MINCO SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 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 based on available information up to May 11, 2023, and should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes to it prepared by management for the three months ended March 31, 2023. The Company's condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Certain information and notes usually provided in the annual financial statements have been omitted or condensed. Therefore, this MD&A should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2022.

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 acquiring, exploring, and developing precious metals mineral properties and projects.

As of March 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 5,231,000 stock options outstanding.

Table of Contents

1. Highlights for Quarter

(1) During the first quarter ended March 31, 2023, the Company incurred expenses related to maintaining the exploration permits. The Company remains committed to its objective of 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 the first quarter of 2023.

(2) During the first quarter ended March 31, 2023, the Company successfully renewed 13 license blocks in Sulitjelma and 8 license blocks in Sagvoll. The exploration and evaluation ("E&E") expenditures for the Sagvoll and Sultijelma properties amounted to a total of $131,000 during this period.

(3) On January 10, 2023, the court released an auction announcement for the first batch of 88 sealed properties. Additionally, the court has ordered Longxin to repay the remaining loan balance within a limited timeframe, which Longxin has committed to do soon. Given the high assessed value of the seized assets, the Company has also sought advice from its legal advisor and consulted with the court to explore alternative means of disposing of seized assets.

During the first quarter ended March 31, 2023, the Company received $395,000 (RMB 1,998,000) from Longxin Mining Co., Ltd. ("Longxin Mining"). This amount includes $174,000 (RMB 882,000) in the Note principal payment, and $221,000 (RMB 1,116,000) in accrued interest payment for the Note.

As of March 31, 2023, the amount of the outstanding Note principal was $7,497,000 (RMB 38,053,000) (December 31, 2022: $7,643,000 (RMB 38,936,000)), and the accrued interest included in the Company's receivable was $144,000 (RMB 733,000) (December 31, 2022: $72,000 (RMB 366,000).

The Company will continue to pursue the collection of the outstanding balance from Longxin Mining.

(4) 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.

During the first quarter ended March 31, 2023, the Company purchased $968,000 common shares (2022 - $160,000), disposed of $779,000 common shares (2022 - $1,015,000), recorded an unrealized gain of $591,000 (2022 – unrealized loss of $215,000), and recognized a gain of $119,000 (2022 - $431,000). As of March 31, 2023, the fair value of the investment was $1,933,000.

In 2022, the Company invested in common shares through a partnership in China.

As of March 31, 2023, the fair value of the investment amounted to $30,032,000 (RMB 152,445,000), which was net of the payable to the general partner. This represents an increase compared to the fair value of $29,373,000 (RMB 149,632,000) as of December 31, 2022. Consequently, during the first quarter of 2023, the Company recorded an unrealized gain of $556,000 (RMB 2,813,000) (March 31, 2022 - $Nil).

2. Exploration and Project Development Activities

2.1 Mineral interests

In the past, the Company faced significant delays in the renewal of exploration permits for 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 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. 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 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.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 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.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. 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 situated close to well-established water, power, and transportation infrastructure. The Company has a 51% interest in the Changkeng Project through its subsidiary Mingzhong, a cooperative 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

In 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 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 to maintain the properties in good standing under applicable Norwegian mining laws, and report 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.

<u>*Sagvoll Project, Caledonian VMS Belt, Southern Norway:*</u> 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 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 first quarter ended March 31, 2023, the Company successfully renewed 13 license blocks in Sulitjelma and 8 license blocks in Sagvoll. The exploration and evaluation ("E&E") expenditures for the Sagvoll and Sultijelma properties amounted to a total of $131,000 during this period.

E&E expenditures of the Company, by the property and by nature of the expense, for the three months ended March 31, 2023, and 2022 were as follows:

	Sagvoll Project		Sulijelma Projects		Total	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Assays and analyses	-	-	2,306	-	2,306	-
Consulting	5,298	-	8,538	-	13,836	-
Field office expenses	4,158	-	3,838	-	7,996	-
Geophysical and other surveys	408	-	699	-	1,107	-
License fee	47,858	-	55,142	-	103,000	-
Salaries	2,749	-	-	-	2,749	-
Total	60,471	-	70,523	-	130,994	-

2.7 Property investigation and permitting expenses

In 2019, the Company impaired $60 million of capitalized exploration and evaluation costs incurred on the Fuwan Silver Project and Changkeng Gold Project due to the delay and uncertainty in the renewal of exploration permits. Since then, the Company has expensed all permitting, exploration and evaluation costs until further review of the potential of the projects.

During the first quarter ended March 31, 2023, the Company incurred expenses related to maintaining the exploration permits. The Company remains committed to its objective of 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 the first quarter of 2023.

For the first quarter of 2023, the total expenses related to property investigation and permitting amounted to $197,000. These expenses include salaries, consulting fees, legal fees, travel expenses, licensing costs, and other related expenses. The Company incurred higher travel expenses in 2023, resulting in a higher total expenditure in comparison to the same period in 2022, where the expenses amounted to $107,000.

[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).

3. Results of Operations

3.1 Operating Result Comparison for the Three Months Ended March 31, 2023, and 2022

	2023	2022	Change
	$	$	$
E&E expenditures	(130,994)	-	(130,994)
Administrative expenses	(563,708)	(421,397)	(142,311)
Other income (expenses)	976,669	786,087	190,582
Share of loss from equity investment	(6,789)	(108,349)	101,560
Net income	275,178	256,341	18,837

The net income for the quarter of 2023 was $275,000, while the net income for the same period in 2022 was $256,000. The increase in net income was primarily due to an increase in other income and a decrease in the share of loss from equity investment. However, this increase was partially offset by an increase in exploration and evaluation expenditures and an increase in administrative expenses.

Share of loss from equity investment

The Company owns 12.7% of issued and outstanding common shares of Hempnova Lifetech Corp. ("Hempnova")'s. In the first quarter ended March 31, 2023, the Company shared Hempnova's loss of $7,000 (2022 - $108,000).

The details regarding the movement in E&E expenditures, administrative expenses and other income (expenses) are discussed in sections 3.1.1 and 3.1.2 below.

3.1.1 Operating Expenses

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. The table below summarizes the Company's operating expenses for the three months ended March 31, 2023, and 2022:

Three months ended March 31,	ref	2023	2022	Change
		$	$	$
E&E expenditures	a	130,994	-	130,994
Audit, legal and regulatory	b	45,908	64,159	(18,251)
Amortization		78,992	80,296	(1,304)
Directors' fees		17,250	17,250	-
Employee compensation		77,897	69,194	8,703
Interest expenses		19,188	17,653	1,535
Office administration expenses		47,207	56,060	(9,300)
Property investigation and permitting expenses	c	196,902	107,181	89,721
Share-based compensation	d	66,550	-	66,550
Travel and others		13,814	9,604	4,210
Total operating expenses		694,702	421,397	(273,305)

During the three months ended March 31, 2023, the Company's operating expenses increased by $274,000 compared to the same period in the prior year.

The prior year's figures have been adjusted to conform to the current year's presentation, and the significant changes in operating expenses are as follows:

(a) The E&E expenditures represent expenses related to Sagvoll and Sulijelma Projects under the option agreement signed in the third quarter of 2022. During the first quarter of 2023, the expenses mainly included license renewals for these two projects, amounting to $131,000. No such expenses were incurred for the same period in 2022.

(b) The expenditures related to audit, legal, and regulatory fees decreased by $18,000 during the first quarter ended March 31, 2023, due to a decrease in audit fees.

(c) Property investigation and permitting expenses increased by $90,000 during the first quarter of 2023 compared to the same period in 2022. This increase was due to the lifting of travel restrictions, resulting in more travel expenses being incurred.

(d) Share-based compensation fluctuates annually depending on the timing and fair value of options vested in each period. During the first quarter ended March 31, 2023, the Company amortized the stock options granted in May 2022, resulting in expenses. However, there were no outstanding unamortized expenses during the same period in 2022.

3.1.2 Other Income (Expenses)

Three months ended March 31,	2023	2022	Change
	$	$	$
Credit loss	(64,847)	-	(64,847)
Foreign exchange loss	(15,576)	(67,951)	52,375
Gain on disposal of financial assets at fair value through profit or loss	119,308	569,539	(450,231)
Unrealized gain on investment in financial assets at fair value through profit or loss	591,410	(184,886)	776,296
Interest and dividend income	346,374	469,385	(123,011)
Total	976,669	786,087	190,582

<u>Credit losses</u>

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 to recover the outstanding principal and accrued interest on a Note. The agreement stipulates that the Company must pay a success fee of 10% of the total principal and interests recovered by the legal action.

During the first quarter ended March 31, 2023, the Company recovered a total of $395,000 (RMB 1,198,103) from Longxin Mining, and as a result, the Company paid a success fee of 39,500 (RMB 199,810) to Anheli. As of March 31, 2023, the legal fee payable to Anheli was $821,000.

<u>Foreign exchange gain (loss)</u>

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 effect of the exchange rate change 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 the three months ended March 31, 2023, the US dollar depreciated against Canadian dollars by approximately 0.08% (2022 – 1.5%), and the US dollar depreciated against RMB by about 0.5% (2022 – 0.3%). As a result, the net foreign exchange loss was $16,000 for the three months ended March 31, 2023, compared to $68,000 for the same period in the prior year.

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

Through the open market, the Company 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 each subsequent reporting period.

During the three months ended March 31, 2023, the Company purchased $968,000 common shares (2022 - $160,000), disposed of $779,000 common shares (2022 - $1,015,000), recorded an unrealized gain of $591,000 (2022 – unrealized loss of $215,000), and recognized a gain of $119,000 (2022 - $431,000). As of March 31, 2023, the fair value of the investment was $1,933,000 (December 31, 2022 - $1,587,000).

In 2022, the Company invested in common shares through a partnership in China.

As of March 31, 2023, the fair value of the investment amounted to $30,032,000 (RMB 152,445,000), which was net of the payable to the general partner. This represents an increase compared to the fair value of $29,373,000 (RMB 149,632,000) as of December 31, 2022. Consequently, during the first quarter of 2023, the Company recorded an unrealized gain of $556,000 (RMB 2,813,000) (March 31, 2022 - $Nil).

Interest and dividend income

During the first quarter ended March 31, 2023, the Company's interest and dividend income primarily consisted of the interest accrued on Longxin's loan. However, the interest income decreased by $123,000 compared to the same period in the prior year. This reduction was primarily due to the repayment of the loan.

4. Summary of Quarterly Results

	Income (loss) attributable to shareholders	Earnings (loss) per share Basic	Diluted
	$	$	$
03-31-2023	275,178	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
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)

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 $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.

*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 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 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.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Three months ended March 31, 2023	2022
	$	$
Operating activities, cash outflow	(325,000)	(591,000)
Financing activities, cash outflow	(69,000)	(70,000)
Investing activities, cash inflow	187,000	14,033,000

operating activities

During both the first quarter ended March 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 $569,000 used in operations (2022 - $323,000) and $244,000 of cash generated from working capital (2022 – cash used in working capital $267,000).

Financing activities

During the first quarter ended March 31, 2023, the Company made a lease payment of $69,000 (2022 - $70,000).

Investing activities

During the first quarter ended March 31, 2023, the Company received $174,000 from the Note (2022 - $Nil). The Company disposed of $968,000 (2022 - $160,000) and purchased $779,000 of financial assets (2022 - $8,991,000). The Company also received $202,000 of the interest and dividend income (2022 - $213,000). Additionally, in the first quarter of 2022, the company redeemed short-term investments of $4,986,000 but no similar transaction occurred during the first quarter of 2023.

5.2 Capital Resources and Liquidity Risk

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

	March 31, 2023	December 31, 2022
	$	$
Working capital	49,145,572	48,621,169
Cash and cash equivalents	7,320,178	7,533,518
Short-term investment	3,999,966	3,994,617
Financial assets at fair value through profit or loss	31,964,690	30,959,898

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

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

Most of the Company's China operating subsidiaries had accumulated losses. However, suppose these Chinese subsidiaries become profitable in the future and have extra cash to pay to the parent company outside China. In that case, the repatriation of profits out of China is subject to restrictions. To repatriate profits from China, the Company must comply with Chinese regulations about 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 from US $60 million the US $40 million, a reduction of US $20 million. After a lengthy process, the application was approved by various Chinese government agencies. The Company intends to wire the funds once sufficient RMB term deposits mature and the outstanding Note principal repayment is received, to fund 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 three months ended March 31, 2023, and 2022, the following compensation and benefits were paid to or accrued for the key management.

	Three months ended March 31,	
	2023	2022
	$	$
Senior management remuneration and benefit	235,064	140,777
Directors' fees	17,250	17,250
Share-based compensation	110,464	-
	362,778	158,027

(i) including living allowance and medical insurance for the CEO in China.

(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, 2026. The monthly rent is $17,696 (RMB 90,000). The Company also paid the lease improvement expenses.

(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 three months ended March 31, 2023, the Company paid or accrued $16,520 (2022 – $16,063) in respect of rent and $49,158 (2022 – $81,491) in shared head office expenses and administration costs to Minco Capital.

(d) Due from (due to) related parties

	March 31, 2023	December 31, 2022
Due to:	$	$
Minco Capital – reimbursement of shared expenses	-	1,909
CEO	58,512	-
Total	58,512	1,909
Due from:		
Hempnova - reimbursement of shared expenses	31,276	136,811
CEO	-	7,287
MBM – reimbursement of shared expenses	24,043	23,957
Total	55,319	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 particular cash and short-term investments for Minco China. As of March 31, 2023, the amount held by Minco Yinyuan in trust for Minco China was $159,239 (December 31, 2022 - $158,673).

(f) Investment in Hempnova

The Company has a significant 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. Significant 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 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 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 that are 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:

	March 31, 2023	December 31, 2022
	$	$
Financial assets at fair value through profit or loss		
Marketable securities (level 1)	31,964,690	30,959,898
Amortized cost of financial assets		
Cash and cash equivalents	7,320,178	7,533,518
Short-term investments	3,999,966	3,994,617
Note receivable	7,496,592	7,643,126
Deposit	70,672	70,468
Receivables	230,648	143,283
Due from related parties	55,319	168,055

Amortized cost financial liabilities	March 31, 2023	December 31, 2022
	$	$
Due to related parties	58,512	1,909
Accounts payable and accrued liabilities	175,036	210,477
Credit losses payable	820,632	792,546
Due to minority shareholders of a subsidiary	349,757	348,514
Lease obligations, current	221,732	213,857
Lease obligations, non-current	725,038	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 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$2.87 million monetary assets as of March 31, 2023. This sensitivity analysis shows that a change of +/-10% in the US$ foreign exchange rate would have a -/+ US$0.29 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 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 March 31, 2023, the Company has positive working capital of approximately $49.1 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 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 March 31, 2023. Based on the evaluation, the CEO and the CFO have concluded that as of March 31, 2023, 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 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 March 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 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 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.