)	5,078	(26,227)	31,305
Foreign exchange loss	(95,984)	(355,817)	259,833
Gain on disposal of financial assets at fair value through profit or loss	28,566	266,362	(237,796)
Unrealized gain on investment in financial assets at fair value through profit or loss	2,581,608	6,199,238	(3,617,630)
Interest and dividend income	352,719	409,674	(56,955)
Total	2,871,987	6,493,230	(3,621,243)

Credit losses

In April 2021, Minco China engaged Beijing Anheli Law Firm ("Anheli") under a legal service agreement (the "Anheli Service Agreement") to assist with legal action aimed at recovering the outstanding principal and accrued interest on a Note. The terms of the agreement stipulate that the Company is obligated to pay a success fee of 10% of the total principal and interests recovered through legal proceedings.

The credit losses were attributed to the increasing outstanding accrued interest payments, net of the payment to Anheli.

During Q4 2023, the Company reversed a $5,000 legal payment to Anheli due to an adjustment for the prior period record and a foreign exchange difference (2022- credit loss of $26,200).

Foreign exchange loss

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

- The effect of the exchange rate change 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 exchange rate change between the US dollar and RMB affects 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 2024, the US dollar depreciated against Canadian dollars by approximately 2.2% (2022 – 1.2%) and against RMB by about 10.3% (2022 – 3.2%). As a result, the net foreign exchange loss was $96,000 for Q4 2023, compared to $356,000 for the same period in the prior year.

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

The Company utilized its surplus cash to make targeted equity investments in the public market. These investments are classified as fair value-through-profit-or-loss (FVTPL) financial assets and valued at their fair value at inception and each subsequent reporting period.

During Q4 2023, the Company recorded an unrealized gain of $29,000 (2022 –$241,000) and recognized a gain of $29,000 (2022 – $266,000) in the North American market. As of December 31, 2023, the fair value of the investment in the North American market stood at $1,524,000 (December 31, 2022 - $1,587,000).

In 2022, the Company invested in common shares through a partnership in China. As of December 31, 2023, the fair value of the investment was $24,442,000 (RMB 131,199,000, net of the payable to the general partner (December 31, 2022 - $29,373,067 (RMB 149,632,281)). In Q4 2023, the Company recognized an unrealized gain of $2,553,000 (RMB 13,286,000), reflecting the ongoing volatility in the investment's fair value (2022 – an unrealized gain of $5,777,000 (RMB 29,870,000).

In 2022, the Company also recognized an unrealized gain of $181,000 from its investment in Wealth Management Products (“WMPs”). However, no such investment was made in 2023.

Interest and dividend income

In Q4 2023, the Company’s interest and dividend income was primarily derived from the interest accrued on Longxin’s loan and interest income from GIC. Notably, the interest income experienced a $57,000 downturn compared to the same period in the previous year. This decrease was predominantly driven by the reduced funds available in the GIC in China.

4.2 Operating result comparison for the year ended December 31, 2023, and 2022

	2023	2022	Change
	$	$	$
Operating expenses	(2,961,000)	(2,828,000)	(133,000)
Other income (expenses)	(2,256,000)	7,326,000	(9,582,000)
Share of gain (loss) from equity investment	346,000	(461,000)	807,000
Net income (loss) before income tax	(4,871,000)	4,037,000	(8,908,000)

The net loss for the year ended December 31, 2023, amounted to $4.9 million, representing an increase of $8.9 million over the income recorded in the previous year.

The $9.6 million rise in unrealized losses on financial assets was primarily attributed to the investment loss in partnership in China.

Share of gain (loss) from equity investment was discussed in section 4.1 above.

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

4.2.1 Operating expenses

The Company maintains offices in Gaoyao County, Zhaoqin City, Guangdong province, Beijing, China, and Vancouver, Canada. Its operating expenses include overhead associated with administering and property investigation and permitting fees.

The following table is a summary of the Company's operating expenses for the year ended December 31, 2023, and 2022:

Year ended December 31	ref	2023	2022	Change
		$	$	$
E&E expenditures	a	130,129	468,927	(338,798)
Audit, legal and regulatory	a	192,270	253,554	(61,284)
Amortization	a	320,483	307,268	13,215
Consulting	a	18,000	64,779	(46,779)
Directors' fees		75,750	75,750	-
Interest expenses	a	69,077	85,171	(16,094)
Office administration	a	200,039	221,902	(21,863)
Property investigation and permitting expenses	b	1,097,653	729,451	368,202
Rent		20,067	21,122	(1,055)
Salaries and benefits	c	333,954	262,553	71,401
Share-based compensation	a	410,937	289,293	121,644
Travel and others	d	92,335	48,535	43,800
Total operating expenses		2,960,694	2,828,305	132,389

(a) The specifics of the period-to-period changes are elaborated in section 4.1.1. above.

(b) Property investigation and permitting expenses increased by $368,000 during the year ended December 31, 2023, compared to the same period in 2022. The rise was predominantly attributable to the bonus payment for the management team and the recruitment of a new team member responsible for government relations in China during the year.

(c) During the year ended December 31, 2023, salaries and benefits expenses surged by $71,000 compared to the same period in 2022. This escalation was driven by the Company's disbursal of severance payments following a reduced workforce in China.

(d) Travel expenses increased by $44,000 during the year ended December 31, 2023, compared to the same period in 2022. The increase was due to the relaxation of travel restrictions in China, resulting in higher travel-related expenditures.

4.2.2 Other income (expenses)

Year ended December 31,	2023	2022	Change
	$	$	$
Credit losses	(78,077)	(239,085)	161,008
Foreign exchange gain (loss)	(96,181)	332,326	(428,507)
Gain on disposal of financial assets at fair value through profit or loss	171,858	1,126,016	(954,158)
Unrealized gain (loss) on investment in financial assets at fair value through profit or loss	(3,674,802)	4,304,496	(7,979,298)
Interest and dividend income	1,421,365	1,802,570	(381,205)
Total	(2,255,837)	7,326,323	(9,582,160)

For a more comprehensive discussion, please refer to Section 4.1.2.

5. Liquidity and Capital Resources

5.1 Cash flows

	Year ended December 31, 2023	2022
	$	$
Operating activities, cash outflow	(1,760,000)	(2,083,000)
Financing activities, cash outflow	(278,000)	(273,000)
Investing activities, cash inflow	1,929,000	4,538,000

Operating activities

During the year ended December 31, 2023, and 2022, the Company did not generate any revenue from its operation. In 2023, Cash used in the operating activities primarily consisted of $2,160,000 used in operations (2022 - $2,147,000) and $401,000 of cash generated from working capital (2022 – $63,000).

Financing activities

During the year ended December 31, 2023, the Company made a lease payment of $278,000 (2022 - $273,000).

Investing activities

During the year ended on December 31, 2023, the primary investing activities included the following:

1. The Company received $168,000 from the Note (2022 - $3,189,000).
2. The Company made a legal payment of $38,000 related to the Note (2022 - $635,000).
3. The Company divested financial assets totaling $1,971,000(2022 - $21,313,000) and acquired assets worth $1,920,000 (2022 - $23,838,000).
4. The Company also received $391,000 in interest and dividend income (2022 - $3,623,000).
5. Additionally, in 2023, the Company experienced a net redemption of short-term investments amounting to $1,365,000; in 2022, the net redemption was $870,000.

5.2 Capital resources and liquidity risk

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

	December 31, 2023	December 31, 2022
	$	$
Working capital	42,360,087	48,621,169
Cash and cash equivalents	7,755,942	7,533,518
Short-term investment	1,851,640	3,994,617
Financial assets at fair value through profit or loss	25,965,950	30,959,898

The Company has not generated any revenue to date and currently relies on its available cash to fulfill its working capital needs, which support activities such as exploration, development, permitting, and administrative functions.

The Company is confident that its working capital is adequate to meet its current operational and developmental commitments for the upcoming 12 months. The Company is not subject to any external constraints regarding the utilization of its available resources.

The Company holds material cash, cash equivalents, and investments in China. For funds denominated in RMB held in China, remitting funds from jurisdictions outside China is subject to government regulations governing foreign currency controls. Such remittances necessitate approval from the relevant government authorities, designated banks in China, or both.

While most of the Company's operating subsidiaries in China have incurred losses, it's important to note that if these Chinese subsidiaries turn profitable and possess surplus cash for remittance to the parent company outside China, the repatriation of profits from China will be subject to certain restrictions. To repatriate profits from China, the Company must adhere to Chinese regulations pertaining to repatriation. 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, demonstrating compliance with Chinese tax laws; and (iv) a foreign exchange registration certificate. Minco China will comply with these requirements as necessary.

In 2020, the Company initiated the process of reducing the registered capital of Minco China from US $60 million to US $40 million, representing a reduction of US $20 million. After a comprehensive and time-consuming process, this application received approval from various Chinese government agencies. The Company intends to transfer the funds once sufficient RMB term deposits mature and the outstanding Note principal repayment is received, enabling it to finance potential property acquisitions 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 years ended December 31, 2023, and 2022, the following compensation and benefits were paid to or accrued for key management.

	2023	2022
	$	$
Senior management remuneration and benefit*	832,373	571,093
Directors' fees	75,750	75,750
Share-based compensation	320,096	237,219
	1,228,219	884,062

*Incorporating a living allowance and medical insurance coverage for the CEO in China. During the year ended December 31, 2023, the Company disbursed a bonus of $264,899 to its senior management.

(b) Rental agreement with the CEO

On April 1, 2019, Minco China, a wholly-owned subsidiary of the Company, entered into a lease agreement for the utilization of an office in Beijing, China. The lessor of the property is the Company's CEO. The lease, effective from April 1, 2019, is set to expire on August 31, 2026. The monthly rent for the office space is $17,153 (RMB 90,000). In addition, the Company assumed expenses for lease improvements as part of the agreement. In 2023, the Company incurred $20,606 in lease improvement expenses (compared to a reversal of $3,156 in 2022).

(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, 2023, the Company paid or accrued $72,551 (December 31, 2022 – $63,927) in respect of rent and $190,529 (December 31, 2022 – $240,128) in shared head office expenses and administration costs to Minco Capital.

(d) Due from (due to) related parties

	December 31, 2023	December 31, 2022
	$	$
Due to:		
Companies owned by the CEO	99,176	-
Minco Capital - reimbursement of shared expenses	-	1,909
Total	99,176	1,909
Due from:		
CEO	-	7,287
Hempnova - reimbursement of shared expenses	20,120	136,811
Minco Capital - reimbursement of shared expenses	150	-
MBM – reimbursement of shared expenses	22,737	23,957
Total	43,007	168,055

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, 2023, the amount held by Minco Yinyuan in trust for Minco China was $149,914 (December 31, 2022 - $158,673).

(f) Investment in Hempnova

The Company has a material influence on Hempnova as the Company and Hempnova have certain directors and management in common; in addition, certain directors and management also, directly and indirectly, own Hempnova common shares.

8. Critical Accounting Estimates and Judgments

Refer to note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

9. Material Accounting Policies

The 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 charges incurred by the Company may differ from these values.

The Company's material 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, 2023.

10. Financial Instruments Expenses

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

Financial assets and liabilities recognized on the balance sheet at fair value can be classified in a hierarchy based on the significance of the inputs used in 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 not measured at fair value on the balance sheet are represented by cash and cash equivalent, short-term investments, receivables, note receivable, 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. The Company's financial instruments are as follows:

	December 31, 2023	December 31, 2022
	$	$
Financial assets at fair value through profit or loss		
Marketable securities (level 1)	25,965,950	30,959,898
Amortized cost of financial assets		
Cash and cash equivalents	7,755,942	7,533,518
Short-term investments	1,851,640	3,994,617
Note receivable	7,089,340	7,643,126
Deposit	65,684	70,468
Receivables	1,065,316	143,283
Due from related parties	43,007	168,055

Amortized cost financial liabilities	December 31, 2023	December 31, 2022
	$	$
Due to related parties	99,176	1,909
Accounts payable and accrued liabilities	234,543	210,477
Credit losses payable	805,979	792,546
Due to minority shareholders of a subsidiary	330,756	348,514
Lease obligations, current	224,164	213,857
Lease obligations, non-current	535,566	780,567

Financial risk factors

The Company's activities expose it to various 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, which identifies and evaluates the financial risks.

Credit risk

Counterparty credit risk is the financial benefits of contracts with a specific counterparty that 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.

To manage credit risk, the Company:

- limits its credit exposure on cash and cash equivalents, and a short-term investment by holding its deposits mainly with high-credit quality financial institutions in Canada, Hong Kong and China,
- Obtain adequate collateral to secure the recoverability of the note receivable.

Foreign exchange risk

The Company's functional currency is the Canadian dollar, and the functional currency of its Chinese subsidiaries is RMB. Most foreign currency risk is related to 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 about 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$2.6 million monetary assets as of December 31, 2023. This sensitivity analysis shows that a change of +/- 10% in the US foreign exchange rate would have a -/+ US$0.26 million impact 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 equivalents, short-term investments, or note receivables at variable rates, so it is not exposed to material 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 a planning and budgeting process to help determine the funds required to support the Company's standard operating requirements and its exploration and development plans. The annual budget is approved by the Company's board of directors. As of December 31, 2023, the Company has positive working capital of approximately $40.2 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, 2023, available on SEDAR at www.sedarplus.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 preparing 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. Based on its evaluation, it has concluded 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 evaluated the effectiveness of the Company's ICFR as of December 31, 2023. Based on the evaluation, they concluded that the Company's internal control over financial reporting is effective as of December 31, 2023.

The Board of Directors approves the financial statements and MD&A and ensures 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 before 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 have materially affected or are reasonably likely to affect ICFR. No material changes were made to internal controls in the three months ended December 31, 2023.

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 specific 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 Company's actual results, performances or achievements to materially differ 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 company's environment, including the price of silver and gold, anticipated costs and the 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 evolution 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, other factors may 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: effects 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 and Changkeng Projects-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 and mining area permits 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 can 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, other factors may cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward-looking information will be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not rely on messages containing forward-looking information.

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