Minco Silver Corporation

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2024
(Unaudited, expressed in Canadian dollars unless otherwise stated)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of condensed consolidated interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Minco Silver Corporation have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Minco Silver Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

Dr. Ken Cai
President and CEO

Renee Lin, CPA, CGA
Chief Financial Officer

Vancouver, Canada

May 10, 2024

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Minco Silver Corporation

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	March 31, 2024	**December 31, 2023**
Assets	$	$
Current assets		
Cash and cash equivalents (note 3)	7,429,371	7,755,942
Short-term investments (note 4)	1,897,000	1,851,640
Note receivable (note 6)	7,135,066	7,089,340
Financial assets at fair value through profit or loss (note 5)	23,203,835	25,965,950
Receivables (note 7)	1,379,065	1,065,316
Due from related parties (note 14)	23,017	43,007
Prepaid expenses and advances	309,989	283,510
	41,377,343	44,054,705
Deposits	66,023	65,684
Investment accounted for using the equity method (note 9)	974,043	660,591
Right-of-use assets (note 11)	613,309	667,637
Property, plant and equipment (note 10)	247,008	258,435
Total assets	43,277,726	45,707,052
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	143,447	234,543
Credit losses payable	838,953	805,979
Current tax liabilities		-
Due to minority shareholders (note 14)	332,890	330,756
Due to related parties (note 14)	147,141	99,176
Lease obligation, current (note 11)	230,069	224,164
	1,692,500	1,694,618
Deferred tax liabilities	1,153,888	1,153,888
Lease obligation, non-current (note 11)	477,284	535,566
	3,323,672	3,384,072
Equity		
Equity attributable to owners of the parent		
Share capital (note 13)	107,812,327	107,812,327
Contributed surplus	28,487,829	28,431,150
Accumulated other comprehensive income	1,802,011	1,512,044
Deficit	(96,789,664)	(94,085,371)
	41,312,503	43,670,150
Non-controlling interest (note 12)	(1,358,449)	(1,347,170)
Total liabilities and equity	43,277,726	45,707,052

Approved by the Board of Directors:

(signed) Maria Tang Director

(signed) George Lian Director

The accompanying notes are integral to these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Operations and Net Income (Loss)

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in Canadian dollars unless otherwise stated)

	Three months ended March 31, 2024	2023
	$	$
Exploration and evaluation expenditures (note 8)	-	130,994
Administrative expenses		
Audit, legal and regulatory	47,436	45,908
Amortization (notes 10 & 11)	76,707	78,992
Directors' fees (note 14)	17,250	17,250
Employee compensation	77,810	77,897
Interest expense (note 11)	14,428	19,188
Office administration expenses	42,995	45,784
Rent	11,026	1,423
Property investigation and permitting expenses (note 8)	194,375	196,902
Share-based compensation (note 13)	56,679	66,550
Travel and others	6,590	13,814
Total administrative expenses	545,296	563,708
Operating loss	(545,296)	(694,702)
Finance and other income (expenses)		
Credit loss (note 6)	(27,792)	(64,847)
Foreign exchange gain (loss)	77,507	(15,576)
Interest and dividend income	339,237	346,374
Gain on disposal of financial assets at fair value through profit or loss (note 5)	16,856	119,308
Unrealized gain (loss) on investments in financial assets at fair value through profit or loss (note 5)	(2,865,707)	591,410
Income before share of income (loss) from equity investment	(3,005,195)	281,967
Share of income (loss) from equity investment (note 9)	289,853	(6,789)
Income (loss) for the period	(2,715,342)	275,178
Net income (loss) attributable to:		
Shareholders of the Company	(2,704,293)	280,838
Non-controlling interest	(11,049)	(5,660)
	(2,715,342)	275,178
Income (loss) per share, - basic and diluted	(0.04)	0.00
Weighted average number of common shares outstanding, - basic and diluted	61,025,083	61,025,083

The accompanying notes are integral to these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	2024	2023
	$	$
Net income (loss) for the period	(2,715,342)	275,178
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences in translation from functional to presentation currency	266,138	156,332
Share of comprehensive gain (loss) from equity investment (note 9)	23,599	(1,222)
Comprehensive income (loss) for the period	(2,425,605)	430,288
Shareholders of the Company	(2,414,326)	436,066
Non-controlling interest	(11,279)	(5,778)
	(2,425,605)	430,288

The accompanying notes are integral to these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

Changes in Shareholders' Equity

	Number of Shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Subtotal	Non-controlling interest	Total equity
	#	$	$	$	$	$	$	$
Balance - January 1, 2023	61,025,083	107,812,327	28,021,216	3,715,136	(90,066,542)	49,482,137	(1,307,343)	48,174,794
Net income (loss) for the period	-	-	-	-	280,838	280,838	(5,660)	275,178
Other comprehensive income (loss)	-	-	-	155,228	-	155,228	(118)	155,110
Share of reserve changes from equity investment (note 9)	-	-	873	-	-	873	-	873
Share-based compensation	-	-	66,550	-	-	66,550	-	66,550
Balance – March 31, 2023	61,025,083	107,812,327	28,088,639	3,870,364	(89,785,704)	49,985,626	(1,313,121)	48,672,505
Balance - January 1, 2024	61,025,083	107,812,327	28,431,150	1,512,044	(94,085,371)	43,670,150	(1,347,170)	42,322,980
Net loss for the period	-	-	-	-	(2,704,293)	(2,704,293)	(11,049)	(2,715,342)
Other comprehensive income (loss)	-	-	-	289,967	-	289,967	(230)	289,737
Share-based compensation	-	-	56,679	-	-	56,679	-	56,679
Balance – March 31, 2024	61,025,083	107,812,327	28,487,829	1,802,011	(96,789,664)	41,312,503	(1,358,449)	39,954,054

The accompanying notes are integral to these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	2024	2023
	$	$
Operating activities		
Net income (loss) for the period	(2,715,342)	275,178
Adjustments for:		
Amortization	76,708	78,992
Foreign exchange loss (gain)	(77,507)	15,576
Interest and dividend income	(339,237)	(346,374)
Credit losses	27,791	25,347
Interest expense	14,428	19,188
Gain on disposal of investments in financial assets at fair value through profit or loss	(16,856)	(119,308)
Unrealized loss (gain) on investments in financial assets at fair value through profit or loss	2,865,707	(591,410)
Share-based compensation	56,679	66,550
Share of loss (gain) of equity investment	(289,853)	6,789
Changes in items of working capital:		
Accounts payable and accrued liabilities	(133,275)	(36,043)
Due to/from related parties	68,242	179,501
Prepaid expenses and deposits	(25,144)	43,409
Receivables	(1,639)	57,595
Net cash used in operating activities	(489,298)	(325,010)
Financing activities		
Repayment of lease obligations	(69,958)	(69,393)
Net cash used in financing activities	(69,958)	(69,393)
Investing activities		
Received a promissory note	-	174,389
Acquisition of investments in financial assets at fair value through profit or loss	(214,667)	(968,071)
Proceeds from disposal of financial assets at fair value through profit or loss	301,224	779,351
Purchase of property and equipment	(6,521)	-
Interest and dividend income received	33,413	201,566
Net cash generated from investing activities	113,449	187,235
Effect of exchange rates on cash and cash equivalents	119,236	(6,172)
Decrease in cash and cash equivalents	(326,571)	(213,340)
Cash and cash equivalents - Beginning of period	7,755,942	7,533,518
Cash and cash equivalents - End of period	7,429,371	7,320,178

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

1. Nature of operations

Minco Silver Corporation ("Minco Silver" or the "Company") is engaged in exploring, evaluating and developing precious metals mineral properties and projects. Minco Silver was incorporated on August 20, 2004, under the laws of British Columbia, Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") and traded under the symbol "MSV." The Company's registered office is 2060 – 1055 West Georgia Street, Vancouver, British Columbia, Canada.

2. Basis of preparation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, Minco Investment Holding HK Ltd. ("Minco HK"), Minco Resource Limited ("Minco Resources"), Guangdong Changfu Mining Co. Ltd. ("Changfu Minco"), Minco Mining (China) Co. Ltd. ("Minco China"), 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"), a Chinese government department.

Information of the Company's subsidiaries as of March 31, 2024, is as follows:

Name	Principal activities (ownership interest)	Country of Incorporation
Minco HK	Holding company (100%)	China
Changfu Minco	Exploring, evaluating and developing mineral properties (90%)	China
Minco Resources	Holding company (100%)	China
Minco China	Exploring and evaluating mineral properties (100%)	China
Tibet Minco	Exploring and evaluating mineral properties (100%)	China
Mingzhong	Exploring and evaluating mineral properties (51%)	China

Subsidiaries are all entities (including structured entities) over which the group controls. The group controls a commodity when it is exposed to or has rights to variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date they are transferred to the group and deconsolidated from the date that control ceases.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. They should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS as issued by the IASB.

The board of directors approved the issue of these condensed consolidated interim financial statements on May 10, 2024.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

2. Basis of preparation (continued)

In preparing these condensed consolidated interim financial statements, 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 accounting policies and significant judgments and estimates applied in these condensed consolidated interim financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2023.

3. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and term deposits with initial maturities of less than three months.

	As of March 31, 2024	As of December 31, 2023
	$	$
Cash	2,142,852	2,506,544
Cash equivalents	5,286,519	5,249,398
	7,429,371	7,755,942

As of March 31, 2024, cash and cash equivalents of $6,539,727 (or RMB 34,878,301) (December 31, 2023 - $6,866,851) (or RMB 36,859,194) resided in Mainland China. Under Chinese law, cash advanced to the Company's Chinese subsidiaries as registered share capital is maintained in the subsidiaries' registered capital bank account. Remittance of these funds back to Canada requires approvals from the relevant government authorities, designated banks in China, or both.

4. Short-term investments

As of March 31, 2024, short-term investments consisted of the following:

	Currency	Amount ($)	Maturity date	Interest rate
Corporate bond (i)	USD	-	January 11, 2019	6.125%
Term deposit	USD	1,355,000	June 15, 2024	5.9%
Term deposit	USD	542,000	April 4, 2024	5.2%
		1,897,000		

As of December 31, 2023, short-term investments consisted of the following:

	Currency	Amount ($)	Maturity date	Interest rate
Corporate bond (i)	USD	-	January 11, 2019	6.125%
Term deposit	USD	1,322,600	June 15, 2024	5.9%
Term deposit	USD	529,040	April 4, 2024	5.2%
		1,851,640		

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

4. Short-term investments (continued)

(i) The Company invested in a bond issued by China Energy Reserve & Chemicals Group Co. with a principal of USD 800,000 and a maturity date of January 15, 2019. This bond has been in default since September 30, 2018. As of March 31, 2024, and December 31, 2023, the Company still had the corporate bond but has entirely written off this holding to $Nil, given the uncertainty of disposing of this corporate bond through the open market.

(ii) Remittance of short-term investments kept in RMB from China to Canada requires approvals by the relevant government authorities or designated banks in China or both.

5. Financial assets at fair value through profit or loss

The continuity schedule of the Company's financial assets at fair value through profit or loss during the three months ended March 31, 2024, is as follows:

	December 31, 2023	Additions	Proceeds from dispositions	Realized Gains	Unrealized losses	Foreign exchange	March 31, 2024
	$	$	$	$	$	$	$
Investment in common shares and warrants(i)	1,523,591	214,667	(301,224)	16,856	(69,882)	13,961	1,397,969
Investment in common shares through a partnership(ii)	24,442,359	-	-	-	(2,795,825)	159,332	21,805,866
Total	25,965,950	214,667	(301,224)	16,856	(2,865,707)	173,293	23,203,835

The continuity schedule of the Company's financial assets at fair value through profit or loss during the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions	Proceeds from dispositions	Realized Gains	Unrealized losses	Foreign exchange	December 31, 2023
	$	$	$	$	$	$	$
Investment in common shares and warrants(i)	1,586,831	1,920,244	(1,971,366)	171,858	(161,608)	(22,368)	1,523,591
Investment in common shares through a partnership(ii)	29,373,067	-	-	-	(3,513,194)	(1,417,514)	24,442,359
Total	30,959,898	1,920,244	(1,971,366)	171,858	(3,674,802)	(1,439,882)	25,965,950

(i) Common shares and warrants

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. The investment strategy does not deviate from the Company's core business focus, which remains centered on exploring and developing mineral properties.

Below is a table summarizing the investment activities related to common shares and warrants in Canada for the three months ended March 31, 2024 and 2023:

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

5. Financial assets at fair value through profit or loss (continued)

Three months ended March 31,	2024	2023
	$	$
Proceeds from disposals	301,224	779,351
Cost of disposals	(284,368)	(660,043)
Realized gains	16,856	119,308
Unrealized gain (loss)	(69,882)	35,360
Total gain (loss)	(53,026)	154,668

(ii). Investment in common shares through a partnership

In October 2022, the Company, through Minco China, acquired an interest in the Tianjin Saikehuan Enterprise Management Center Limited (the “Saikehuan LP”) from Tianjin Huaxin Anneng Management Consulting Partnership LP (“Huaxin”) for $23,509,619 (RMB 119.8 million), which represents 9.54% interest in the limited partnership. The Company’s stake in the Saikehuan LP gives it an indirect interest in approximately 7,480,937 shares of Sichuan Hexie Shuangma Co. Ltd. (“Hexie”), one of China's largest cement manufacturing companies. In conjunction with the acquisition, Minco China also entered into a restructuring and distribution agreement with Saikehuan LP and its general partner, pursuant to which the parties will restructure the Saikehuan LP to initiate Minco China as a direct holder of the Hexie Shares with the right to trade those shares directly on behalf of the Saikehuan LP. Under the terms of this restructuring agreement, the Company will be entitled to recoup its entire purchase price from the proceeds of any sale of Hexie shares. Once the purchase price has been recouped, all remaining proceeds will be distributed 20% to the general partner, with the remaining 80% to Minco China.

As of March 31, 2024, the investment’s fair value was $21,805,866 (RMB 116,297,226) (December 31, 2023 - $24,442,359 (RMB 131,199,253)), net of the payable to the general partner. As a result, the Company recorded an unrealized loss of $2,795,825 (RMB 14,902,027) (2023 - an unrealized gain of $556,050 (RMB 2,812,832)).

6. Note receivable

In 2018, the Company engaged in a preliminary agreement (the “Proposed Acquisition”) to acquire 70% of the equity interests in Changning Longxin Mining Co., Ltd. ("Longxin Mining"). This Chinese mining company holds a 100% interest in the Longwangshan Gold Mine.

As part of the Proposed Acquisition, on August 6, 2018, Minco China entered into a loan agreement with Longxin Mining and its shareholders, pursuant to which Minco China provided the shareholders of Longxin Mining with a loan of $14,630,621 (73.8 million RMB) (the "Note").

The Note was due and payable nine months from issuance, bore interest at 10% per annum, and was secured by 100% equity interest in Longxin Mining and all assets of the Longwangshan Gold Mine. In addition, the Note is guaranteed by both Longxin Mining’s shareholders and a real estate company controlled by them, including land, real estate and cash security. The Note was meant to form part of the consideration for the Proposed Acquisition

On February 4, 2019, the Note’s maturity date was extended to September 30, 2019, with an increased interest rate of 12% per annum. Subsequently, the Note’s maturity was further extended from September 30, 2019, to December 31, 2019, with no change in the interest rate, which remained at 12% per annum.

6. Note receivable (continued)

On November 21, 2020, a supplemental agreement was executed, extending the Note's maturity to September 30, 2021, while maintaining the interest rate at 12% per annum. According to the terms of this supplemental agreement, if the outstanding principal and interests were not received by September 30, 2021, the Company would have the following right to (i) Any amounts applied to principal repayment in the year 2020 would be treated as interest payments; (ii) The Company would have the authority to charge the interest at 24% per annum, starting from January 1, 2020, until the full repayment of both the principal and accrued interest. (iii) The Company could revise the accrued interest and principal payment calculation as it deems appropriate.

Since December 11, 2020, the Company has not received any payments from Longxin. In April 2021, Minco China engaged in a legal service agreement (the "Anheli Service Agreement") with Beijing Anheli Law Firm ("Anheli") to initiate legal action and recover the outstanding Note principal and accrued interest.

Subsequently, on May 11, 2021, the Company filed a lawsuit with the court seeking to recover $11,663,672 (RMB 55,424,433) of the outstanding Note principal, in addition to $625,998 (RMB 3,253,625) representing the interest accrued until April 1, 2021. The interest was calculated at an annual rate of 24% from January 1, 2020, to August 19, 2020, and an interest rate of 15.4% per annum thereafter.

On November 12, 2021, the Company received the court's verdict on the lawsuit. Longxin and other related defendants were instructed to pay the claimed amounts to the Company, including the legal and court fees. Due to the borrowers' failure to pay the outstanding amounts, the Company exercised its right to seize specific collateral, which included real estate and cash. The Company retains its entitlement to the remaining collateral.

Following the court verdict, the borrowers filed an appeal against the decision. The Company responded to the appeal in April 2022, adhering to the legal process and maintaining its position to recover the outstanding debt.

On June 6, 2022, the court issued a final judgment, which upheld the original decision.

Subsequently, On June 17, 2022, the Company formally submitted the enforcement request to the court. After due process, on June 27, 2022, the court officially accepted the proposal and appointed an enforcement judge to oversee the proceedings.

In the same year, 2022, the Company received $6,555,707 (RMB 33,894,971) from Longxin Mining. This amount comprised $3,189,141 (RMB 16,488,815) as the principal payment for the Note and $3,366,566 (RMB 17,405,156) for the payment of accrued interests on the Note.

The court has taken significant steps in the ongoing effort to recover the outstanding amounts from Longxin. 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 and second auctions. The properties are currently being sold.

In 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 March 31, 2024, the outstanding Note principal was $7,135,066 (RMB 38,053,450) (December 31, 2023: $7,089,340 (RMB 38,053,450)), and the accrued interest included in the Company's receivable was $1,254,464 (RMB 6,690,431) (December 31, 2023: $970,452 (RMB 5,209,095).

During the three months ending March 31, 2024, the Company petitioned the court to appraise the seized Longwangshan Gold Mine and hired a valuation firm for this purpose. Through the court proceedings, Longxin Mining expressed its willingness to settle the outstanding balances currently being negotiated due to interest from a potential buyer.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

6. Note receivable (continued)

A summary of the note receivable for the three months ended March 31, 2024, and the year ended December 31, 2023, is as follows:

	Note principal	Interest receivable	Total
	$	$	$
Balance – January 1, 2023	7,643,126	71,930	7,715,056
Principal and interest payment	(168,134)	(212,689)	(380,823)
Accrued interest – 15.4% (i)	-	1,135,665	1,135,665
Foreign exchange loss	(385,652)	(24,453)	(410,106)
At December 31, 2023	7,089,340	970,452	8,059,792
Accrued interest – 15.4% (i)	-	277,919	277,919
Foreign exchange loss	45,726	6,093	51,819
At March 31, 2024	7,135,066	1,254,464	8,389,530

(i) The interest was calculated by 24% before August 19, 2020, and thereafter by four times the annum loan market quotation rate announced by the National Interbank Lending Centre, supported by the court and legal regulations in China.

Under the Anheli Service Agreement, the company must remit 10% of the total amount recovered to its legal consultant. As of March 31, 2024, a success fee payable to Anheli was recorded at $838,953 (RMB 4,474,388), compared to $805,979 (RMB 4,326,255) as of December 31, 2023.

7. Receivable

	March 31, 2024	December 31, 2023
	$	$
Interest receivable(i)	1,345,592	1,034,749
GST receivable	5,696	695
Other receivable	27,777	29,872
	1,379,065	1,065,316

As of March 31, 2024, the interest receivable included $1,254,464 from note receivable (December 31, 2023 - $970,452) and $91,128 from term deposit (December 31, 2023 - $64,297).

8. Mineral interests

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

A value-in-use calculation was not applicable as the Company had no expected cash flows from the mineral properties. 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.

The Changkeng Gold Project exploration permit was renewed in 2022 and expires on November 21, 2027. In addition, the exploration permit for the Fuwan Silver Project was renewed in March 2021 and expires on March 8, 2026. However, as substantive expenditures on further exploration and evaluation of mineral resources have yet to be planned or budgeted, management determined that this was not an indicator of impairment reversal for the three months ended March 31, 2024.

Fuwan Silver Project

Minco Silver has a 90% interest in Changfu Minco, the Company's operating subsidiary in China, and Fuwan Silver Project, subject to a 10% net profit interest held by GGB. There will be no distributions to or participation by GGB until Minco Silver's investment in the project is recovered. GGB is not required to fund any expenditures related to the Fuwan Silver Project. The Exploration Permit for the Fuwan Silver Project is the Luoke-Jilinggang exploration permit, which was renewed in March 2021 for five years with an expiry date of March 8, 2026.

Changkeng Gold Project

The Company holds a 51% interest in Mingzhong, which owns the Changkeng Gold Project. The Changkeng Gold Project immediately adjoins the Fuwan Silver Project. The Changkeng permit was renewed in November 2022 for five years with an expiry date of November 21, 2027.

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 called 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 acquiring the Norway Project. This choice was made after careful consideration of the presence of another promising investment opportunity and the importance of maximizing the utilization of available funds.

Up to December 31, 2023, the Company had accrued $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 three months ended March 31, 2024, the Company accrued $Nil in E&E expenses (compared to $130,994 in 2023).

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

8. Mineral interests (continued)

Field expenses and property investigation

During the three months ending March 31, 2024, 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 thoroughly reviewed and evaluated various prospective properties during the first quarter 2024.

During the three months ending March 31, 2024, the Company incurred $194,375 in property investigation and permitting expenses. These expenses include salaries, consulting fees, legal fees, travel expenses, licensing costs, and other related expenses. (2023 - $196,902).

9. Investment accounted for using the equity method

In May 2020, the Company made a private placement investment in Hempnova Lifetech Corporation ("Hempnova") by purchasing 7,950,000 common shares for $0.40 per share for a total investment of $3,180,000. Hempnova is not traded on any exchange. The Company's investment represented approximately 12.7% of the issued and outstanding common shares of Hempnova after the private placement was concluded.

Hempnova is actively involved in providing industrial hemp-related services and products. It was incorporated in British Columbia, with its primary business conducted through its wholly owned subsidiary, Hempnova Lifetech (USA) Corp., which operates in the USA.

Although the Company's shareholding in Hempnova is below the 20% threshold, management has determined that the Company possesses significant influence over Hempnova. This influence stems from the Company's ability to impact decision-making, as both companies share certain directors and management, with some owning Hempnova common shares as well. Due to this significant influence, the Company accounts for its investment in Hempnova using the equity method.

Management assesses whether objective evidence is that its investment in Hempnova is impaired each reporting period. Management applies significant judgment in evaluating and determining whether impairment exists that would necessitate impairment testing. Impairment indicators may include loss events such as (i) significant financial difficulty of Hempnova, (ii) significant changes with an adverse effect that have taken place in the market, economic or legal environment in which Hempnova operates and (iii) evidence of a significant or prolonged decline in fair value of Hempnova below its carrying value. In 2021, the Company identified impairment indicators and impaired $1,436,514 of the equity investment in Hempnova.

As of March 31, 2024, and December 31, 2023, the Company owned 12.7% of Hempnova. The continuity of this investment is as follows:

	Total
	$
Carrying value, at January 1, 2023	348,093
Share of Hempnova's loss	346,008
Share of Hempnova changes in reserve and the equity portion of convertible debenture	(1,003)
Share of other comprehensive loss of Hempnova	(32,507)
Carrying value, at December 31, 2023	660,591
Share of Hempnova's gain	289,853
Share of other comprehensive loss of Hempnova	23,599
Carrying value, at March 31, 2024	974,043

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

9. Investment accounted for using the equity method (continued)

A summary of Hempnova's balance sheet and a reconciliation of the carrying value of the Company's investment is as follows:

	March 31, 2024	December 31, 2023
	$	$
Cash	5,454,598	3,839,638
Other current assets	3,269,714	1,697,242
Non-current assets	4,029,694	4,164,311
Current liabilities	(6,293,058)	(5,700,823)
Non-current liabilities	(99,707)	(107,251)
Shareholders' equity	6,361,241	3,893,117
Minco Silver's share in percentage	12.70%	12.70%
Minco Silver's share of net assets of Hempnova	807,877	494,425

Reconciliation to carrying amounts:	March 31, 2024	December 31, 2023
	$	$
Minco Silver's share of the net assets of Hempnova	807,877	494,425
Goodwill	166,166	166,166
Carrying value of investment in Hempnova	974,043	660,591

A summary of Hempnova's income statement for the three months ended March 31, 2024, and 20223 is as follows:

	March 31, 2024		March 31, 2023	
	Hempnova	Minco Silver share	Hempnova	Minco Silver share
	$	$	$	$
Revenue	6,210,482	788,731	2,410,995	306,196
Net gain (loss)	2,282,309	289,853	(53,457)	(6,789)
Share of reserve from equity investment	-	-	6,877	873
Other comprehensive income (loss)	185,815	23,599	(9,619)	(1,222)
Comprehensive income (loss)	2,468,124	313,452	(56,199)	(7,138)

As of March 31, 2024, management accessed that no impairment charge was required.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

10. Property, plant and equipment

	Leasehold improvement	Motor vehicles	Office equipment and furniture	Total
	$	$	$	$
Balance, at January 1, 2023	298,075	39,066	29,888	367,029
Additions	20,606	-	-	20,606
Disposition	-	(3,000)	(8,095)	(11,095)
Depreciation	(101,362)	-	(231)	(101,593)
Exchange differences	(13,292)	(1,923)	(1,297)	(16,512)
Balance, at December 31, 2023	204,027	34,143	20,265	258,435
Additions	6,521	-	-	6,521
Depreciation	(19,561)	-	(58)	(19,619)
Exchange differences	1,324	220	127	1,671
Balance, at March 31, 2024	192,311	34,363	20,334	247,008

	Leasehold improvement	Motor vehicles	Office equipment and furniture	Total
	$	$	$	$
At December 31, 2023				
Cost	834,303	664,665	454,315	1,953,283
Accumulated depreciation	(630,276)	(630,522)	(434,050)	(1,694,848)
Net book value	204,027	34,143	20,265	258,435
At March 31, 2024				
Cost	842,148	664,885	454,442	1,961,475
Accumulated depreciation	(649,837)	(630,522)	(434,108)	(1,714,467)
Net book value	192,311	34,363	20,334	247,008

11. Leases

The Company's recognized right-of-use assets and liabilities mainly comprise the present values of all future lease payments of two leases for offices in Vancouver, Canada and Beijing, China.

The Vancouver lease is for a shared office with other related companies by certain directors and management in common. The original lease started in 2018 and will end on April 30, 2023. In November 2022, the Company renewed the lease agreement for another five years, ending on April 30, 2028. The cost-sharing agreement was reviewed at the beginning of the year, and the sharing percentage was changed.

The Company also entered into a lease agreement with the Company's CEO for a shared office located in Beijing, China (note 15(b)). The lease started on April 1, 2019, and will end on August 31, 2026. Such leases were classified as operating leases under IAS 17. The right-of-use assets and lease obligations were measured at the present value of the lease payments and discounted using an incremental borrowing rate of 8%.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

11. Leases (continued)

(a) Right-of-use assets

The continuity of the right-of-use assets as of March 31, 2024, and December 31, 2023, is as follows:

	Vancouver	Beijing	Total
	$	$	$
Right-of-use assets, January 1, 2023	295,045	614,320	909,365
Change to the lease terms	4,800	-	4,800
Amortization	(56,221)	(162,669)	(218,890)
Foreign exchange	-	(27,638)	(27,638)
Right-of-use assets, December 31, 2023	243,624	424,013	667,637
Amortization	(17,056)	(40,032)	(57,088)
Foreign exchange	-	2,760	2,760
Right-of-use assets, March 31, 2024	226,568	386,741	613,309

(b) Lease obligation

The continuity of the lease obligation as of March 31, 2024, and December 31, 2023, is as follows:

	Vancouver	Beijing	Total
	$	$	$
Lease liability recognized, January 1, 2023	318,151	676,273	994,424
Change to lease terms	4,800	-	4,800
Interest accretion	23,721	45,356	69,077
Lease payment made	(71,887)	(205,840)	(277,727)
Foreign exchange	-	(30,844)	(30,844)
Lease obligation, December 31, 2023	274,785	484,945	759,730
Interest accretion	5,274	9,154	14,428
Lease payments	(19,302)	(50,656)	(69,958)
Foreign exchange	-	3,153	3,153
Lease obligation, March 31, 2024	260,757	446,596	707,353
Lease obligation, current	55,643	174,426	230,069
Lease obligation, non-current	205,114	272,170	477,284

The maturity analysis of the Company's contractual undiscounted lease liabilities as of March 31, 2024, is as follows:

	Vancouver	Beijing	Total
	$	$	$
Less than one year	74,151	202,501	276,652
One to two years	75,140	202,501	277,641
Two to three years	76,130	84,376	160,506
Three to four years	77,119	-	77,119
Five and beyond five years	2,386	-	2,386
	304,926	489,378	794,304

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

12. Non-controlling interest ("NCI")

Below is a summary of the financial information of Mingzhong:

Summary of financial positions:

	March 31, 2024	December 31, 2023
NCI percentage	49%	49%
	$	$
Current assets	27,736	55,079
Current liabilities	(1,037,469)	(1,035,949)
Net current liabilities	(1,009,733)	(980,870)
Non-current asset	6,502	6,460
Net liabilities	(1,003,231)	(974,410)
Accumulated NCI	(1,358,449)	(1,347,170)

Summary of income statements:

	Three months ended March 31,	
	2024	2023
	$	$
Net loss	22,549	11,551
Loss allocated to NCI (49%)	11,049	5,660

Summary of statements of cash flows:

	Three months ended March 31,	
	2024	2023
	$	$
Cash outflows from operating activities	(82,424)	(46,986)

One of Mingzhong's minority shareholders has a related party relationship with Minco Silver.

In 2017, Mingzhong embarked on an equity financing initiative to raise capital to finance its operations from its minority shareholders. As a result, in 2018, minority shareholders made contributions totaling $351,968 through their subscriptions. However, the completion of the equity financing is subject to receiving remittance from the remaining minority shareholders. Unfortunately, as of March 31, 2024, the equity financing has not been fully completed due to one of the minority shareholders failing to fulfill its subscription obligation.

During the three months ended March 31, 2024, the Company did not receive any funds from the minority shareholder. As of March 31, 2024, the $332,890 (December 31, 2023 - $330,756) remained in Mingzhong's payable account to minority shareholders.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

13. Share capital

(a) Common Shares

Authorized: Unlimited number of common shares without par value.

(b) Long-term Incentive Plan

The Company may grant up to 15% of its issued and outstanding shares as options, restricted share units, performance share units and deferred share units to its directors, officers, employees and consultants under its long-term incentive plan.

Stock Options

The Company's long-term incentive plan allows the board of directors to grant options for up to ten years, with vesting periods determined at its sole discretion and prices equal to or greater than the closing market price on a date preceding the date of the options is granted. These options are equity-settled.

In 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 common share. These options vest 18 months from the grant date and expire on June 2, 2028.

During the three months ended March 31, 2024, the Company did not grant any stock options.

During the three months ended March 31, 2024, the Company recorded $56,679 of the stock option component as the share-based compensation (2023 - $66,550).

The continuity of the outstanding options is as follows:

	Number outstanding	Weighted average exercise price
	#	$
Balance, January 1, 2023	6,639,000	0.43
Granted	2,930,000	0.20
Expired	(90,000)	0.29
Forfeited	(1,408,000)	0.69
Balance, December 31, 2023	8,071,000	0.30
Expired	(1,171,000)	0.57
Balance, March 31, 2024	6,900,000	0.25

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

13. Share capital (continued)

As of March 31, 2024, $72,666 (December 31, 2023 - $116,990) of the total unrecognized compensation cost for unvested options remained.

	Options outstanding			Options exercisable	
exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
$	#		$	#	$
0.195	2,930,000	4.17	0.20	976,663	0.20
0.23	2,860,000	3.15	0.23	2,860,000	0.23
0.46	1,100,000	1.02	0.46	1,110,000	0.46
	6,900,000	3.24	0.25	4,946,663	0.27

The Company used the Black-Scholes option pricing model to determine the fair value of the options with the following assumptions:

	2024	2023
Risk-free interest rate	-	3.46%
Dividend yield	-	0%
Volatility	-	86%
Forfeiture rate	-	19%
Estimated expected lives	-	5 years

Option pricing models require subjective estimates and assumptions, including the expected stock price volatility, calculated based on the Company's historical volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

14. Related party transactions

(a) Key management compensation

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

During the three months ended March 31, 2024, and 2023, the following compensation and benefits were paid to or accrued for the key management.

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

14. Related party transactions (continued)

	Three months ended March 31, 2024	2023
	$	$
Senior management remuneration and benefit[(i)]	139,263	140,361
Directors' fees	17,250	17,250
Share-based compensation	47,394	110,464
	203,907	268,075

(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 with the property owner, the Company's CEO, to use an office in Beijing, China. The agreement is effective April 1, 2019, and expires August 31, 2026. The monthly rent is $16,885 (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, 2024, the Company paid or accrued $19,303 (2023 – $16,520) in respect of rent and $47,959 (2022 – $49,158) in shared head office expenses and administration costs to Minco Capital.

(d) Due from (due to) related parties

	March 31, 2024	December 31, 2023
	$	$
Due to:		
Companies owned by the CEO	147,141	99,176
Total	147,141	99,176
Due from:		
Hempnova - reimbursement of shared expenses	-	20,120
Minco Capital - reimbursement of shared expenses	134	150
MBM – reimbursement of shared expenses	22,883	22,737
Total	23,017	43,007

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

14. Related party transactions (continued)

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

(e) Trust arrangement with MBM

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, 2024, the amount held by Minco Yinyuan in trust for Minco China was $150,881 (December 31, 2023 - $149,914).

(f) Investment in Hempnova

Refer to Note 9 above for investment accounted for using the equity method.

15. Geographical information

The Company is considered to operate in one segment to explore and develop resource properties. The geographical division of the Company's assets is as follows:

As of March 31, 2024	Canada	China	Total
	$	$	$
Current assets	4,407,955	36,969,388	41,377,343
Non-current assets	1,201,188	699,195	1,900,383

As of December 31, 2023	Canada	China	Total
	$	$	$
Current assets	4,408,053	39,646,652	44,054,705
Non-current assets	904,848	747,499	1,652,347

16. Financial instruments and fair value measurements

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

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

16. Financial instruments and fair value measurements (continued)

	March 31, 2024	December 31, 2023
	$	$
Financial assets at fair value through profit or loss		
Marketable securities (level 1)	23,203,835	25,965,950
Amortized cost of financial assets		
Cash and cash equivalents	7,429,371	7,755,942
Short-term investments	1,897,000	1,851,640
Note receivable	7,135,066	7,089,340
Deposit	66,023	65,684
Receivables	1,379,065	1,065,316
Due from related parties	23,017	43,007

Amortized cost financial liabilities	March 31, 2024	December 31, 2023
	$	$
Due to related parties	147,141	99,176
Accounts payable and accrued liabilities	143,447	234,543
Credit losses payable	838,953	805,979
Due to minority shareholders of a subsidiary	332,890	330,756
Lease obligations, current	230,069	224,164
Lease obligations, non-current	477,284	535,566

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.

Financial risk factors

The company’s activities expose it to financial risks: market risk (including 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.

16. Financial instruments and fair value measurements (continued)

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 (also refer to note 6).

Foreign exchange risk

Minco Silver's functional currency is the Canadian dollar, and the functional currency of its Chinese subsidiaries is RMB. Most foreign currency risk relates to US dollar funds held by Minco Silver and its Chinese subsidiaries. Therefore, the Company's net loss is impacted by fluctuations in the valuation of the US dollar relative to the Canadian dollar and RMB.

The Company does not hedge its exposure to currency fluctuations. It has completed a sensitivity analysis to estimate the impact a change in foreign exchange rates would have on its net loss, based on its net US$2.64 million monetary assets as of March 31, 2024. This sensitivity analysis shows that a change of +/—10% in the US$ foreign exchange rate would have a—/ + US$0.26 million impact on net loss.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are cash and cash equivalents and short-term investments. 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, 2024, the Company has positive working capital of approximately $39.7 million. Management concludes that the Company has sufficient funds to meet its current operating and exploration expenditures.