TECHNICAL REPORT AND UPDATED RESOURCE ESTIMATE ON THE FUWAN PROPERTY GUANGDONG PROVINCE, CHINA

FOR MINCO SILVER CORPORATION

NI 43-101 & NI 43-101F1 TECHNICAL REPORT

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Report 133

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IMPORTANT NOTICE

This Technical Report was prepared pursuant to National Instrument 43-101 ("NI 43-101") in accordance with Form 43-101F1 of NI 43-101, for Minco Silver Corporation ("Minco Silver") by P & E Mining Consultants Inc. ("P & E"). The quality of information, conclusions and estimates contained herein is consistent with the level of effort involved in P & E's services and based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended to be used by Minco Silver, subject to the terms and conditions of its contract with P & E. This contract permits Minco Silver to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to NI 43-101.

GLOSSARY OF TERMS

| "757 Team" | means the No. 757 Geo-Exploration Team of the Guangdong Geological Exploration Bureau, an entity owned and controlled by the Guangdong Geological Bureau of the PRC government. |
|---|---|
| "757 Transfer Agreement" | means the agreement dated November 19, 2004 between 757 Team and Minco China pursuant to which 757 Team agreed to transfer and sell to Minco China the Original Fuwan Silver Permit. |
| "Additional Permits" | means, collectively the Luoke-Jilinggang Permit, the Guyegang-Sanyatang Permit, the Guanhuatang Permit and the Dadinggang Permit. |
| "Amending Contract" | means the contract dated January 10, 2006 between Minco Silver and GGEDC. |
| "Assignment Agreement" | means the assignment agreement dated August 20, 2004 between Minco Silver, Minco Mining, Minco China and Minco BVI. |
| "Baojiang" | means Foshan Baojiang Nonferrous Metals Corporation. |
| "Changkeng Gold and Fuwan Silver Deposits" | means collectively, the Changkeng Gold Deposit and the Fuwan Silver Deposit. |
| "Changkeng Gold Deposit" | means the gold deposit lying on the Changkeng Property. |
| "Changkeng JV Agreement" | means the formal joint venture agreement dated September 28, 2004 between Minco Mining, GGEDC, Zhenjie, Baojiang and GD Gold. |
| "Changkeng Permit" | means the reconnaissance survey exploration permit (# 4400000530268) in respect of the Changkeng Property issued to 757 Team, which expires on September 10, 2008. |
| "Changkeng Property" | means the 1.19 km ² Changkeng gold property in Gaoyao City of Guangdong Province in southern China which adjoins the property underlying the Fuwan Silver Permit. |
| "Company" | means Minco Silver Corporation. |
| "Dadinggang Property" | means the 0.395 km^2 Dadinggang silver and multi-metals property in Gaoyao City of Zhaoqing City in Guangdong Province. |
| "First Confirmation Agreement" | means the confirmation agreement dated May 2, 2005 between Minco Mining, Minco China and Minco Silver. |
| "Fuwan JV Agreement" | means the formal joint venture agreement dated September 28, 2004 between Minco Silver and GGEDC. |

| "Fuwan Permits" | means, collectively, the Fuwan Silver Permit and the Additional Permits. |
|--------------------------------|--|
| "Fuwan Property" | means the Fuwan silver property which is located in Guangdong Province in southern China beside the Xijiang River consisting of (i) the properties which are the subject of the Fuwan Silver Permit; (ii) the properties which are the subject of the Luoke- Jilinggang Permit and the Guyegang-Sanyatang Permit; (iii) the Dadinggang Property; and (iv) Minco Mining's interests in the silver mineralization located on the Changkeng Property. |
| "Fuwan Silver Deposit" | means the silver deposit lying on the Fuwan Property. |
| "Fuwan Silver Permit" | means the reconnaissance survey exploration permit (# 0100000520120) in respect of the 0.79 km ² Fuwan silver property in Gaoming Region, Foshan City of Guangdong Province issued to Minco China and having validity from July 20, 2005 to July 20, 2007. |
| "GD Gold" | means Guangdong Gold Corporation. |
| "GGEDC" | means Guangdong Geological Exploration and Development Corp., an entity owned and controlled by the Guangdong Geological Bureau of the PRC government. |
| "Guanhuatang Permit" | means the reconnaissance survey exploration permit (# 0100000510045) in respect of the 37.38 km ² Guanhuatang silver and multi-metals property in Foshan City of Guangdong Province issued to Minco China and having validity from April 7, 2005 to April 7, 2008. |
| "Guyegang-Sanyatang Permit" | means the reconnaissance survey exploration permit (# 0100000510047) in respect of the 91.91 km ² Guyegang-Sanyatang silver and multi-metals property in Gaomong Region, Foshan City of Guangdong Province issued to Minco China and having validity from April 7, 2005 to April 7, 2008. |
| "Jilinggang Area" | means the area lying across the Xijiang River, along strike to the north east of the main Fuwan Silver Deposit and on which lies Zone 8 as per the November 3, 2005 resource calculation. |
| "Luoke-Jilinggang Permit" | means the reconnaissance survey exploration permit (# 0100000510046) in respect of the 75.55 km ² Luoke-Jilinggang silver and multi-metals property in Gaoyao City, Zhaoqing City of Guangdong Province issued to Minco China and having validity from April 7, 2005 to April 7, 2008. |
| "Luzhou Area" | means the area lying along strike to the south west of the main Fuwan Silver Deposit and on which lies Zone 7 as per the November 3, 2005 resource calculation. |

| "Minco BVI" | means Minco Silver Ltd. |
|---|--|
| "Minco China" | means Minco Mining (China) Corporation, a wholly-owned subsidiary of Minco Mining. |
| "Minco Mining" | means Minco Mining & Metals Corporation which owns approximately 55% of the issued and outstanding common shares of Minco Silver. |
| "Minco Silver" | means Minco Silver Corporation. |
| "Original Fuwan Silver Permit" | means the reconnaissance survey exploration permit (# 440000040093) in respect of the 0.79 km ² Fuwan silver property in Gaoming Region, Foshan City of Guangdong Province, legally conferred to 757 Team by Guangdong Department of Land and Resources on September 12, 2003. |
| | |
| "Preliminary Changkeng JV Agreement" | means the preliminary joint venture agreement dated April 16, 2004 between Minco Mining, GGEDC, Zhenjie and Baojiang. |
| "Preliminary Changkeng JV Agreement" "Preliminary Fuwan JV Agreement" | means the preliminary joint venture agreement dated April 16, 2004 between Minco Mining, GGEDC, Zhenjie and Baojiang. means the preliminary Fuwan joint venture agreement dated April 16, 2004 and amended August 18, 2004 between Minco BVI and GGEDC. |
| "Preliminary Changkeng JV Agreement" "Preliminary Fuwan JV Agreement" "RMB" | means the preliminary joint venture agreement dated April 16, 2004 between Minco Mining, GGEDC, Zhenjie and Baojiang.means the preliminary Fuwan joint venture agreement dated April 16, 2004 and amended August 18, 2004 between Minco BVI and GGEDC.means the Chinese currency Renminbi. |
| "Preliminary Changkeng JV Agreement" "Preliminary Fuwan JV Agreement" "RMB" "Second Confirmation Agreement" | means the preliminary joint venture agreement dated April 16, 2004 between Minco Mining, GGEDC, Zhenjie and Baojiang. means the preliminary Fuwan joint venture agreement dated April 16, 2004 and amended August 18, 2004 between Minco BVI and GGEDC. means the Chinese currency Renminbi. means the confirmation agreement dated August 24th, 2006 between Minco Mining, Minco China and Minco Silver. |
| "Preliminary Changkeng JV Agreement" "Preliminary Fuwan JV Agreement" "RMB" "Second Confirmation Agreement" "Transfer Confirmation Agreement" | means the preliminary joint venture agreement dated April 16, 2004 between Minco Mining, GGEDC, Zhenjie and Baojiang. means the preliminary Fuwan joint venture agreement dated April 16, 2004 and amended August 18, 2004 between Minco BVI and GGEDC. means the Chinese currency Renminbi. means the confirmation agreement dated August 24th, 2006 between Minco Mining, Minco China and Minco Silver. means the confirmation agreement dated November 19, 2004 between 757 Team, GGEDC and Minco China. |

INTRODUCTION FOR 2007 UPDATE

This Technical Report constitutes an update to the November 2, 2006 technical report prepared by P&E for Minco Silver titled, "Amended and Revised Updated Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China" (the "2006 Technical Report"), and presents an update on the Inferred Resources as set out in the 2005 Technical Report titled "Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 3, 2005. Indicated Resources have also been defined for Zone 2 in this current report.

The Dadinggang Permit, which was pending as of the last Technical Report, has now been acquired and expires on April 7, 2008.

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EXECUTIVE SUMMARY

The Fuwan Property is located in Guangdong Province in the southern portion of the People's Republic of China ("PRC"), 45 kilometres southwest of Guangzhou, the capital city of Guangdong and two kilometres northwest of the town of Fuwan, population 30,000.

The Fuwan Property is comprised of (i) the properties which are the subject of the Fuwan Silver Permit, the Luoke-Jilinggang Permit and the Guyegang-Sanyatang Permit, each of which are held by Minco China in trust for and on behalf of Minco Silver; and (ii) Minco Gold's interests in the silver mineralization located on the Changkeng Property. Minco China holds a fourth permit, the Guanhuatang Permit, in trust for Minco Silver but the resource estimate for the Fuwan Property described in this Technical Report does not include the Guanhuatang property. The Dadinggang Property exploration permit has been acquired and expires on April 7, 2008. Resources on the Dadinggang Property have been included in the estimate of Inferred Resources set out in the technical report.

Minco Silver's conditional interest in the silver mineralization on the Changkeng Property is dependent upon Minco Mining acquiring and maintaining an interest in such mineralization in accordance with the terms of the Changkeng JV Agreement or in some other fashion. In the event that Minco Mining does not obtain an interest, or loses or alienates any or all of its interest, in the silver mineralization on the Changkeng Property, Minco Silver's potential interest in the silver mineralization on the Changkeng Property would also be lost. As at the date of this Technical Report, the Changkeng JV had not yet been established and no contract has been entered into by the parties to the Changkeng JV Agreement with 757 Team to acquire the Changkeng Permit or a permit in respect of the silver mineralization on the Changkeng Property.

The Changkeng Gold and Fuwan Silver Deposits are located at the northwest margin of a triangular Upper Paleozoic fault basin, at the margin with the northeast trending Shizhou fault to the northwest, the east-west trending Dashi fault to the south and the northwest trending Xijiang fault to the northeast. Known precious and base metal occurrences and deposits occur predominantly along the margins of the 550 km² basin.

The major structural control of the Changkeng Gold and Fuwan Silver Deposits is an upright, open syncline with its axis trending northeast. The syncline is composed of Lower Carboniferous limestone and Triassic siliciclastic rocks. A low-angle fault zone is developed along the contact between the Lower Carboniferous unit and the Upper Triassic unit. The fault zone is from several meters to tens of meters in width and is occupied by lenticular, brecciated and silicified rocks, brecciated limestone, and silicified sandy conglomerate. The fault zone may have acted as both a feeder conduit and a host structure for the gold and silver mineralization in the area. A set of second-order faults parallel to the major fault were developed in the limestone at the footwall. Silver mineralization also occurs in the second-order faults.

The Changkeng Gold and Fuwan Silver Deposits fall into the broad category of sediment hosted epithermal deposits. At the Changkeng Gold Deposit gold mineralization occurs as lenticular bodies in the brecciated Triassic clastic rocks at the upper portion of the synform zone. The gold zone tends to pinch out toward the hinge of the syncline where it is replaced by silver mineralization at the Fuwan Silver Deposit.

The Fuwan Silver Deposit is characterized by vein and veinlet mineralization within zones of silicification. The predominant sulphide minerals are sphalerite and galena with lesser pyrite, and rare arsenopyrite, chalcopyrite and bornite. The deposit is poor in gold (typically < 0.2 ppm.).

Due to the large amount of drilling since the 2005 Technical Report, the geological interpretation has been altered to incorporate the latest information.

The greatest volume of silver mineralization lies within the brecciated and silicified fault zone in Zone 2 (lying partially within the fault plane) and Zone 3 in the footwall. Zone 1, lying entirely within the fault plane also contains a relatively large volume of silver mineralization, particularly in the west part. Zones 4, 5, and 6 are situated entirely within the footwall; along planar fractures in the limestone. Zone 7 is located in the Luzhou Area, which is along strike to the south west of the main Fuwan Silver Deposit. Zone 8 is located in the Jilinggang Area lying across the Xijiang River, along strike north east of the main Fuwan Silver Deposit. Zone RV lies on the Changkeng Permit and in addition to being rich in silver, it is also rich in gold. Zone RV correlates to Zone 2 on the Fuwan Permit, but was previously named Zone RV and this nomenclature was kept. Zone A is a collection of small, discontinuous zones whose silver grades were sufficiently high as to warrant inclusion in the model.

The following is a summary of the resource calculation prepared in respect of the Fuwan Property.

| Resource Area & Classification | Tonnes | Ag (g/t) | Ag (oz) | Au (g/t) | Pb (%) | Zn (%) |
|---|------------|----------|------------|----------|--------|--------|
| Fuwan Permits Indicated | 4,477,000 | 203 | 29,206,000 | 0.20 | 0.18 | 0.53 |
| Total Indicated | 4,477,000 | 203 | 29,206,000 | 0.20 | 0.18 | 0.53 |
| | | | | | | |
| Fuwan Permits Inferred | 13,845,000 | 180 | 80,307,000 | 0.25 | 0.22 | 0.58 |
| Changkeng Permit Inferred *** | 4,106,000 | 142 | 18,744,000 | 0.58 | 0.21 | 0.74 |
| Total Inferred | 17,951,000 | 172 | 99,051,000 | 0.32 | 0.22 | 0.61 |

2007 P&E Resource Estimate @ 50 g/t Ag Cut-Off Grade

*** The resources reported on the Changkeng permit represent 51% of the actual resources which reflects the proportion of ownership by Minco Silver Corporation. The total Changkeng Inferred silver resources are 8,051,000 tonnes and 36,753,000 ounces of silver.

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

Diamond drill data from a total of 272 holes were used for the resource calculation of which 65 holes were from the Phase I, II and III drill programs conducted by the Company. The Phase II and III drilling was undertaken on an 80m x 80m grid so as to allow resource definition in a location to be designated as an initial mining area.

The definitions of Indicated and Inferred Resources are in compliance with the CIM Definitions and Standards on Mineral Resources and Mineral Reserves, December 11, 2005.

A site visit was made to the Fuwan Property on June 14 and 15, 2006 to ensure that the authors' previous recommendations for the drill program were being implemented. Modern diamond drills, skilled drillers, and a complete QA/QC program were observed. Core was being logged and sampled in a secure core logging and storage facility in the town of Fuwan.

The analytical laboratory being used for the Fuwan drill program is located in Yunan province and is affiliated with a laboratory in Vancouver, British Columbia. All staff at the Chinese lab were trained by Canadian staff and visits from the chief analyst to the Chinese lab are made on a regular basis.

Twelve samples were independently taken during the site visit and submitted to ALS Chemex labs in Vancouver, British Columbia.

The authors have not returned to the site since June, 2006.

Due to the high variability and relatively low data population density, Indicated Resources could only be defined for Zone 2. The remaining zones did not yield discernable variograms, resulting in their classifications defaulting to the Inferred category. In order to maximize the chances of upgrading the Inferred Resources to the Indicated category for zones other than Zone 2 in the designated initial mining area, Minco's drill spacing will need to be reduced.

The current recommendations include continued in-fill diamond drilling in what has been defined as the initial mining area. This should be done on an approximate 60m x 60m grid in order to provide sufficient data to potentially upgrade the Inferred Resources in this area to Indicated Resources. Concurrently, Minco should continue with the detailed studies leading up to a mining decision. A total budget of \$5.2 million is recommended for the drilling and detailed studies. It is anticipated that a Bankable Feasibility Study will commence in early 2008.

1.0 INTRODUCTION AND TERMS OF REFERENCE

P & E Mining Consultants Inc., a Brampton, Ontario based mining consulting company, was retained by Minco Silver, a public company trading on the Toronto Stock Exchange ("TSX"), in March 2007, to update its independent Amended and Revised Technical Report dated November 2, 2006 on the Fuwan Property, located 45 kilometres southwest of Guangzhou, capital city of Guangdong Province, in southern China.

This report was prepared by P & E Mining Consultants Inc., ("P & E") at the request of Mr. Ken Cai, President, Minco Silver Corporation. Minco is a Vancouver based company trading on the TSX Venture Exchange (TSX-V) under the symbol of "MSV", with its corporate office at:

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This report is considered current as of April 15, 2007.

This report, which was prepared in accordance with NI 43-101, is based in part on internal company technical reports and maps, published government reports, and a review of data at the offices of 757 Team in August, 2005. P & E has not conducted detailed land status evaluations, and has relied upon previous qualified reports, public documents and statements by Minco Silver regarding property status, third party agreements and legal title to the property.

Authors Eugene Puritch, P. Eng. and Tracy Armstrong, P. Geo. visited the property on August 25th, 2005 to conduct a site visit, and collect drill core samples for verification purposes. Discussions were held with Chinese government geologists and Minco China geologists actively working on the property. A follow-up site visit was made by Ms. Armstrong to the Fuwan Property on June 14 and 15, 2006 to ensure that the recommendations for the drill program were being implemented. The authors have not returned to the site since the 2006 visit.

None of the authors has had previous personal field experience on the Fuwan Property.

1.1 UNITS AND CURRENCY

Unless otherwise stated all units used in this report are metric. Gold and silver assays are reported in grams of metal per tonne ("g/t") unless ounces per ton ("oz /t") or parts per million (ppm) are specifically stated. The lead and zinc units are reported in percent (%). References to "\$" in this Technical Report are to United States dollars (USD) unless otherwise specified. As of the date of this report the exchange rate between the USD and the Chinese Renminbi is as follows

1 Chinese Yuan Renminbi (CNY) = 0.13095 US Dollar (USD) or 1 USD = 7.63640 CNY

2.0 **RELIANCE ON OTHER EXPERTS**

The authors wish to make clear that they are qualified persons only in respect of the areas in this Report identified in their certificates of Qualified Persons submitted with this report to the Canadian Securities Administrators. The authors have relied, and believe that they have a reasonable basis to rely, upon Ken Cai (President) and Ruijin Jiang (Exploration Manager, China) of Minco Silver who have contributed the legal, environmental, marketing and taxation information stated in this Report.

Although copies of the licenses, permits and work contracts were reviewed, an independent verification of land title and tenure was not performed. P & E has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties.

A draft copy of the report has been reviewed for factual errors by Minco Silver. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report.

3.0 PROPERTY DESCRIPTION AND TENURE

3.1 DESCRIPTION AND TENURE

The Fuwan Property is located in Guangdong Province in southern Peoples Republic of China, (PRC) approximately 45 kilometres southwest of Guangzhou, the capital city of Guangdong and two kilometres northwest of the town of Fuwan, population 30,000. The Fuwan Property is comprised of (i) the properties which are the subject of the Fuwan Silver Permit, the Luoke-Jilinggang Permit and the Guyegang-Sanyatang Permit, each of which is held by Minco China in trust for and on behalf of Minco Silver; and (ii) Minco Gold's interests in the silver mineralization located on the Changkeng Property. Minco China holds a fourth permit, the Guanhuatang Permit, in trust for Minco Silver but the resource estimate for the Fuwan Property as described in this Technical Report does not include the Guanhuatang property.

The Dadinggang Property (which covers the northeast extensions of the Fuwan Silver Deposit) exploration permit has been acquired and expires on April 7, 2008. Resources on the Dadinggang Property have been included in the estimate set out in the technical report.

The Fuwan Property area is located across the boundary of two adjacent counties, with most of the gold mineralization subject to the Changkeng Permit within Gaoyau City and most of the silver mineralization subject to the Fuwan Silver Permit within Gaoming City. Figure 3.1 shows the positions of the exploration permits relative to one another, and Figure 3.2 shows the infrastructure in the Fuwan area.



Figure 3.1: Relative Positions of Minco Silver Permits



Figure 3.2: Infrastructure Map of Fuwan Area



Figure 3.3: Regional Location Map of China Showing Location of Fuwan and Changkeng Properties

The Fuwan Property is comprised of (i) the properties which are the subject of the Fuwan Silver Permit, the Luoke-Jilinggang Permit, and the Guyegang-Sanyatang Permit, each of which are held by Minco China in trust for and on behalf of Minco Silver; and (ii) Minco Gold's interests in the silver mineralization located on the Changkeng Property. Minco China holds a fourth permit, the Guanhuatang Permit, in trust for Minco Silver but the resource estimate for the Fuwan Property described in this Technical Report does not include the Guanhuatang property. Minco Silver and Minco China have recently been issued the Dadinggang Permit which expires on April 7, 2008.

- 1) The Fuwan Silver Permit covers an area 0.79 km² and is defined by the following geographic coordinates:
 - 112° 48' 30" E, 23° 00' 30" N;
 - 112° 49' 30" E, 23° 00' 30" N;
 - 112° 48' 30" E, 23° 00' 45" N;
 - 112° 49' 30" E, 23° 00' 45" N

This permit is in good standing until July 20, 2007.

- 2) The Changkeng Permit covers an area 1.19 km² and is defined by the following geographic coordinates:
 - 112° 48' 30" E, 23° 00' 45" N
 - 112° 49' 15" E, 23° 00' 45" N
 - 112° 48' 30" E, 23° 01' 15" N
 - 112° 49' 15" E, 23° 01' 15" N

This permit is in good standing until September 10, 2008.

Minco Silver's conditional interest in the silver mineralization on the Changkeng Property is dependent upon Minco Gold acquiring and maintaining an interest in such mineralization in accordance with the terms of the Changkeng JV Agreement or otherwise. In the event that Minco Gold does not obtain an interest, or loses or alienates any or all of its interest, in the silver mineralization on the Changkeng Property, Minco Silver's potential interest in the silver mineralization on the Changkeng Property would also be lost. As at the date of this Technical Report, the Changkeng JV Agreement with 757 Team to acquire the Changkeng Permit or a permit in respect of the silver mineralization on the Changkeng Property.

- 3) The Luoke-Jilinggang Permit covers an area 75.55 km² and is defined by the following geographic coordinates:
 - 112° 43' 45" E, 23° 00' 00" N
 - 112° 52' 00" E, 23° 00' 00" N
 - 112° 43' 45" E, 23° 03' 00" N;
 - 112° 52' 00" E, 23° 03' 00" N.

This permit is in good standing until April 7, 2008.

- 4) The Guyegang-Sanyatang Permit covers an area 91.91 km² and is defined by the following geographic coordinates:
 - 112° 43' 45" E, 22° 56' 00" N
 - 112° 52' 00" E 22° 56' 00" N
 - 112° 43' 45" E 23° 00' 00" N;
 - 112° 52' 00" E 23° 00' 00" N.

This permit is in good standing until April 7, 2008.

- 5) The Guanhuatang Permit covers an area 37.38 km² and is defined by the following geographic coordinates:
 - 112° 48' 30" E, 22° 50' 45" N
 - 112° 53' 15" E, 22° 50' 45" N
 - 112° 48' 30" E, 22° 53' 30" N
 - 112° 53' 15" E, 22° 53' 30" N.

This permit is in good standing until April 7, 2008.

- 6) The Dadinggang Permit covers an area 0.395 km² and is defined by the following geographic coordinates:
 - 112° 49' 15" E, 23° 00' 45" N
 - 112° 49' 30" E, 23° 00' 45" N
 - 112° 49' 15" E 23° 01' 15" N;
 - 112° 49' 30" E 23° 01' 15" N.

This permit is in good standing until April 7, 2008.



Figure 3.4: Geographic Positions of Permits Comprising the Fuwan Property

P & E Mining Consultants Inc. Fuwan Property Report 133 China uses a map based, (as opposed to staking), allocation system and therefore there are no survey markers on the land. While the four corners of the property boundary were not verified by the authors, a GPS was used on site to confirm the general geographic location of the property.

Surface rights do not form part of the Exploration Permits, and should an open pit method of mining be appropriate, the surface rights would need to be secured.

3.2 AGREEMENTS, PERMITS AND ENVIRONMENTAL ISSUES

Minco Silver is engaged in the identification, acquisition and exploration of precious metal mineral projects in the PRC. As described in detail below, Minco Silver currently holds interests in the Fuwan Property and the property underlying the Guanhuatang Permit.

3.2.1 FUWAN PROPERTY

On August 20, 2004, Minco Silver, Minco Mining, Minco China and Minco BVI entered into an assignment agreement (the "Assignment Agreement") whereby Minco Mining, Minco BVI and Minco China assigned to Minco Silver their respective interests in each of the following:

- a) the preliminary Fuwan joint venture agreement dated April 16, 2004 and amended August 18, 2004 (the "Preliminary Fuwan JV Agreement") between Minco BVI and the Guangdong Geological Exploration and Development Corporation ("GGEDC");
- b) the right to earn the 51% interest in the silver mineralization to be acquired by Minco Mining pursuant to the Changkeng JV Agreement; and
- c) certain additional exploration permits identified by and to be acquired by Minco China, namely the Additional Permits (including a new permit in respect of the Dadinggang Property for which an application has been made by Minco China to the Chinese governmental authorities).

In consideration for the assignment of the foregoing interests, Minco Silver issued 14,000,000 common shares to Minco Mining.

Minco Silver and GGEDC entered into a formal joint venture agreement dated September 28, 2004 (the "Fuwan JV Agreement"), which replaced and superseded the Preliminary Fuwan JV Agreement. The Fuwan JV Agreement provided for the establishment of a sino-foreign joint venture with limited liability to be known as "Guangdong Minco-Nanling Mining Co., Ltd." (the "Fuwan JV") which would serve as the vehicle through which the Fuwan JV would conduct further exploration and assess the economic viability of developing certain silver and polymetallic resources (other than gold).

In particular, the Fuwan JV Agreement contemplated the acquisition by the Fuwan JV of the Original Fuwan Silver Permit and the Additional Permits from 757 Team.

In China, the Ministry of Lands and Resources is in charge of title transfer of exploration and mining permits for foreign-China joint ventures in accordance with the mineral resources law of China. The Original Fuwan Silver Permit had previously been legally conferred to 757 Team on September 12, 2003 by the Guangdong Department of Lands and Resources.

The Fuwan JV Agreement provided for a total investment of 30 million RMB (the "Fuwan Total Investment") and registered capital of 15 million RMB. The Fuwan Total Investment was to be

funded by the Company as to 70% and by GGEDC as to 30%. The parties to the Fuwan JV Agreement agreed that their respective portions of the Fuwan Total Investment would be made in the following six instalments:

- a) within 15 days after the Fuwan JV is granted a business licence and a foreign currency account number, GGEDC and Minco Silver shall contribute 2.1 million RMB and 4.9 million RMB, respectively;
- b) within 3 months after the approval of a contract in respect of the transfer of the Original Fuwan Silver Permit by relevant land and resources administration authorities (the "Contract Commencement Date"), GGEDC and Minco Silver shall contribute 1.2 million RMB and 2.8 million RMB, respectively;
- c) within 6 months after the Contract Commencement Date, GGEDC and Minco Silver shall contribute 1.2 million RMB and 2.8 million RMB, respectively;
- d) within 180 days after the first three instalments are paid, GGEDC and Minco Silver shall contribute 2.1 million RMB and 4.9 million RMB, respectively;
- e) within 540 days after the first three instalments are paid, GGEDC and Minco Silver shall contribute 1.2 million RMB and 2.8 million RMB, respectively; and
- f) within 720 days after the first three instalments are paid, GGEDC and Minco Silver shall contribute 1.2 million RMB and 2.8 million RMB, respectively.

The parties to the Fuwan JV Agreement also agreed that Minco Silver would pay to 757 Team an acquisition payment in the amount of 1.5 million RMB within 50 days of the Additional Permits being issued to Minco China.

On November 19, 2004, 757 Team and Minco China entered into an agreement (the "757 Transfer Agreement") pursuant to which 757 Team agreed to transfer and sell to Minco China the Original Fuwan Silver Permit for consideration of 10.33 million RMB to be paid as follows:

- a) 40% within 30 days after the approval of the 757 Transfer Agreement by the relevant governmental authorities;
- b) 30% within 12 months after the transfer of the Original Fuwan Silver Permit; and
- c) 30% within 24 months after the transfer of the Original Fuwan Silver Permit.

On November 19, 2004, 757 Team, GGEDC and Minco China entered into a confirmation agreement (the "Transfer Confirmation Agreement") which clarified that Minco China would transfer at cost the Original Fuwan Silver Permit to the Fuwan JV within one year after its receipt of the Original Fuwan Silver Permit pursuant to the 757 Transfer Agreement. The Transfer Confirmation Agreement also provided that any expenses incurred in connection with the transfer of the Original Fuwan Silver Permit would be borne by the Fuwan JV. Minco China also agreed to pre-pay, on behalf of the Fuwan JV, 80,000 RMB to 757 Team as an appraisal fee in respect of the Original Fuwan Silver Permit.

On April 7, 2005, Minco China acquired the Additional Permits on behalf of the Fuwan JV from 757 Team for 1.5 million RMB. The Luoke-Jilinggang Permit and the Guyegang-Sanyatang

Permit relate to properties surrounding the area underlying the Fuwan Silver Permit. The Guanhuatang Permit relates to a property that does not form part of the Fuwan Property but is being held for possible future exploration. As at the date of this Technical Report, Minco Silver has not expended any funds on the exploration and development of the property underlying the Guanhuatang Permit.

On April 22, 2005, the application submitted by 757 Team and Minco China for the transfer of the Original Fuwan Silver Permit pursuant to the 757 Transfer Agreement was considered in accordance with all the state's requirements for a title transfer and approved by the Department of Land and Resources of Guangdong Province, thereby approving the transfer application.

On May 2, 2005, Minco Mining, Minco China and Minco Silver entered into a confirmation agreement (the "First Confirmation Agreement") pursuant to which, among other things, Minco China confirmed that it held the Additional Permits and the right to the Original Fuwan Silver Permit in trust for the Fuwan JV and that, upon the establishment of the Fuwan JV pursuant to the Fuwan JV Agreement and upon the written demand of the Fuwan JV, Minco China would transfer such permits to the Fuwan JV for no additional consideration. Minco Mining also agreed under the First Confirmation Agreement that it would ensure that Minco China remained a wholly-owned subsidiary of Minco Mining until such time as the permits were transferred to the Fuwan JV.

On September 26, 2005, the Ministry of Land and Resources of the PRC confirmed receipt of application from Minco China for a new permit in respect of the Dadinggang Property which is adjacent to the property underlying the Fuwan Silver Permit. This application is still pending as at the date of this Technical Report.

On January 10, 2006, Minco Silver entered into a contract (the "Amending Contract") with GGEDC to amend the Fuwan JV Agreement. Pursuant to the Amending Contract, Minco Silver and GGEDC agreed to not proceed with the establishment of the Fuwan JV. Rather, Minco Silver agreed to be responsible for 100% of the exploration and development expenditures relating to the Fuwan Permits, including the entire 10.33 million RMB purchase price for the Fuwan Silver Permit. The parties confirmed that the purchase price (the "Fuwan Purchase Price") for the Fuwan Silver Permit would be paid by Minco Silver as follows:

- a) 40% within 30 days after the date on which approval of the 757 Transfer Agreement is obtained by the relevant governmental authorities (which date was July 20, 2005);
- b) 30% within 12 months after the transfer of the Original Fuwan Silver Permit (therefore by July 20, 2006); and
- c) 30% within 24 months after the transfer of the Original Fuwan Silver Permit (therefore by July 20, 2007).

The first and second of these installments of 4,132,000 RMB and 3,099,000 RMB respectively, have been paid as of the date of this Technical Report.

Pursuant to the Amending Contract, upon satisfaction of the Fuwan Purchase Price, Minco Silver will hold, through Minco China, a 100% interest in the Fuwan Permits, subject to GGEDC retaining a 10% net profit interest in the properties subject to the Fuwan Permits. GGEDC also agreed pursuant to the Amending Contract to provide certain services and technical support to Minco Silver, including, for instance, (i) assisting in respect of the application for exploration permits; (ii) assisting in respect of the application for land titles and infrastructure permits; and P & E Mining Consultants Inc. Page 10 of 82 Fuwan Property Report 133

(iii) facilitating contacts and relationships with government authorities.

On August 24th, 2006, Minco Silver, Minco China and Minco Mining entered into a second confirmation agreement (the "Second Confirmation Agreement") pursuant to which the parties thereto confirmed, among other things, that Minco China holds the Fuwan Permits on behalf of and in trust for Minco Silver and that Minco Silver has the sole authority to direct Minco China in the future as to any transfer or other transaction relating to the Fuwan Permits. Minco Mining and Minco China agreed in the Second Confirmation Agreement not to transfer, sell, pledge, grant security interests in, or otherwise encumber, in any manner whatsoever, the Fuwan Permits. In addition, Minco Mining agreed pursuant to the Second Confirmation Agreement not to transfer or sell any of its ownership or equity interest in Minco China or encumber its interest in any way if any of the foregoing, individually or in combination, would have the effect of Minco Mining holding at any point in time less than, on an actual or a fully-diluted calculation basis, a 75% unencumbered ownership interest in Minco China. Likewise, Minco China agreed pursuant to the Second Confirmation Agreement not to enter into any agreement or grant any option or right for the purchase, sale, transfer or issuance of any ownership or equity interests in Minco China if any of the foregoing, individually or in combination, would have the effect of Minco Mining holding at any point in time less than, on an actual or a fully-diluted calculation basis, a 75% unencumbered ownership interest in Minco China.

3.2.2 CHANGKENG PROPERTY

On April 16, 2004, Minco Mining, GGEDC, Zhuhai Zhenjie Development Ltd. ("Zhenjie") and Foshan Baojiang Nonferrous Metals Corporation ("Baojiang") entered into a preliminary joint venture agreement (the "Preliminary Changkeng JV Agreement") to explore and develop the mineral property underlying the Changkeng Permit. The target mineral on the Changkeng Property is gold but the property is known to also contain silver mineralization.

On August 20, 2004, Minco Silver, Minco Mining, Minco China and Minco BVI entered into the Assignment Agreement whereby Minco Mining, Minco BVI and Minco China assigned to Minco Silver their respective interests in, among other things noted above, Minco Mining's right to earn up to a 51% interest in the Changkeng Property's silver mineralization pursuant to the Preliminary Changkeng JV Agreement.

The Preliminary Changkeng JV Agreement was superseded by a formal joint venture agreement dated September 28, 2004 (the "Changkeng JV Agreement") made among the original four parties to the preliminary joint venture agreement and a fifth company, Guangdong Gold Corporation ("GD Gold"). The Changkeng JV Agreement provides for the establishment of a sino-foreign joint venture with limited liability to be named Guangdong Minco-Jinli Mining Co., Ltd. (the "Changkeng JV") to explore and develop non-ferrous and precious metals resources. The Changkeng JV Agreement provides that the total investment of the Changkeng JV (the "Changkeng Total Investment") will be 100 million RMB and that the registered capital of the Changkeng JV will be 50 million RMB. The contribution proportions of the parties to the Changkeng JV Agreement are as follows: GGEDC - 19%; Minco Mining - 51%; Zhenjie - 18%; Baojiang - 10%; and GD Gold - 2%. To earn a 51% equity interest in the Changkeng JV, Minco Mining must contribute 51 million RMB of the Changkeng Total Investment in six instalments.

The parties to the Changkeng JV Agreement agreed that following the establishment of the Changkeng JV, the parties would take the necessary steps to acquire the Changkeng Permit from 757 Team for a total consideration of 33 million RMB. The original Changkeng Permit expired

in September 2004 but was renewed on September 6, 2005. The renewed Changkeng Permit is in good standing until September 10, 2008.

Minco Silver's conditional interest in the silver mineralization underlying the Changkeng Permit is dependent upon Minco Mining acquiring and maintaining an interest in the Changkeng Permit in accordance with the terms of the Changkeng JV Agreement or in some other fashion. In the event that Minco Mining does not obtain an interest, or loses or alienates any or all of its interest, in the Changkeng Permit, Minco Silver's potential interest in the silver mineralization underlying the Changkeng Permit will be lost.

As at the date of this Technical Report, the Changkeng JV had not yet been established and no contract has been entered into by the parties to the Changkeng JV Agreement with 757 Team to acquire the Changkeng Permit. 757 Team has applied to renew the Changkeng Permit. The Permit was renewed and now expires on September 10, 2008. The parties to the Changkeng JV Agreement have agreed that the Changkeng Permit be transferred by 757 Team to Minco China to be held by Minco China for and on behalf of the proposed Changkeng JV. Minco Gold expects that the parties to the Changkeng JV Agreement shall make a determination in 2007 as to whether or not the parties will proceed with establishing the Changkeng JV as described in the Changkeng JV Agreement or whether, alternatively, Minco Gold shall purchase some or all of the minority interests of the other parties to the Changkeng JV Agreement.

Minco Mining has agreed, pursuant to the Second Confirmation Agreement, to take all commercially reasonable steps to obtain as quickly as possible and to maintain, at least a 51% interest in the mineral exploration rights to the Changkeng Property (including the rights to the silver mineralization), either by means of a joint venture or otherwise, and to provide Minco Silver with the exclusive right to earn a 51% interest in the silver mineralization relating to the Changkeng Property. Article 90 of the Changkeng JV Agreement provides that the agreement shall become effective upon its approval by the Chinese Department of Foreign Economy and Trade. The parties to the Changkeng JV Agreement have not yet taken steps to obtain such approval due to the uncertainty surrounding the future plans for the proposed Changkeng JV.

There are no known environmental liabilities on the Fuwan Property or Changkeng Property.

4.0 LOCATION, ACCESS, CLIMATE, PHYSIOGRAPHY AND INFRASTRUCTURE

4.1 LOCATION AND ACCESS

The Fuwan Property is approximately 45 kilometres southwest direct distance from Guangzhou, the capital city of Guangdong province. Access to the property is excellent via the Guangzhou-Zhuhai highway which passes through Gaoming City. Travel time from the Guangzhou airport to Gaoming City is approximately one hour and fifteen minutes. The property is located two kilometres northwest of the town of Fuwan, population 30,000 and is accessed via a gravel road. The town of Fuwan is well connected by paved highway and expressways to the major cities, including Guangzhou (70 kilometres highway distance), Gaoming (15 kilometres), and Jiangmen (60 kilometres), (see Figure 4.1). The Fuwan Property is also accessible by waterway on the Xijiang River, which can reach major cities like Guangzhou, Zhaoqing and Jiangmen, as well as international waterways in the South China Sea.



Figure 4.1: Local Area Map Showing Fuwan Property



Figure 4.2: Photo taken on the Fuwan Property with town of Fuwan in the background

4.2 CLIMATE AND PHYSIOGRAPHY

Topography of the area is characterized by low hills from 60 to 90 metres above sea level (asl) with the highest peak at 133.3 metres asl. Outcrops are scarce and most of the area is covered with 5 to 10 metres of overburden where vegetation is dense. The area is hot and humid with an annual average temperature of 21.5°C and annual precipitation of 1681 millimetres. Surface water is abundant in the area.

Like most of the coastal areas in Southeast China, the area is densely populated. Local residents are mainly engaged in farming and there are abundant rectangular aerated ponds for fish farming dotting the landscape. The labour force is composed of local residents and a large number of immigrants from inland provinces and is sufficient for various industry needs in the area.

4.3 INFRASTRUCTURE

The town of Fuwan is located two kilometres SE of the Fuwan Property along a dirt road which connects it to a major highway system. Electrical power, water, telephone and supplies can be obtained in the town. General labour is readily available but labour more specialized in mining would need to be recruited and/or trained. The property is large enough to accommodate potential tailings, waste disposal areas and potential processing plant sites, (see Figure 3.2 Infrastructure Map of Fuwan Area).

5.0 HISTORY AND PREVIOUS EXPLORATION

5.1 PREVIOUS EXPLORATION

Since 1949, mineral exploration in China has been undertaken at all scales by teams of geologists and engineers. Each team was responsible for a certain region and within each team there were sub-teams with specific mandates such as geology, geochemistry, mineral deposit evaluation, diamond drilling etc.

There is no historic record for mining in the property area before the discovery of gold in early 1990. Illegal artisanal mining began in 1991 and most of the oxidized portion of the mineralized zones between Lines 3 and 4 on the Changkeng Property were mined out.

From 1994 to 2003 the Fuwan Property was under the ownership of the Guangdong Department of Lands and Resources. In September 2003, land title was transferred to 757 Team. In July 2005, the Fuwan Silver Permit was transferred to Minco-China which holds it on behalf of Minco Silver.

A brief history of recent exploration is detailed below:

1959-1971: Geological exploration for pyrite, coal and uranium was carried out intermittently by different geological teams.

1986-1989: Regional Geological Survey Team of Guangdong Bureau of Geological Exploration conducted a regional stream sediment sampling program at a 1:200,000 scale. Significant gold and silver geochemical anomalies were delineated in the Changkeng Gold and Fuwan Silver Permit areas. The Au-Ag anomalies were followed up with detailed soil sampling at a 1:50,000 scale, which demonstrated good potential for gold and silver mineralization in the area.

1990-1994: The Changkeng Gold and Fuwan Silver Deposits were discovered in 1990 during the follow up of the 1:50,000 soil geochemical anomalies by 757 Team. Detailed exploration was conducted at the Changkeng Property and Fuwan Property and adjacent areas from 1990 to 1995.

1990: Report on Reconnaissance Investigation of Gold Mineralization in Changkeng, Gaoyau county, Guangdong province was completed by 757 Team.

1992: A geochemical soil sampling and mercury survey over the Luzhou-Shizhou area lying 24 km to the south of the Changkeng Gold and Fuwan Silver Deposits was conducted at a 1:10,000 scale. Test drilling over two geochemical anomalies intersected silver mineralization at Dieping and Luzhou areas.

1992-1993: Geological exploration was carried out at the Luzhou Pb-Zn occurrence. Beginning of diamond drill programs by the 757 Geo-Exploration Team. A silicified structural breccia was intersected at the contact between Triassic and Carboniferous sedimentary sequences in drill holes. Two gold veins and one silver vein were discovered at depth.

1993: Seismic and electrical surveys were conducted along 9 profiles over the Luzhou-Shizhou area. Sections with good potential for gold and silver were delineated and diamond drilled.

October 1993: Prospecting of the Changkeng Gold Deposit was completed by 757 Team and a total resource (*Categories D+E, as per the Classification of Solid Mineral Resources and Reserves of the State Monitoring Bureau of Quality and Technology of China*) of 30.49 t of gold was delineated between Exploration Lines 16 and 27.

1993-1995: Prospecting of Fuwan Silver Deposit was conducted by 757 Team and a total resource (D+E as above) of 5134.6 t silver was reported.

April 1994: Detailed exploration on the central section between exploration lines 8 and 15 and above elevation -15m was completed and 5t gold was delineated as category C+D (measured reserve) as per the Classification of Solid Mineral Resources and Reserves of the State Monitoring Bureau of Quality and Technology of China.

A total of 27,110 metres of core was drilled on the Changkeng Gold and Fuwan Silver Deposits from 1991 to 2005. There were 16 holes drilled on the Fuwan Silver Deposit, totalling 4,247 metres, 97 holes on the Changkeng Gold Deposit totalling 15,480 metres, and an additional 27 holes totalling 7,385 metres on the surrounding mineral lease. Barrick Gold Corporation drilled 11 holes; eight of the Barrick holes were drilled between sections 7 and 24 within the Changkeng Permit (included in the 97 holes) and the other three holes were drilled as follow up to Hg geochemical anomalies outside the license area.

There were many trenching programs undertaken on the property, as well as 2 holes drilled for the purposes of a metallurgical test on the Fuwan Silver Deposit. Geotechnical data were collected, including core recovery, RQD and structural logging. Collar locations were surveyed using an EDM station with a survey accuracy of ± 0.12 metres.

5.2 HISTORICAL RESOURCE ESTIMATES

The gold resources on the Changkeng Gold Deposit were classified according to the *Classification of Solid Mineral Resources and Reserves of the State Monitoring Bureau of Quality and Technology of China*. A total resource of 30.49 tonnes of gold (*Categories D+E, as per the Classification of Solid Mineral Resources and Reserves of the State Monitoring Bureau of Quality and Technology of China*), was delineated between exploration lines 16 and 15. The D category resource was defined by 80 by 80 metre grid drilling and trenching and category E was defined by 160 by 160 metre grid drilling.

A total silver resource on the Fuwan Silver Deposit (Category E) was estimated by 757 Team as 5134.6 tonnes of silver between exploration lines 54 and 75 (a regional estimation).

These resource calculations were done by the Chinese in 1995 before the application of NI 43-101. The Chinese classification system is not considered comparable to current CIM definitions and as such the resources are no longer considered relevant and have been replaced by the NI 43-101 compliant resource as reported in Section 17.0 of this report.

6.0 GEOLOGICAL SETTING

6.1 **REGIONAL GEOLOGY**

The Changkeng Gold and Fuwan Silver Deposits are located at the northwest margin of a triangular Upper Paleozoic fault basin, at the margin with the north east trending Shizhou fault to the northwest, the east-west trending Dashi fault to the south and the northwest trending Xijiang fault to the northeast (Figure 6.1). Known precious and base metal occurrences and deposits occur predominantly along the margins of the 550 km² basin.

The basin area is comprised of two major sedimentary sequences, the Upper Paleozoic siliceous and argillaceous carbonate sequence and the Mesozoic coal-bearing clastic sequence. The two units are separated by a low angle fault zone. Some Chinese geologists have interpreted the contact between Triassic sandstone and Carboniferous limestone as an unconformity along which an interlayer-sliding fault developed. The low-angle fault zone at the northwest margin of the basin hosts the known gold and silver mineralization in the Changkeng-Fuwan area and its southwest and northeast extensions.

Mesozoic granite occurs only at the southeast corner of the basin area. There are no outcrops of intrusive rocks at Changkeng Gold and Fuwan Silver Deposits and the Gold adjacent area. Late Mesozoic granites are observed along the south margin of the Sanzhou basin.



Figure 6.1: Local Geology Map of Sanzhou Basin

6.2 FUWAN PROPERTY GEOLOGY

Host rocks of the Changkeng Gold and Fuwan Silver Deposits consist of Lower Carboniferous limestone and Upper Triassic terrestrial clastic rocks.

1. Lower Carboniferous Limestone Sequence:

Lower: Neritic gray and dark-gray thickly-bedded bioclastic limestone;

Middle: Terrestrial grey-whitish and reddish quartz sandstone intercalated with grey calcareous siltstone, mudstone, carbonaceous shale and coal;

Upper: Gray and dark-grey medium to thickly bedded argillaceous limestone and mudstone; light-grey brecciated bioclastic limestone intercalated with yellowish silicified limestone and silty mudstone. Some gold mineralization and most silver mineralization occurs in the brecciated bioclastic limestone.

2. Upper Triassic Clastic Rocks

The Upper Triassic clastic rocks are comprised of variegated sandstone, sandy conglomerate and conglomerate, dark-grey mudstone, carbonaceous mudstone and siltstone.

The major structural control of the Changkeng Gold and Fuwan Silver Deposits is an open syncline with its axis trending northeast. A low angle fault zone is developed along the contact between the Lower Carboniferous unit and the Triassic unit. The fault zone is from several meters to tens of meters in width and is occupied by lenticular brecciated and silicified rocks, brecciated limestone, and silicified sandy conglomerate. The fault zone may have acted as both a feeder conduit and a host structure for the gold and silver mineralization in the area. A set of second-order faults parallel to the major fault were developed in the limestone at the footwall. Silver mineralization also occurs in the second-order faults.

The upper parts of the Lower Carboniferous carbonate sequence and the lower part of the Upper Triassic clastic rocks are structurally brecciated and mineralized with gold and silver within the fault zone. Gold mineralization and silver mineralization are closely associated spatially but occur at different positions in the low-angle fault zone. Most gold mineralization occurs in the Triassic clastic rocks while most of the silver mineralization occurs in the brecciated, siliceous fault zone which separates the two units. There is also a smaller volume of silver mineralization associated with fractures parallel to the main fault and lying within the bioclastic limestone of the Lower Carboniferous sequence (see Figure 6.2 Fuwan Property Geology).

Typical alteration associated with the Changkeng Gold and Fuwan Silver Deposits includes silicification, clay (mainly illite), barite, fluorite, carbonate and pyrite. Alteration developed predominantly within the major fault zone between the Carboniferous limestone and Triassic clastic rocks and the second-order faults at the footwall. Silicification and sulphide mineralization are most closely associated with gold and silver mineralization.



Figure 6.2: Property Scale Geology Map of Fuwan

7.0 DEPOSIT TYPE AND MODEL

The Changkeng Gold and Fuwan Silver Deposits may be considered as sediment hosted epithermal deposits.

The Fuwan Silver Deposit is characterized by vein and veinlet mineralization within zones of silicification. The predominant sulphide minerals are sphalerite and galena with lesser pyrite, and rare arsenopyrite, chalcopyrite and bornite. Pyragyrite and freibergite are other important silver minerals in the deposit. The deposit is poor in gold (< 0.2 ppm).

The Changkeng Gold and Fuwan Silver Deposits are confined in a fault zone separating a Lower Carboniferous limestone sequence and an Upper Triassic Clastic sequence. The gold zones tend to pinch out toward the hinge of the syncline where they were replaced by silver mineralization at the Fuwan Silver Deposit.

Due to the large amount of drilling since the 2005 Technical Report, the geological interpretation has been altered to incorporate the latest information.

The greatest volume of silver mineralization lies within the brecciated and silicified fault zone in Zone 2 (lying partially within the fault plane) and Zone 3 in the footwall. Zone 1, lying entirely within the fault plane also contains a relatively large volume of silver mineralization, particularly in the west part. Zones 4, 5, and 6 are situated entirely within the footwall along planar fractures in the limestone. Zone 7 is located in the Luzhou Area, which is along strike to the south west of the main Fuwan Silver Deposit. Zone 8 is located in the Jilinggang Area lying across the Xijiang River, along strike north east of the main Fuwan Silver Deposit. Zone RV lies on the Changkeng Permit and in addition to being rich in silver, it is also rich in gold. Zone RV correlates to Zone 2 on the Fuwan Permit, but was previously named Zone RV and this nomenclature was kept. Zone A is a collection of small, discontinuous zones whose silver grades were sufficiently high as to warrant inclusion in the model.

8.0 MINERALIZATION

The mineralized zones at the Fuwan Silver Deposit are currently considered primary mineralization and have been divided into two types:

- 1. Siliceous (silicified) material: This type of material is grey to dark grey in colour and mainly composed of secondary quartz, illite, argillaceous and carbonaceous material, and pyrite. Fractures and mariolitic cavities were highly developed;
- 2. Calcareous-siliceous material (silicified limestone): This type of material is light grey to dark grey in colour and is composed of secondary quartz, residual limestone, calcite, and pyrite. The mineralization occurs in the second-order faults in the footwall limestone of the contact zone.

Two specific studies were undertaken on the mineralogy of the deposit, which was studied by thin section microscopy and scanning electron microscopy. These reports were consulted at the offices of 757 Team. Rock types include limestone, silicified limestone, silicified sandstone, carbonate-quartz veins, bioclastic limestone, silicified brecciated limestone, and marble-like limestone. Major silver ore minerals include freibergite, paragyrite, silver-antimony, brongriarite, and argentite; jamesonite as a secondary mineral and eugenite, a Sb-Cu-Ag sulphide mineral, a "black silver" mineral, a silver sulphur mineral, and native silver as minor minerals. The report contains numerous photomicrographs and scanning electron micrographs showing mineral relationships.

9.0 EXPLORATION

Exploration by Minco Mining began in 2003 with diamond drilling on the Changkeng and Fuwan Properties. Since 2003, exploration has been continuous, however the extensive phases of diamond drilling began in earnest in December 2005 with Phase I. Phases II and III continued essentially non-stop following Phase I. No other exploration work was undertaken during the diamond drilling programs, details of which are covered in Section 10.0 of this report.

10.0 DRILLING

This section of the report discusses the Phase I through Phase III drill programs begun in December, 2005 and essentially continuing non-stop through January, 2007. Complete results for the Phase I program were reported in the November 2, 2006 Technical Report, but are reproduced here, as they are an integral part of the data used to update the current resource.

The three phase program was designed to upgrade the resources with in-fill drilling on an 80m x 80m grid spacing, and to explore along the southwest strike direction toward Luzhou and Dieping and the southeast dip direction of the main Fuwan Silver Deposit.

10.1 PHASE I PROGRAM

Phase I consisted of nine diamond drill holes with a total footage of 2,435 metres. The drilling program was commissioned to two contractors, Sinorex Drilling Company and 757 Team, with three rigs in use. Holes were numbered FW0001 through FW0009. Significant results of the Phase I program are reported in Table 10-1 below.

| HOLE ID | FROM | ТО | WIDTH | G/T SILVER |
|------------|--------|--------|-------|------------|
| FW0001 | | | | NSV |
| FW0002 | 133.55 | 135.6 | 2.05 | 71.4 |
| | 147.34 | 152.73 | 5.39 | 129.8 |
| | 165.35 | 166.15 | 0.8 | 1200.0 |
| | 195.04 | 208.67 | 12.96 | 234.2 |
| FW0003 | 242.7 | 251.8 | 9.1 | 284.1 |
| | 257.0 | 264.0 | 7.1 | 74.4 |
| | 292.3 | 293.3 | 1.0 | 894.0 |
| FW0004 | 285.38 | 287.07 | 2.48 | 190.5 |
| | 300.23 | 302.65 | 2.42 | 106.8 |
| FW0005 | 236.57 | 241.72 | 5.15 | 188.8 |
| | 243.72 | 252.42 | 8.7 | 823.8 |
| FW0006 | 129.95 | 137.25 | 7.3 | 261.0 |
| FW0007 | 95.0 | 98.0 | 3.0 | 168.0 |
| | 115.76 | 118.76 | 2.4 | 1183.4 |
| FW0008 | 178 | 179.4 | 1.4 | 116.3 |
| (abandoned | 181.87 | 182.27 | 0.40 | 468.5 |
| early) | | | | |
| FW0009 | 178.15 | 182.05 | 3.9 | 221.4 |
| | 232.55 | 236.28 | 3.74 | 292.5 |

Table 10-1: Phase I Significant Mineralized Intersections

10.2 PHASE II PROGRAM

The Phase II program began shortly after completion of Phase I and included holes FW0010 through FW0035. Four drill rigs were maintained during the program. The total number of metres drilled was 5,957 in 26 holes. Results for eight holes of the Phase II program were reported in the 2006 Technical Report but results of the entire Phase II program are reproduced in the following table.

| HOLE ID | FROM | ТО | WIDTH | SILVER |
|---------------|----------------|-----------------|----------------|--------|
| | | | | g/t |
| FW 0010 | 250.9 | 254.9 | 4 | 183.9 |
| FW 0011 | 154.97 | 156.97 | 2 | 267.3 |
| FW 0012 | 128.16 | 134.03 | 4.48 | 253.9 |
| (cave in hole | accounts for d | lifference in w | idth of 1.39 r | n) |
| FW 0012 | 140.37 | 146.65 | 6.28 | 155.6 |
| FW 0012 | 201 | 203.2 | 2.2 | 154 |
| FW 0013 | 237 | 243 | 6 | 575.2 |
| FW 0013 | 256.1 | 265.4 | 9.3 | 270.6 |
| FW 0014 | 236.92 | 240.62 | 3.7 | 143.5 |
| FW 0014 | 266.15 | 271.02 | 4.87 | 76.1 |
| FW 0014 | 287 | 288.2 | 1.2 | 228 |
| FW 0015 | 50.4 | 52.44 | 2.04 | 81.6 |
| FW 0016 | 268.56 | 270.14 | 1.58 | 136.2 |
| FW 0017 | 158.7 | 161.68 | 2.98 | 166.2 |
| FW 0018 | 154.84 | 158.14 | 3.3 | 251.9 |
| FW 0018 | 195.45 | 197.45 | 2 | 90.9 |
| FW 0019 | 223.92 | 232.77 | 8.85 | 338.47 |
| FW 0019 | 234.27 | 236.97 | 2.7 | 64.36 |
| FW 0021 | 71.91 | 80.01 | 8.1 | 152.6 |
| FW 0021 | 95.5 | 99.93 | 4.43 | 176.2 |
| FW 0024 | 89.9 | 93.05 | 3.15 | 75.3 |
| FW 0024 | 103.07 | 104.79 | 1.72 | 126.4 |
| FW 0025 | 115.5 | 118.9 | 3.4 | 345.18 |
| FW 0025 | 182.85 | 198.2 | 15.35 | 329.81 |
| FW 0026 | 285.06 | 295.14 | 10.08 | 295.8 |
| FW 0026 | 301.14 | 306.39 | 5.25 | 236.4 |
| FW 0029 | 268.87 | 270.92 | 2.05 | 97.1 |
| FW 0031 | 108.2 | 114 | 5.8 | 55.3 |
| FW 0032 | 132.2 | 133.65 | 1.45 | 98.25 |
| FW 0034 | 87.8 | 89.8 | 2 | 161.8 |
| FW 0034 | 92.8 | 94.8 | 2 | 131.5 |
| FW 0035 | 65 | 66.6 | 1.6 | 114.9 |
| FW 0035 | 73.8 | 78.8 | 5 | 439.55 |
| FW 0035 | 111.1 | 113.25 | 2.15 | 269.5 |

Table 10-2: Phase II Significant Mineralized Intersections


Figure 10.1: Phase I, II and III Drill Hole Location Map

10.3 PHASE III PROGRAM

The Phase III drill program continued on the heels of the Phase II program, with the addition of three more rigs. Thirty-one holes numbered FW0036 through FW0065 were drilled for a total of 7,850 metres. Results of the Phase III program are presented in Table 10-3.

| HOLEID | FROM | ТО | WIDTH | SIL V E R |
|---------------|----------------|-----------------|----------------|-----------|
| | | | | g/t |
| FW 0036 | 175.8 | 177.8 | 2 | 285.5 |
| FW 0037 | 121.6 | 136 | 12.15 | 114.68 |
| (cave in hole | accounts for d | lifference in w | idth of 2.25 n | 1) |
| FW 0039 | 147.45 | 154.88 | 7.43 | 139.92 |
| FW 0040 | 185 | 187.9 | 2.9 | 581.52 |
| FW 0041 | 170.25 | 183.4 | 13.15 | 426.85 |
| FW 0042 | 130.8 | 134.55 | 3.75 | 123.76 |
| FW 0044 | 205 | 207.3 | 2.3 | 407.22 |
| FW 0046 | 259.34 | 261.08 | 1.74 | 343.51 |
| FW 0046 | 275.43 | 276.66 | 1.23 | 109 |
| FW 0048 | 227.5 | 245.5 | 11.1 | 99.67 |
| (cave in hole | accounts for d | lifference in w | idth of 6.9 m |) |
| FW 0049 | 245.48 | 247.3 | 1.82 | 153 |
| FW 0050 | 248.37 | 251.38 | 3.01 | 599.09 |
| FW 0052 | 221.4 | 227.3 | 5.9 | 148.29 |
| (cave in hole | accounts for d | lifference in w | idth of 2.4 m |) |
| FW 0052 | 244.7 | 246.1 | 1.4 | 109.86 |
| FW 0053 | 284.29 | 288.25 | 3.96 | 1218.5 |
| FW 0053 | 300.55 | 302.02 | 1.47 | 501.52 |
| FW 0055 | 194.89 | 197.63 | 2.74 | 126.17 |
| FW 0057 | 80.4 | 83.65 | 3.25 | 190.98 |
| FW 0057 | 102.35 | 105.67 | 3.32 | 404.16 |
| FW 0057 | 118.85 | 120.7 | 1.85 | 136.66 |
| FW 0058 | 76.64 | 78.46 | 1.82 | 867.2 |
| FW 0061 | 148 | 149.5 | 1.5 | 348.5 |
| FW 0062 | 222.24 | 226.34 | 4.1 | 268 |
| FW 0062 | 230.52 | 238.06 | 7.54 | 388.64 |
| FW 0062 | 260.04 | 265.48 | 5.44 | 163.32 |
| FW 0063 | 188.22 | 191.22 | 3 | 311.33 |
| FW 0064 | 221.8 | 225 | 3.2 | 207.06 |
| FW 0064 | 227.8 | 237 | 9.2 | 142.12 |
| FW 0065 | 262.5 | 264.5 | 2 | 113.8 |

| Table 10-3: | Phase III | Significant | Mineralized | Intersections |
|--------------------|-----------|-------------|-------------|---------------|
|--------------------|-----------|-------------|-------------|---------------|

11.0 SAMPLING METHOD AND APPROACH

11.1 HISTORICAL SAMPLING METHODS 757 TEAM

Drill core was logged by geologists, and sections with visible sulphides, alteration and structures were measured and marked for sampling. Generally, sampling of the drill core began just above the silicified breccia zone which marked the contact between the Lower Carboniferous limestone and the Upper Triassic clastic unit. Drill core above this contact was rarely sampled.

All core was sawn in half by a member of 757 Team at the core logging facility located at their previous base, situated approximately 20 kilometres northeast of Jiangmen City.

The samples were sealed and transported by truck from the base to the central lab at 757 Team in Jiangmen City for analysis. Three to five percent of the samples were sent to the Guangdong Central Laboratory, Ministry of Geology and Mineral Resources in Guangzhou for external checks.

11.2 MINCO MINING SAMPLING METHODS TO 2005

Drill core was shipped to the field camp from the drilling site at the end of each shift. At the field camp, routine logging was conducted by Minco Mining geologists. In most cases, the average sample length was one metre, although shorter samples were collected in some narrow fracture zones.

The core was cut in half with a diamond saw, which was located in the core logging building. The other half of the sawn core was kept in the original core box, which was numbered and kept in the same building.

Samples were sealed in sample bags and shipped to the Central Laboratory of the Institute of Geophysical and Geochemical Exploration (IGGE) in Langfang, Hebei province for preparation and analysis.

Core recovery was deemed not to be an issue and there were no other issues impacting sample quality.

11.3 2005, 2006 AND 2007 PHASE I, II AND III PROGRAMS

Drill core was picked up from the site by pick up truck at the end of each shift and taken to the core logging facilities in the town of Fuwan. The building was locked, and access was restricted to Minco personnel.

Drill core was logged by geologists, and sections with visible sulphides, alteration and structures were measured and marked for sampling. The core was cut in half with a diamond saw, which was located in the core logging building. In most cases, the average sample length was one metre, although shorter samples were collected in some narrow fracture zones. The other half of the sawn core was kept in the original core box, which was numbered and kept in the same building.

Core recovery was examined at the drills during the 2006 site visit and found to be satisfactory.

12.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

12.1 HISTORICAL SAMPLE PREPARATION, ANALYSES AND SECURITY

For a full account of the historical sample preparation, analyses and security, the reader is referred to the previous technical report titled, "Amended and Revised Updated Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 2, 2006. This report has been filed on SEDAR.

12.2 PHASE I, II AND III MINCO SILVER

Samples for Phases I through III were sent to the PRA Kunming lab in Yunan province, China, (operated under the supervision of a certified Canadian assayer) for analysis of silver and gold by fire assay with an atomic absorption or gravimetric finish. Ten percent of the pulps were initially re-run at the PRA Vancouver, British Columbia, lab as checks, however later in the program they were sent to Acme Laboratories in Vancouver, British Columbia.

The assay protocol at PRA Kunming involved:

- Crushing the whole sample (not more than 2 kg)to 0.84 mm (-20 mesh) size with a routine jaw crusher;
- Taking a 250 gram split from the crushed material and pulverizing to minus 200 mesh;
- A 30 gram sub-sample is analyzed for gold and silver using fire assay with an atomic absorption spectrometry or gravimetric finish;
- A composite sample was prepared by combining resource-grade samples (maximum 3 samples for a composite sample) in individual mineralized zones. A 0.1-0.5 gram sample from the composite sample is dissolved and analyzed for Pb, and Zn with ICP mass spectrometry.

Due to the coarse silver often present in the drill core, Minco requested a change in the assay protocol for the Phase III program in order to verify precision. Instead of crushing to three millimetres, the crush size was reduced to one millimetre and the pulverized fraction was reduced from 150 mesh to 200 mesh. Results of the duplicate checks on the coarse and pulp fractions indicated that homogeneity was not improved upon by reducing the fraction sizes and it was decided to return to the assay protocol as set out for the Phase I and II programs.

A second site visit was made to the Fuwan Property from June 14-15, 2006 in order to ensure that the recommendations regarding quality assurance/ quality control as outlined in Section 18.2 of the November 3, 2005 Technical Report were being followed.

A thorough quality assurance/quality control program was being implemented by Minco Silver, which consisted of shipping samples in batches of 17 samples, to which was added one certified reference material sample, one duplicate sample and one blank sample.

The authors consider that the sampling and assaying protocol and the implementation of the quality control program was satisfactory.

13.0 **DATA VERIFICATION**

13.1 SITE VISIT AND INDEPENDENT SAMPLING

The Fuwan Property was visited by Mr. Eugene Puritch, P. Eng., and Ms. Tracy Armstrong, P. Geo., on August 25^h, 2005 and again by Ms. Armstrong on June 14 and 15, 2006. Data verification sampling was done during both site visits. Results of the 2005 sample verification were presented in the 2005 technical report titled "Technical Report and Resource Estimate on the Fuwan Silver Property, Guangdong Province, China", and dated November 3, 2005. This report is filed on SEDAR.

Twelve independent verification samples were taken during the June 2006 visit and results comparing the PRA Lab in Kunming, China to the ALS Chemex Lab in Vancouver, British Columbia are presented in Figure 13.1. All samples are from the Phase I program, as Phases II and III had not been completed at the time of the visit.



P&E Verification Sample Results Phase I Drill Program FUWAN

Figure 13.1: P & E Independent Sample Verification Results - Phase I Drill Program

A comparison of the P&E independent sample verification results versus the original assay results can be seen in Figure 13.1. The P&E results were satisfactory and demonstrate that the tenor of the silver is very similar in most instances, to what was originally reported by Minco.

13.2 **INTERNAL QC ANALYSES**

A review of the PRA internal lab QC on all phases of drilling was done. There were no abnormalities detected and the authors consider the data as reported by the lab to be of good quality.

13.3 MINCO QC PROGRAM PHASES I TO III

Minco instituted a quality assurance, quality control program which began for Phase I and carried through all three phases. To each batch of 17 samples Minco added one blank, one certified reference material sample and one field (core) duplicate sample. In addition, coarse and pulp duplicates were prepared and assayed regularly. A random ten percent of samples were sent to Acme Labs of Vancouver, British Columbia as an external monitor on the assaying.

All QC data from the three phase program were graphed and analyzed. Results are presented in the following sections.

13.3.1 BLANK SAMPLE RESULTS

The blank samples added to the batches sent to PRA lab were graphed. Results were reported for gold and silver. All gold assays were close to detection limit however many of the silver blank values were unacceptably high. The high values were traced back to the use of inappropriate material and the problem was rectified for late Phase II and Phase III. All blanks were regularly reporting at detection limit by the end of Phase III.

13.3.2 CERTIFIED REFERENCE MATERIAL RESULTS

Five certified reference materials were used to monitor lab accuracy. Three of the standards were from Rocklabs, named SN16, SG14 and SI15. The silver grades of these standards were 17.64 g/t Ag, 11.12 g/t Ag, and 19.68 g/t Ag respectively. Two additional certified reference materials were purchased from IGGE named GBW07258, with a grade of 446 g/t Ag and GBW07163 with a grade of 220 g/t Ag.

The Rocklabs standards generally fared quite poorly, while the IGGE standards did well. The cut-off grade of the Fuwan deposit is 50 g/t Ag and the Rocklabs standards are much lower grade. In spite of the fact that they were too low for the deposit grades, PRA should have been able to reproduce them to within the tolerance limits of ± 2 standard deviations from the mean. All failed batches from the drill programs were therefore re-analyzed, with reference material inserted in these batches. Results from all batch re-assays were within the tolerance limits.

It was decided not to continue using the Rocklabs standards for the Phase III program.

The IGGE standard GWB07163 with a grade of 220 g/t Ag was close to the resource grade of 203 g/t Ag. The second IGGE standard used had a grade of 446 g/t Ag which was satisfactory for monitoring accuracy of the higher grades in the deposit. The use of these two standards was continued through all three drilling phases and Minco was acquiring a third standard close to the cut-off grade of 50 g/t Ag.

PRA Lab was able to accurately reproduce the two higher grade standards 95% of the time, however there was a noticeable low bias in the 446 g/t Ag reference material, with almost all of the assays falling below the mean. Minco has been alerted to this fact and were requesting that PRA look into the matter.

13.3.3 DUPLICATE DATA RESULTS

Minco instituted a very thorough duplicate check program with field, (drill core), coarse reject,P & E Mining Consultants Inc.Page 30 of 82Fuwan Property Report 133Page 30 of 82

and pulps at PRA lab. In addition, ten percent of the samples were sent to Acme Labs in Vancouver, British Columbia where coarse reject and pulp fractions were re-analyzed as a monitor on the principal lab.

All fraction sizes were graphed using the Thompson-Howarth precision plot as well as a plot of the sample pair Mean versus the Absolute Relative Difference of the sample pair for comparison. As expected the core duplicates had the least precision at 69.5%, the rejects were at 31.5% and the pulps at 4.5%.

It is the authors' opinion that the data were adequately verified for the purposes of the 2007 Technical Report.

13.3.4 2007 TWINNED HOLES

In the Phase II and III programs Minco twinned two holes (the planned third twin was abandoned due to mechanical problems with the drill). The purpose of the twins was to validate drilling done earlier by 757 Team.

Hole FW0024 Twinning ZK4302

Hole FW0024 was drilled by Minco to validate hole ZK4302 drilled by 757 Team. Both holes were collared at the same elevation and within a three metre radius of one another. The holes were plotted side by side and a direct comparison of geology and assay results for silver was made. The holes were both drilled in Zone 1. The average sample length for hole FW0024 was 0.82 metres and the average sample length for hole ZK4302 was 1.47 metres. Hole FW0024 had a cave in the hole from 93.05 to 102.37 metres and no samples were collected. This caved area was directly in the centre of the mineralized zone, which made it impossible to make a direct comparison between the two holes. Values intersected in hole FW0024 prior to the caved area averaged 82.67 g/t Ag over 6.55 metres, which does indicate the presence of silver in above-cut-off grades.

Hole FW0019 Twinning ZK2301

Twin hole FW0019 was drilled by Minco, which was done to compare 757 Team hole ZK2301. The holes were drilled at essentially the same elevation and within a five metre radius of one another. The holes were plotted side by side and a direct comparison of geology and assay results for silver was made. Both holes were drilled through Zone 2 and intersected the zones at the same intervals along the holes.

The average sample length for ZK2302 was 1.25 metres with an average grade of 191.1 g/t Ag over 13.8 metres. The average sample length for FW0019 was 0.87 metres, with an average grade of 245 g/t Ag over 13.1 metres.

The authors consider the correlation between holes ZK2302 and FW0019 to be very satisfactory.

14.0 ADJACENT PROPERTIES

There are no adjacent properties to report on.

15.0 PREVIOUS MINERAL PROCESSING AND METALLURGICAL TESTING

For a full account of the previous mineral processing and metallurgical testing, the reader is referred to the technical report titled, "Amended and Revised Updated Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 2, 2006. This report has been filed on SEDAR.

16.0 HISTORICAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Historical Resource Estimates by the Chinese were discussed in Section 5.2 above.

17.0 P & E 2007 RESOURCE ESTIMATE

17.1 INTRODUCTION

The purpose of this report section is to delineate the Mineral Resources on the Fuwan Property in compliance with NI 43-101 and CIM standards. This resource estimate was undertaken by Eugene Puritch, P.Eng. and Antoine Yassa, P.Geo. of P&E Mining Consultants Inc. of Brampton Ontario. The effective date of this resource estimate is April 15, 2007.

17.2 DATABASE

All drilling data were provided by Minco Silver Corporation, (the "Client") in the form of Microsoft Access files, Excel files, drill logs, digital photos of Chinese laboratory assay certificates and Excel files of more recent (2005-2007) assay laboratory results. Thirty eight (38) drill cross sections were developed on a local grid looking northeast on an azimuth of 63⁰ on a nominal 80 meter spacing. A Gemcom database was constructed containing 272 diamond drill holes. Of these 272 drill holes, 127 were utilized in the resource calculation. The remaining data were not in the area that was modeled for this resource estimate. Surface drill hole plans are shown in Appendix-I.

The database was verified in Gemcom and corrections were made in order to bring it to an error free status. The Assay Table of the database contained 7,932 Ag, 6,303 Au, 832 Pb and 836 Zn assays. All data are expressed in metric units and grid coordinates are in a Chinese UTM system.

17.3 DATA VERIFICATION

Verification of assay data entry was performed on 1800 assay intervals for Ag, Au, Pb and Zn. A very few minor data errors were observed and corrected, with the overall impact to the database being negligible. The 1800 verified intervals were verified with original assay lab certificates from 757 Team Assay certificates and more recent Canadian affiliated laboratory Excel files. The checked assays represented 78.6% of the data to be used for the resource estimate and approximately 22.7% of the entire database.

17.4 DOMAIN INTERPRETATION

Domain boundaries were determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections. Ten domains were developed and referred to as Zone 1 to Zone 8, RV and A. These domains were physically created with computer screen digitizing on drill hole sections in Gemcom by the authors of this report. The outlines were influenced by the selection of mineralized material above 50 g/t Ag that demonstrated a lithological and structural zonal continuity along strike and down dip. In some cases mineralization below 50 g/t Ag was included for the purpose of maintaining zonal continuity. Smoothing was utilized to remove obvious jogs and dips in the domains and incorporated a minor addition of inferred mineralization. This exercise allowed for easier domain creation without triangulation errors from solids validation.

On each section, polyline interpretations were digitized from drill hole to drill hole but not extended more than 100 meters into untested territory. Minimum constrained true width for interpretation was 1.5 metres. The interpreted polylines from each section were "wireframed" in

Gemcom into 3-dimensional domains. The resulting solids (domains) were used for statistical analysis, grade interpolation, rock coding and resource reporting purposes. See Appendix-II.

17.5 ROCK CODE DETERMINATION

The rock codes used for the resource model were derived from the mineralized domain solids. The list of rock codes used is as follows:

Rock Code Description

| 0 | Air |
|-----|-------------------|
| 10 | Fuwan Zone 1 |
| 20 | Fuwan Zone 2 |
| 30 | Fuwan Zone 3 |
| 40 | Fuwan Zone 4 |
| 50 | Fuwan Zone 5 |
| 60 | Fuwan Zone 6 |
| 70 | Luzhou Zone 7 |
| 80 | Jilinggang Zone 8 |
| 90 | RV Zone |
| 100 | A Zone |

17.6 COMPOSITES

Length weighted composites were generated for the drill hole data that fell within the constraints of the above-mentioned domains. These composites were calculated for Ag, Au and wherever present Pb and Zn over 1.0 metre lengths starting at the first point of intersection between assay data hole and hanging wall of the 3-D zonal constraint. The compositing process was halted upon exit from the footwall of the aforementioned constraint. Un-assayed intervals were treated as null data. Any composites calculated that were less than 0.4 metres in length were discarded so as not to introduce any short sample bias in the interpolation process. The composite data were transferred to Gemcom extraction files for the grade interpolation as an X, Y, Z, Ag, Au, Pb, Zn file for each domain

17.7 GRADE CAPPING

Grade capping was investigated on the raw assay values in the database within each domain to ensure that the possible influence of erratic high values did not bias the database. Extraction files were created for constrained Ag data within each mineralized domain. The Au, Pb and Zn data were sparse in some domains resulting in their being treated as one group within Zones 1 to

6. From these extraction files, log-normal histograms were generated. Refer to Appendix-III for graphs.

| DOMAIN | Capping ValueAg (g/t) | Number of Assays Capped | Raw Coefficient of Variation | Capped Coefficient of Variation | Cumulative Percent for Capping |
|---------|-----------------------------|----------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| Zone 1 | 1000 | 3 | 1.42 | 1.25 | 96.9% |
| Zone 2 | 1400 | 8 | 1.81 | 1.38 | 98.3% |
| Zone 3 | 1200 | 7 | 2.60 | 1.33 | 97.0% |
| Zone 4 | 1000 | 8 | 1.94 | 1.33 | 91.8% |
| Zone 5 | 850 | 2 | 1.47 | 1.15 | 96.2% |
| Zone 6 | 1000 | 1 | 2.44 | 1.52 | 95.7% |
| Zone 7 | 500 | 1 | 1.19 | 1.03 | 95.0% |
| Zone 8 | No Cap | 0 | 1.02 | 1.02 | 100.0% |
| Zone RV | No Cap | 0 | 0.41 | 0.41 | 100.0% |
| Zone A | No Cap | 0 | 1.75 | 1.75 | 100.0% |

 Table 17-1:
 Ag Grade Capping Values for all Zones

| Table 17-2: | Au Grade Capping Values for all Zones |
|--------------------|---------------------------------------|
|--------------------|---------------------------------------|

| DOMAIN | Capping Value Au (g/t) | Number of Assays Capped | Raw Coefficient of Variation | Capped Coefficient of Variation | Cumulative Percent for Capping |
|-----------|---------------------------|-------------------------------|------------------------------------|---------------------------------------|-----------------------------------|
| Zones 1-6 | 10 | 10 | 3.11 | 2.69 | 99.0% |
| Zone 7 | No Cap | 0 | 2.28 | 2.28 | 100.0% |
| Zone 8 | No Cap | 0 | 0.95 | 0.95 | 100.0% |

Table 17-3: Pb Grade Capping Values for Zones 1 to 6

| DOMAIN | Capping Value Pb (%) | Number of Assays Capped | Raw Coefficient of Variation | Capped Coefficient of Variation | Cumulative Percent for Capping |
|-----------|-------------------------|-------------------------------|---------------------------------|---------------------------------------|--------------------------------------|
| Zones 1-6 | 2 | 12 | 2.64 | 1.70 | 98.0% |

Table 17-4: Zn Grade Capping Values for Zones 1 to 6

| DOMAIN | Capping Value Zn (%) | Number of Assays Capped | Raw Coefficient of Variation | Capped Coefficient of Variation | Cumulative Percent for Capping |
|-----------|-------------------------|-------------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| Zones 1-6 | 7 | 4 | 2.47 | 1.80 | 99.3% |

17.8 VARIOGRAPHY

Variography was attempted on the constrained domain composites with somewhat limited success. Due to the high variability and relatively low data population density, variograms of sufficient quality for determining ellipsoid search ranges were only developed for Zone 2. The remaining zones did not yield discernable variograms, resulting in their classifications defaulting to the Inferred category. See Zone 2 variograms in Appendix-IV.

17.9 BULK DENSITY

The bulk density used for the resource model was derived from 405 field measurements taken by

the client. In addition, representative samples obtained by the report authors of the mineralized zones of the deposit were utilized. The average bulk density from client samples was calculated to be 2.61 tonnes per cubic metre while the report authors' was 2.64 tonnes per cubic metre.

17.10 BLOCK MODELING

The Fuwan Silver Deposit resource model was divided into three block model frameworks; the silver deposit subject to the Fuwan Silver permit, the Luzhou Zone and the Jilinggang Zone. The Fuwan Silver Deposit block model has 35,200,000 blocks that were 3m in X direction, 6m in Y direction and 3m in Z direction. There were 440 columns (X), 500 rows (Y) and 160 levels (Z). The Luzhou Zone model has 11,250,000 blocks that were 3m in X direction, 6m in Y direction and 3m in Z direction. There were 450 columns (X), 250 rows (Y) and 100 levels (Z). The Jilinggang Zone model has 3,300,000 blocks that were 3m in X direction, 6m in Y direction and 3m in Z direction. There were 200 columns (X), 165 rows (Y) and 100 levels (Z). All three block models were rotated clockwise 63 degrees. Separate block models were created for rock type, density, percent, Ag, Au, Pb and Zn. Pb and Zn were only modeled in the Fuwan Silver Deposit.

The percent block model was set up to accurately represent the volume and subsequent tonnage that was occupied by each block inside the constraining domain. As a result, the domain boundaries were properly represented by the percent model ability to measure infinitely variable inclusion percentages within a particular domain.

The Ag, Au and where applicable Pb and Zn composites were extracted from the Microsoft Access database composite table into separate files for each Mineralized Zone. Inverse distance squared interpolation was utilized for all domains and elements. One pass was utilized for the Zone 2 grade Indicated classification interpolation, while two were used on all other domains for the Inferred classification. The first Inferred pass interpolation was performed at a shorter range than the second, resulting in a two-step Inferred interpolation that was coded into one block model. The resulting Ag grade blocks can be seen on the block model cross-sections in Appendix-V. All grade blocks were interpolated using the following parameters:

| Profile | Dip Dir. | Strike | Dip | Dip Range | Strike Range | Across Dip Range | Max # per Hole | Min # Sample | Max # Sample |
|------------|-------------|--------|-----|--------------|-----------------|---------------------|-------------------|-----------------|-----------------|
| Indicated | 153° | 63° | 0° | 100 | 100 | 100 | 2 | 3 | 12 |
| Inferred 1 | 153° | 63° | 0° | 200 | 200 | 200 | 2 | 3 | 12 |
| Inferred 2 | 153° | 63° | 0° | 500 | 500 | 500 | 2 | 1 | 12 |

| Table 17-5: Block Model Interpolation Parameters |
|--|
|--|

17.11 RESOURCE CLASSIFICATION

During the classification interpolation search ellipsoid first pass for Zone 2, 103,994 grade blocks were coded as Indicated while 21,188 were coded as Inferred. The remaining 200,280 grade blocks in the block model from the other zones were coded as Inferred. Classification blocks can be seen in Appendix VI.

17.12 RESOURCE ESTIMATE

The resource estimate was derived from applying Ag cut-off grades to the block model and reporting the resulting tonnes and grade for potentially mineable areas. The following calculations demonstrate the rationale supporting the Ag cut-off grade that determines the potentially economic portion of the mineralized domains.

Ag Cut-Off Grade Calculation (All currency in \$US)

| Ag Price | \$10.23/oz (24 month trailing average price) |
|---------------------------|--|
| Au Price | \$553/oz (24 month trailing average price) |
| Pb Price | \$0.56/lb (24 month trailing average price) |
| Zn Price | \$1.18/lb (24 month trailing average price) |
| Mining Cost (2,500tpd) | \$10.00/tonne mined |
| Process Cost (2,500tpd) | \$8.00/tonne milled |
| Ag Flotation Recovery | 94% |
| Au Flotation Recovery | 50% |
| Pb Flotation Recovery | 70% |
| Zn Flotation Recovery | 70% |
| Concentration Ratio | 16.6:1 |
| Ag Smelter Payable | 85% (includes refining charges) |
| Au Smelter Payable | 85% (includes refining charges) |
| Pb Smelter Payable | 80% (includes refining charges) |
| Zn Smelter Payable | 80% (includes refining charges) |
| Smelter Treatment Charges | \$75/tonne (\$75/16.6 = \$4.52/tonne mined) |
| Concentrate Shipping | \$5.00/tonne (\$5/16.6 = \$0.30/tonne mined) |
| General/Administration | \$3.50/tonne mined |

The above data were derived from Chinese and other worldwide mining operations similar to Fuwan.

Payable for the following predicted grades for Au (0.30g/t), Pb (0.22%) and Zn (0.58%) are as follows:

| Au = [(50% Recovery x 85% Payable x \$553/oz)/31.1035 g/oz] x 0.30g/t | = \$2.27/tonne |
|---|------------------------|
| Pb = 70% Recovery x 80% Payable x 22.046 lb/t x \$0.56/lb x 0.22% | = \$1.52/tonne |
| Zn = 70% Recovery x 80% Payable x 22.046 lb/t x \$1.18/lb x 0.58% | = \$8.45 /tonne |

Total payable contribution for Au, Pb and Zn = <u>\$12.24/tonne mined</u>

The difference of (\$26.32/tonne costs - \$12.24/tonne Au, Pb, Zn revenue) \$14.08/tonne must be made up by the Ag revenue to determine the Ag cut-off grade for the resource estimate.

Therefore, the Ag cut-off grade for this resource estimate is calculated as follows:

[(\$14.08)/[(\$10.23/oz Ag x 94%Recovery x 85% Payable)/31.1035] = 53.6g/t (<u>Use 50 g/t Ag</u>)

The resulting resource estimate can be seen in the following table.

| Resource Area & Classification | Tonnes | Ag (g/t) | Ag (oz) | Au (g/t) | Pb (%) | Zn (%) |
|--------------------------------|------------|----------|------------|----------|--------|--------|
| Fuwan Permits Indicated | 4,477,000 | 203 | 29,206,000 | 0.20 | 0.18 | 0.53 |
| Total Indicated | 4,477,000 | 203 | 29,206,000 | 0.20 | 0.18 | 0.53 |
| | | | | | | |
| Fuwan Permits Inferred | 13,845,000 | 180 | 80,307,000 | 0.25 | 0.22 | 0.58 |
| Changkeng Permit Inferred *** | 4,106,000 | 142 | 18,744,000 | 0.58 | 0.21 | 0.74 |
| Total Inferred | 17,951,000 | 172 | 99,051,000 | 0.32 | 0.22 | 0.61 |

 Table 17-6:
 P & E Resource Estimate @ 50 g/t Ag Cut-Off Grade

***The resources reported on the Changkeng permit represent 51% of the actual resources which reflects the proportion of ownership by Minco Silver Corporation. The total Changkeng Inferred silver resources are 8,051,000 tonnes and 36,753,000 ounces of silver.

- (1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (2) The quantity and grade of reported Inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

The mineral resources in the above table were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

| CUT-OFF | | | | | | |
|----------|------------|----------|-------------|----------|---------------|--------|
| Ag (g/t) | TONNES | Ag (g/t) | Ag (oz) | Au (g/t) | Pb (%) | Zn (%) |
| 500 | 570,856 | 651 | 11,948,114 | 0.29 | 0.41 | 0.83 |
| 450 | 699,124 | 619 | 13,905,514 | 0.30 | 0.43 | 0.90 |
| 400 | 905,875 | 574 | 16,712,766 | 0.30 | 0.42 | 0.94 |
| 350 | 1,779,992 | 477 | 27,273,784 | 0.28 | 0.41 | 0.92 |
| 300 | 2,806,027 | 421 | 37,981,953 | 0.28 | 0.37 | 0.86 |
| 250 | 4,188,190 | 372 | 50,115,169 | 0.28 | 0.35 | 0.84 |
| 200 | 6,917,805 | 315 | 70,110,004 | 0.27 | 0.31 | 0.77 |
| 175 | 8,347,457 | 293 | 78,690,009 | 0.28 | 0.29 | 0.74 |
| 150 | 10,792,855 | 263 | 91,370,483 | 0.29 | 0.28 | 0.71 |
| 125 | 13,386,276 | 239 | 102,832,170 | 0.29 | 0.27 | 0.67 |
| 100 | 16,260,604 | 217 | 113,224,715 | 0.29 | 0.25 | 0.65 |
| 90 | 17,703,375 | 207 | 117,650,105 | 0.28 | 0.24 | 0.65 |
| 80 | 18,756,701 | 200 | 120,495,929 | 0.28 | 0.24 | 0.64 |
| 70 | 19,906,675 | 193 | 123,292,057 | 0.29 | 0.23 | 0.62 |
| 60 | 21,381,232 | 184 | 126,347,679 | 0.30 | 0.22 | 0.60 |
| 50 | 22,428,346 | 178 | 128,256,897 | 0.30 | 0.22 | 0.58 |
| 40 | 22,995,253 | 175 | 129,031,906 | 0.30 | 0.22 | 0.58 |
| 30 | 23,326,859 | 173 | 129,431,026 | 0.31 | 0.22 | 0.57 |
| 20 | 23,527,218 | 171 | 129,587,466 | 0.31 | 0.21 | 0.57 |
| 0.1 | 23,640,054 | 171 | 129,627,350 | 0.30 | 0.21 | 0.57 |

Table 17-7: Fuwan and Changkeng Permits Resource Estimate Sensitivity

The preceding resource estimate sensitivity table was derived by applying a series of increasing Ag cut-offs to the ten domains that constrain the mineralization. These domains were developed utilizing an approximate 50 g/t Ag cut-off grade (see section 17.4) which was found to be the grade at which the domains demonstrate the optimal lithological and zonal continuity along strike and across section. This set of domains was subsequently used during the application of all cut-off grades within the sensitivity table.

17.13 CONFIRMATION OF ESTIMATE

As a test of the reasonableness of the estimate, the block model was queried at a 0.1 g/t Ag cut off with blocks in all classifications summed and their grades weight averaged. This average is the average grade of all blocks within the mineralized domains. The values of the interpolated grades for the block model were compared to the length weighted capped average grades and average grade of composites of all samples from within the domain. The results are tabulated below.

| Table 17-8: | Comparison of | Weighted | Average | Grade | of Capped | Assays a | and | Composites |
|--------------------|------------------|------------|----------|-------|-----------|----------|-----|------------|
| | with Total Block | x Model Av | erage Gr | ade | | | | |

| Category | Ag (g/t) | Au (g/t) | Pb (%) | Zn (%) |
|---------------|----------|----------|--------|--------|
| Capped Assays | 159 | 0.51 | 0.26 | 0.76 |
| Composites | 163 | 0.44 | 0.21 | 0.61 |
| Block Model | 168 | 0.33 | 0.22 | 0.56 |

The comparison above shows the average grade of all the Ag, Pb and Zn blocks in the domains to be similar to the weighted average of all capped assays and composites used for grade estimation. Due to clustering of Au assay data, the Au block model grade was significantly less than the assays and composites, reflecting the conservatism within the block modelling process.

18.0 CONCLUSIONS AND RECOMMENDATIONS

18.1 CONCLUSIONS

The Fuwan Silver Deposit was modeled in compliance with the CIM Definitions and Standards on Mineral Resources and Mineral Reserves, December 11, 2005. National Instrument 43-101 reporting standards and formats were followed in this document in order to report the mineral resource in a fully compliant manner.

Diamond drill data from a total of 272 holes were used for the resource calculation of which 65 holes were from the Phase I, II and III drill programs conducted by the Company. The Phase II and III drill programs were undertaken on an 80m x 80m grid so as to allow resource definition in a location to be designated as an initial mining area.

The mineral resource estimate has delineated tonnage and silver grades for Indicated and Inferred resources for a range of cut-off grades (refer to Table 17-7 above) based on all available data as of the effective date of this report.

Due to the high variability and relatively low data population density, Indicated Resources could only be defined for Zone 2. The remaining zones did not yield discernable variograms, resulting in their classifications defaulting to the Inferred category. In order to maximize the chances of upgrading the Inferred Resources to the Indicated category for zones other than Zone 2 in the designated initial mining area, Minco's drill spacing will need to be reduced.

18.2 RECOMMENDATIONS

The current recommendations include continued in-fill diamond drilling in what has been defined as the initial mining area. This should be done on an approximate 60m x 60m grid in order to provide sufficient data to potentially upgrade the Inferred Resources in this area to Indicated Resources. Concurrently, Minco should continue with the detailed studies leading up to a Bankable Feasibility Study and mining decision, as per Table 18-2 below.

Table 18-1: Phase IV In-fill Diamond Drilling Budget

| TARGET AREA | PLANNED ACTIVITY | BUDGET |
|---------------------------|--|-------------|
| Fuwan Initial Mining Area | In-fill Diamond Drilling (20,000 metres) | \$3,200,000 |
| TOTAL PHASE IV | | \$3,200,000 |

Table 18-2: Phase V Detailed Studies Budget

| TARGET AREA | PLANNED ACTIVITY | BUDGET |
|---------------------------|---|-------------|
| Fuwan Initial Mining Area | Scoping Study | \$300,000 |
| | Geotechnical, hydrogeological and metallurgical testing | \$1,100,000 |
| | Environmental Assessment | \$600,000 |
| TOTAL PHASE V | | \$2,000,000 |

19.0 OTHER RELEVANT DATA AND INFORMATION

There are no other data considered relevant to this report that have not previously been included.

20.0 REFERENCES

Guangdong Centre Laboratory, Geological and Mineral Resource Ministry of Guangdong Province, 1992: Report on rock identification in the Fuwan silver deposit from hole ZK1604. Internal Report, July 6, 1992. 18 p.

Guangdong Centre Laboratory, Geological and Mineral Resource Ministry of Guangdong Province, 1992: Hua-Ying Linag, Ping Xia, Xiu-Zhang Wang, Heng-xiang Yu, 2002: Studies on the Genesis of Adjacent Changkeng gold and Fuwang silver-deposits, Guangdong Province, China: chapter 7-16.

Jiang, R., Morgenthaler, L., 2004: Report on the Fuwan Silver Property, Guangdong Province, China.

Puritch, E., Armstrong, T., 2005: Technical Report and Resource Estimate on the Fuwan Property Guangdong Province, China.

Report on rock and ore thin sections from the Fuwan silver deposit from hole ZK1604, Internal Report, July 6, 1992.

Robert, F. Poulsen, K.H., Dubé, B., 1997: Gold Deposits and Their Geological Classification: In Proceedings of Exploration 1997: Fourth Decennial International Conference on Mineral Exploration, edited by A.G. Gubins, 1997, p. 209-220.

757 Geological Team of Guangdong, Bureau of Geological Exploration, Gaoming City, Guangdong Province, 1995: Exploration Report on the Fuwan Silver Deposit. Nov 1995, 74p.

21.0 CERTIFICATES

CERTIFICATE of AUTHOR

TRACY J. ARMSTRONG, P.GEO.

I, Tracy J. Armstrong, P.Geo., residing at 2007 Chemin Georgeville, res. 22, Magog, QC J1X 3W4, do hereby certify that:

- 1. I am an independent geological consultant contracted by P& E Mining Consultants Inc;
- 2. I am a graduate of Queen's University at Kingston, Ontario with a B.Sc. (HONS) in Geological Sciences (1982);
- 3. I am a geological consultant currently licensed by the Order of Geologists of Québec (License 566) and by the Association of Professional Geoscientists of Ontario (License 1204);
- 4. I have worked as a geologist for a total of 21 years since obtaining my B.Sc. degree;
- 5. I am responsible for Sections 1 through 16, and co-authored Section 18, as well as the overall structuring of the technical report titled "Technical Report and Updated Resource Estimate on the Fuwan Property, Guangdong Province, China" and dated June 1, 2007;
- 6. I visited the Fuwan Property on August 25, 2005 and on June 14-15 2006;
- 7. I have had prior involvement with the Fuwan Property that is the subject of this Technical Report. The nature of my prior involvement was co-authoring the technical reports titled "Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 3, 2005 and "Amended and Revised Updated Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 2, 2006;
- 8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
- 9. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer's representatives. My relevant experience for the purpose of the Technical Report is:

| ٠ | Underground production geologist, Agnico-Eagle Laronde Mine. | . 1988-1993; |
|---|--|--------------|
| ٠ | Exploration geologist, Laronde Mine | . 1993-1995; |
| ٠ | Exploration coordinator, Placer Dome | . 1995-1997; |
| ٠ | Senior Exploration Geologist, Barrick Exploration | 1997-1998; |
| ٠ | Exploration Manager, McWatters Mining | . 1998-2003; |
| ٠ | Chief Geologist Sigma Mine | 2003; |
| ٠ | Consulting Geologist | .2003-2007; |
| | | |

- 10. I am independent of the issuer applying the test in Section 1.4 of NI 43-101;
- 11. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith;

DATED this 1st Day of June, 2007

{SIGNED AND SEALED}

Tracy J. Armstrong P. Geo.

EUGENE J. PURITCH, P. ENG.

CERTIFICATE of AUTHOR

I, Eugene J. Puritch, P. Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

- 1. I am President of P & E Mining Consultants Inc. and am contracted independently by Minco Silver Corporation.
- 2. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen's University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee's Examination requirement for Bachelor's Degree in Engineering Equivalency. I have practiced my profession continuously since 1978. My summarized career experience is as follows:

| - Mining Technologist - H.B.M.&S. and Inco Ltd. | 1978-1980 |
|--|--------------|
| - Open Pit Mine Engineer - Cassiar Asbestos/Brinco Ltd | 1981-1983 |
| - Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine | 1984-1986 |
| - Self-Employed Mining Consultant – Timmins Area | 1987-1988 |
| - Mine Designer/Resource Estimator – Dynatec/CMD/Bharti | 1989-1995 |
| - Self-Employed Mining Consultant/Resource-Reserve Estimator | 1995-2004 |
| - President – P & E Mining Consultants Inc. | 2004-Present |

- 3. I am a mining consultant currently licensed by the Professional Engineers of Ontario (License No. 100014010) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto CIM.
- 4. I am jointly responsible for Section 17 and co-authored Section 18 of this report titled "Technical Report and Updated Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated June 1, 2007.
- 5. I visited the Fuwan Property on August 25, 2005.
- 6. I have had prior involvement with the Fuwan Property that is the subject of this Technical Report. The nature of my prior involvement was co-authoring the technical reports titled "Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 3, 2005 and "Amended and Revised Updated Technical Report and Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated November 2, 2006.
- 7. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- 8. I am independent of the issuer applying the test in Section 1.4 of NI 43-101.
- 9. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.

DATED this 1st Day of June, 2007

{SIGNED AND SEALED}

Eugene Puritch, P.Eng.

ANTOINE YASSA, P.GEO.

CERTIFICATE OF AUTHOR

I, Antoine R. Yassa, P. Geo., residing at 241 Rang 6 West, Evain, Quebec, do hereby certify that:

- 1. I am an independent geological consultant contracted by P& E Mining Consultants Inc;
- 2. I am a graduate of Ottawa University at Ottawa, Ontario with a B.Sc (HONS) in Geological Sciences (1977);
- 3. I am a geological consultant currently licensed by the Order of Geologists of Québec (License No 224);
- 4. I have worked as a geologist for a total of 28 years since obtaining my B.Sc. degree;
- 5. I am responsible for co-authoring Section 17.0 of the technical report titled "Technical Report and Updated Resource Estimate on the Fuwan Property, Guangdong Province, China", and dated June 1, 2007;
- 6. I did not visit the Fuwan Property;
- 7. I have not had prior involvement with the Fuwan Property that is the subject of this Technical Report.
- 8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading;
- 9. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer's representatives. My relevant experience for the purpose of the Technical Report is:
 - Minex Geologist (Val d'Or), 3D Modeling (Timmins), Placer Dome 1993-1995;
 - Database Manager, Senior Geologist, West Africa, PDX, 1996-1998
 - Senior Geologist, Database Manager, McWatters Mine 1998-2000;
 - Database Manager, Gemcom modeling and Resources Evaluation (Kiena Mine) QAQC Manager (Sigma Open pit), McWatters Mines 2001-2003;
 - Database Manager and Resources Evaluation at Julietta Mine, Far-East Russia, Bema Gold Corporation, 2003-2006
 - Consulting Geologist 2006.
- 10. I am independent of the issuer applying the test in Section 1.4 of NI 43-101;
- 11. I have read NI 43-101 and Form 43-101F1 and the Report has been prepared in compliance therewith.

DATED this 1st Day of June, 2007

{SIGNED AND SEALED}

Antoine R. Yassa, P.Geo. OGQ # 224

APPENDIX – I

SURFACE DRILL HOLE PLANS





APPENDIX – II

3D DOMAINS

FUWAN PROJECT - 3D DOMAINS



| ZONE 1 |
|------------|
| ZONE 2 |
| ZONE 3 |
| ZONE 4 |
| ZONE 5 |
| ZONE 6 |
| ZONE A |
| ZONE RV |

APPENDIX – III

LOG NORMAL HISTOGRAMS















APPENDIX – IV

VARIOGRAMS


P & E Mining Consultants Inc. Fuwan Property Report No. 133



APPENDIX – V

Ag BLOCK MODEL CROSS SECTIONS



















APPENDIX – VI

CLASSIFICATION BLOCK MODEL CROSS SECTIONS

















