MINCO SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

This Management's Discussion and Analysis ("MD&A") of Minco Silver Corporation ("Minco Silver" or the "Company") has been prepared on the basis of available information up to March 27, 2015 and should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2014 and 2013. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Refer to Note 3 of the December 31, 2014 audited consolidated financial statements for disclosure of the Company's significant accounting policies.

The Company's audit committee reviews the consolidated financial statements and MD&A, and recommends approval to the Company's board of directors.

Additional information, including the above mentioned audited financial statements for the year ended December 31, 2014 and the MD&A and Annual Information Form ("AIF") for the same period, which contain extensive disclosure of the history and properties of the Company, are available on SEDAR.

Minco Silver (TSX: MSV) was incorporated under the laws of British Columbia, Canada on August 20, 2004. Minco Silver is engaged in the acquisition, exploration and development of precious metals mineral properties and projects. The Company indirectly through its wholly owned subsidiary Minco Investment Holding HK Limited ("Minco HK") owns a 90% beneficial interest in the shares of Foshan Minco Mining Co. Ltd. ("Foshan Minco") subject to a 10% net profit interest held by the Guangdong Geological Bureau ("GGB") which owns the Fuwan Silver Deposit, situated along the northeast margin of the Fuwan Silver Belt in Guangdong Province, People's Republic of China ("China"). The Company's activities in respect of the Fuwan Silver Deposit are sometimes referred to as the "Fuwan Project" or the "Fuwan Silver Project."

Foshan Minco is legally owned by Minco Mining (China) Corporation ("Minco China"), a subsidiary of Minco Gold Corporation ("Minco Gold"), and held in trust for the Company.

Minco Silver Ltd., Minco Yinyuan Co., and Minco HK are the wholly owned subsidiaries of the Company. The Company, indirectly through Foshan Minco, owns 90% of Zhongjia Jinggu Limited ("Zhongjia").

As at December 31, 2014, the Company had 59,631,418 common shares, 885,000 performance share units. and 6,477,835 stock options for a total of 66,994,253 fully diluted common shares outstanding.

At the date of this MD&A, the Company has 59,631,418 common shares, 860,000 performance share units and 5,930,669 stock options, for a total of 66,422,087 fully diluted common shares outstanding. Minco Gold owns 18.45% of the outstanding shares of the Company.

Table of Contents

13. Cautionary Statement on Forward Looking Information

1. Highlights for the Year

During the year ended December 31, 2014, the Company purchased 47,719,423 common shares of Gold Road Resources Limited, (representing approximately 7% of the outstanding common shares) a publicly listed resource company on the ASX for $13,889,316. The Company makes strategic securities purchases from time to time for investment purposes depending on market conditions and any other relevant factors.

During the year ended December 31, 2014, the Company continued its effort to obtain the EIA approval for its Fuwan Silver Project and also searched for silver-dominant projects and gold-dominant projects outside of China. Foshan Minco hosted site visits for top officers from Guangdong Environment Protection Administration ("EPA") and had continuous discussions on the EIA approval with various Chinese government agencies. During the same time, the Company reviewed several silver and gold dominant projects outside of China.

2. Exploration and Project Development Activities

2.1 Disclosure of Technical Information

Disclosure of technical information or scientific nature for the Fuwan Project has been disclosed in two Technical Reports, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or on the Company's website at www.mincosilver.com. They are as follows:

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

Minco Silver Corporation issued a News Release dated May 12, 2008 entitled "Minco Silver Announces a 31% increase in the Indicated Resource on its Fuwan Silver Project".

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

All other disclosure of a scientific or technical nature in this MD&A was reviewed and approved by Thomas Wayne Spilsbury, an independent director of Minco Silver, a Member of the Association of Professional Engineers and Geoscientists of BC (P Geo), a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy CP (Geo) and a "qualified person", as defined in NI 43-101.

2.2 Fuwan Silver Project

The Company's principal property is the Fuwan Silver Deposit located in Gaoming County approximately 45 km southwest of Guangzhou, the fourth largest city in China with 13 million people and the capital city of Guangdong Province. The Company's objective is to develop the Fuwan Silver Deposit and commence commercial mining operations on the property.

The Company, through Foshan Minco, has three reconnaissance survey exploration permits on the Fuwan Silver Deposit, having a total area of 125.74 sq. km, covering a major part of the northeast-trending Fuwan silver belt which hosts the known gold and silver occurrences in the Sanzhou basin, including the Fuwan silver and Changkeng gold deposit in which Minco Gold owns a 51% interest. The exploration permit for the Fuwan main deposit area is the Luoke-Jilinggang (57.16 sq. km.). The Company successfully renewed the exploration permit of Luoke- Jilinggang in 2013 for a two-year period ending on July 20, 2015. Another two silver exploration permits on the Fuwan belt were set to expire on April 7, 2014, referred to as

Guyegang (55.88 sq. km.), Hecun (12.7 sq. km.) and are held by Minco China in trust for the Company. The Company decided not to renew a third permit, the Guanhuatang property, which expired on April 7, 2014, due to its proximity to new town developments and water reservoirs. The Company has submitted the renewal application for the two remaining permits that were originally set to expire on April 7, 2014. The renewed applications are currently being processed by the Ministry of Land and Resources.

2.2.1 Current Developments on the Fuwan Silver Project

The Company continues its focus on the EIA report and the permitting process in order to apply for a mining license for the Fuwan Silver Project.

During 2014 and 2013, the Company made great efforts to regain the support of local communities and had productive communication with Zhaoqian District government and Gaoyao County government for development of the Fuwan Silver Project before the submission of the revised EIA report to Guangdong EPA department. Due to the fact that the last public opinion survey was carried out in 2008, the Company conducted a new survey among local communities concerning the development of the Fuwan Silver Project and obtained very strong support from the locals. On May 26, 2013, Gaoyao County government issued an official approval of the development of the Fuwan Silver Project to the Company.

In 2010 the Company engaged Guangdong Nuclear Design Institute ("GNDI") to complete the Chinese Regulatory EIA report. The EIA report was reviewed and approved by a technical panel appointed by the Department of Environmental Protection Administration of Guangdong Province in principle on March 7, 2010 with certain comments. The Company submitted the revised report to the Department in December 2010 after addressing the comments received from the panel.

The Company engaged General Station for Geo-Environmental Monitoring of Guangdong Province ("GSGEM") for a water monitoring study to comply with the new water regulations issued by the Ministry of Environmental Protection of China effective on June 1, 2011. GSGEM carried out the required monitoring study and prepared all reports required for compliance with the new National Water Guidelines. The Company successfully completed the field work in January 2012 and received the comprehensive water monitoring report from GSGEM in April 2012. The report concluded that the Company is in compliance with the requirements of the new National Water Guidelines.

Revision of the EIA report has been completed incorporating the results from the water monitoring survey report. The revised EIA will be submitted to the Guangdong Environment Protection Administration ("EPA") as soon as they are accepting new EIA reports. The delay in approval of the EIA report for the Fuwan Silver Project is due to the negative impact caused by the collapse of the tailing dam of an operating mine in Guangdong Province four years ago. The preliminary mine design was completed in 2013 by China Nerin Engiineering Co. Ltd ("NERIN") and will be released after the requirements from the approved EIA report are met.

The following summarized significant progress made in Permitting and Approval on the Fuwan Silver Deposit:

- The Chinese Preliminary Feasibility Study was completed by Changsha Non-Ferrous Mine Design Institute and approved by an expert panel.
- The Mining Area Permit, which covers approximately 0.79 sq. km, defines the mining limits of the Fuwan Silver Deposit and restricts the use of this land to mining activities was approved by MOLAR. The renewed permit expires on April 10, 2016.
- The Soil and Water Conservation Plan was completed and approved.
- The Geological Hazard Assessment was completed and approved in September 2009.
- The Mine Geological Environment Treatment Plan was reviewed and approved by the Environment Committee of China Geology Association.
- The preliminary Safety Assessment draft report was completed in December 2011 and submitted to the Safety Bureau of Guangdong Province for approval.

2.2.2 Feasibility Study, Resource Estimates, and Exploration Program

There have been no significant changes in the Feasibility Study, resource estimate and exploration program during 2014 and as at the MD&A date compared to the year ended December 31, 2013.

The Company considers the Technical Report remains valid as sensitivity analysis conducted on metal prices, operating cost and capital cost undertaken as part of the Feasibility Study are within the conditions that currently exist.

A comprehensive discussion of the Feasibility Study, Resource Estimate and Exploration Program are included in the Company's AIF for the year ended December 31, 2014, dated March 27, 2015 and is available on SEDAR at www.sedar.com.

2.2.3 Changkeng Silver Mineralization

Minco Gold has assigned its right to earn a 51% interest in the Changkeng Silver Mineralization to the Company. Minco Gold is responsible for all the costs related to the gold mineralization on the Changkeng Property; the Company is responsible for the costs related to the silver mineralization. The renewed Changkeng exploration permit expires on September 10, 2015.

During 2014, the Company did not conduct any exploration activities at the Changkeng project, except for maintaining the exploration permit.

3. Results of Operations

3.1 Selected Annual Information

The following table summarizes selected financial information for the most recent three years ended December 31.

The selected information for 2014, 2013 and 2012 was prepared in accordance with IFRS.

	2014 $	**2013** $	**2012** $
Total revenue	-	-	-
Net loss	(1,665,516)	(2,987,033)	(4,676,550)
Loss per share – basic and diluted	(0.03)	(0.05)	(0.08)
Total assets	92,564,638	92,709,802	88,508,965
Total long-term financial liabilities	-	-	-
Cash dividends declared per share for each class of share	-	-	-

For the year ended December 31, 2014 and 2013

Net loss for the year ended December 31, 2014 was $1,665,516 (loss of $0.03 per share) compared to a net loss of $2,987,033 (loss of $0.05 per share) in 2013. Net loss decreased in 2014 compared to 2013 mainly due to the decrease in share-based compensation expense.

Total assets decreased by $145,164 to $92,564,638 as at December 31, 2014, but are relatively comparable to total assets of $92,709,802 as at December 31, 2013. The modest decrease in total assets was due to the unrealized loss on investment and general and administrative expenses incurred offset against the appreciation of the RMB against the Canadian dollar during the year.

For the years ended December 31, 2013 and 2012

Net loss for the year ended December 31, 2013 was $2,987,033 (loss of $0.05 per share) compared to a net loss of $4,675,550 (loss of $0.08 per share) in 2012. Net loss decreased in 2013 mainly due to the US dollar appreciating against the Canadian dollar compared to 2012 resulting in a foreign exchange gain of

$1,375,542 compared to a $166,997 foreign exchange loss in 2012, and also a decrease in share-based compensation in 2013 compared to 2012.

Total assets increased by $4,200,837 to $92,709,802 as at December 31, 2013 (December 31, 2012 - $88,508,965). This was primarily attributable to the US dollar and the RMB significantly appreciating against the Canadian dollar in 2013.

3.2 Fourth Quarter

For the quarter ended December 31, 2014 and 2013

Net loss for the three months ended December 31, 2014 was $255,428 (loss of $0.00 per share) compared to a net loss of $155,766 (loss of $0.00 per share) in the fourth quarter of 2013.

Net loss for the three months ended December 31, 2013 was $155,766 (loss of $0.00 per share) compared to a net loss of $475,882 (loss of $0.01 per share) in the fourth quarter of 2012.

The Company's working capital was $60,101,207 at the end of the fourth quarter as at December 31, 2014 compared to $51,187,665 at the end of the third quarter as at September 30, 2014. The increase of $8,913,542 was due primarily to reclassifying the Company's investment as a current asset in the fourth quarter. Subsequent to the year end, the Company disposed of 8,383,598 common shares of Gold Road Resources Limited for net proceeds of $3,035,855 resulting in a realized gain on disposal of $595,700.

The Company's working capital was $64,332,571 at the end of the fourth quarter as at December 31, 2013 compared to $64,318,847 at the end of the third quarter as at September 30, 2013. The increase of $13,728 was due primarily to the US dollar significantly appreciating against the Canadian dollar during the fourth quarter of 2013, net of the day to day use of cash to support the Company's operations.

3.3 Development costs

During the year ended December 31, 2014, the Company incurred $1,930,047, before a foreign exchange gain of $2,321,814, on development for the Fuwan Silver Project compared to $3,834,879, before a foreign exchange gain of $2,522,521, for the comparative period of 2013. The decrease in development costs during the year was mainly due to the following:

- Consulting fees for the year ended December 31, 2014 were $499,689 compared to $893,527 for the comparative period of 2013. The decrease was due to the Company engaging an external consultant in China in 2013 to assist with the mining license application.
- Mining license application fees for the year ended December 31, 2014 were $401,287 compared to $838,130 for the comparative period of 2013. The decrease was due to the Company conducting an extensive new public opinion survey among local communities concerning the development of the Fuwan Silver Project in 2013. Also, additional meetings with agencies and consultants were held during the 2013 fiscal year.
- Share-based compensation for the year ended December 31, 2014 was $385,338 compared to $1,466,225 for the comparative period of 2013. The decrease was mainly due to the fact that no RSU were granted in 2014. The Company also granted fewer stock options in 2014 compared to 2013.

Total accumulated development costs were $31,621,827 as at December 31, 2014 (December 31, 2013 - $27,369,966).

During the year ended December 31, 2013, the Company incurred $3,834,879, before a foreign exchange gain of $2,522,521, on development for the Fuwan Silver Project compared to $3,479,460, before a foreign exchange loss of $278,216, for the comparative period of 2012. The increase in development costs during the year was mainly due to the following:

- Consulting fees for the year ended December 31, 2013 were $893,527 compared to $519,804 for the comparative period of 2012. The increase was due to the Company engaging an external consultant in China to assist with the mining license application.
- Mining license application fees for the year ended December 31, 2013 were $838,130 compared to $682,088 for the comparative period of 2012. The increase was due to the Company conducting an extensive new public opinion survey among local communities concerning the development of the Fuwan Silver Project. Also, additional meetings with agencies and consultants were held during the year.
- Share-based compensation for the year ended December 31, 2013 was $1,466,225 compared to $1,195,809 for the comparative period of 2012. The increase was mainly due to the fact that the Company capitalized $791,460 of RSU expenses to mineral properties. No RSU expenses were incurred in 2012. The Company granted stock options of 1,900,000 common shares to its directors, officers and employees at a weighted exercise price of $1.67 per share during the first quarter 2013 that vest over an 18-month period from the issuance date. In addition, the Company granted 560,000 Restricted Share Units ("RSU") to the Company's CEO on February 1, 2013 and granted 940,000 Performance Share Units ("PSU") to the employees of the Company during 2013.

Total accumulated development costs were $27,369,966 as at December 31, 2013 (December 31, 2012 - $21,012,566).

The following is a summary of development costs capitalized or incurred for the Fuwan Silver deposit for the years ended December 31, 2014, 2013 and 2012.

		Year ended December 31,		**Accumulative cost ended December 31,**
	2014	**2013**	**2012**	**2014**
	$	$	$	$
Consulting fees	499,689	893,527	519,804	4,975,797
Drilling	-	-	462	1,859,018
Labor costs	340,509	277,050	279,949	2,359,859
Feasibility study	-	-	-	1,880,527
Share-based compensation	385,338	1,466,225	1,195,809	7,016,010
Mining design costs	16,288	8,546	212,466	633,979
Mining license application	401,287	838,130	682,088	3,773,623
Environment impact assessment	12,872	78,120	257,269	979,182
Travel	63,801	84,704	88,082	523,021
Site office rent and related costs	210,263	188,577	243,531	2,090,932
Total before foreign exchange	1,930,047	3,834,879	3,479,460	26,091,948
Foreign exchange gain (loss)	2,321,814	2,522,521	(278,216)	5,529,879
	4,251,861	**6,357,400**	**3,201,244**	**31,621,827**

3.4 Administrative expenses

The Company's administrative expenses include overhead associated with administering and financing the Company's development activities. The Company maintains a field office in Gaoming and Gaoyao Counties, Guangdong province, an office in Beijing, China and an office in Vancouver, Canada.

The following table is a summary of the Company's administrative expenses for the three months and the years ended December 31, 2014, 2013 and 2012.

	Three months ended December 31,			Year ended December 31,		
Administrative expenses	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
	$	$	$	$	$	$
Audit, legal and regulatory	71,368	84,469	80,001	246,236	328,194	444,825
Amortization	25,900	42,804	41,953	123,266	177,053	175,377
Consulting	82,087	24,904	78,833	226,390	68,633	236,355
Directors' fees	31,250	22,250	16,500	127,250	99,500	74,250
Field office expenses	138,104	190,012	141,052	686,418	563,576	467,366
Foreign exchange loss (gain)	(548,717)	(721,772)	(490,109)	(1,039,265)	(1,375,542)	166,997
Investor relations	1,741	13,038	88,181	15,350	175,225	292,544
Office administration	42,375	38,578	26,670	205,984	185,053	152,924
Property investigation	78,653	31,140	-	169,852	72,665	-
Rent	93,901	78,253	81,024	356,736	290,930	310,538
Salaries and benefit	119,354	170,159	185,498	431,477	451,214	452,574
Share-based compensation	73,961	309,103	444,951	750,226	2,393,720	2,792,280
Travel and transportation	3,813	4,038	12,805	36,956	28,777	30,641
	213,790	**286,976**	**707,359**	**2,336,876**	**3,458,998**	**5,596,671**

Administrative expenses for the three months ended December 31, 2014, exclusive of foreign exchange gains of $548,717, were $762,507 compared to $1,008,748 for the same period of 2013, exclusive of foreign exchange gain of $721,772.

Administrative expenses for the three months ended December 31, 2013, exclusive of foreign exchange gains of 721,772, were $1,008,748 compared to $1,197,468 for the same period of 2012, exclusive of foreign exchange losses of $490,109.

For the year ended December 31, 2014, the Company incurred a total of $2,336,876 of administrative expenses (2013 - $3,458,998).

For the year ended December 31, 2013, the Company incurred a total of $3,458,998 of administrative expenses (2012 - $5,596,671).

Significant changes in expenses are as follows:

Audit, legal and regulatory

Audit, legal and regulatory costs for the year ended December 31, 2014 were $246,236 compared to $328,194 for the comparative period of 2013. The decrease was mainly due to a decrease in audit fees and a reduction in the use of external legal counsel in 2014.

Audit, legal and regulatory costs for the year ended December 31, 2013 were $328,194 compared to $444,825 for the comparative period of 2012. The decrease was mainly due to the reduced audit fees and regulatory costs during 2013.

Consulting

Consulting fees for the three months ended December 31, 2014 were $82,087 compared to $24,904 for the comparative period of 2013. The increase was due to engaging a consultant to act as the general manager for the Gaoyao office and also engaging a stakeholder relations consultant during 2014.

Consulting fees were $226,930 for the year ended December 31, 2014, compared to $68,633 for the comparative period of 2013. The increase was due to the same reasons described above.

Consulting fees for the three months ended December 31, 2013 were $24,904 compared to $78,833 for the comparative period of 2012. During the fourth quarter of 2012, the Company engaged an external consultant to conduct a compensation review; no such service was required at the same period of 2013.

Consulting fees were $68,633 for the year ended December 31, 2013, compared to $236,355 for the comparative period of 2012. The significant decrease during the year was due to the decision not to replace the Company's internal legal counsel who resigned in 2012.

Director fees

Director fees were $127,250 for the year ended December 31, 2014, compared to $99,500 for the comparative period of 2013. The increase was due to an increase in the number of board of director meetings during 2014.

Director fees were $99,500 for the year ended December 31, 2013, compared to $74,250 for the comparative period of 2012. The increase was due to the same reason described above. The increase was due to an increase in the annual director retainer fees, as recommended by the compensation consultant, during 2013.

Field office expense

Field office expense for the three months ended December 31, 2014 were $138,104 compared to $190,012 for the comparative period of 2013. The decrease was due to a decrease in general and administrative expenses during the fourth quarter of 2014 compared to 2013.

Field office expense was $686,416 for the year ended December 31, 2014, compared to $563,576 for the comparative period of 2013. The increase was due to more business meetings conducted by the site offices in 2014.

Field office expense for the three months ended December 31, 2013 were $190,012 compared to $141,052 for the comparative period of 2012. The increase was mainly due to a new field office (Zhongjia) established in 2013.

Field office expense was $563,576 for the year ended December 31, 2013, compared to $467,366 for the comparative period of 2012. The increase was due to the same reason described above.

Foreign exchange gains and losses

The foreign exchange gain was $548,717 for the three months ended December 31, 2014 compared to a foreign exchange gain of $721,772 for the comparative period of 2013. The foreign exchange gain during the three month period in 2014 was due to an appreciation of the US dollar against the Canadian dollar.

The foreign exchange gain was $1,039,265 for the year ended December 31, 2014 compared to a foreign exchange gain of $1,375,542 for the comparative period of 2013. The foreign exchange gain in 2014 was due to the same reason above.

The foreign exchange gain was $721,772 for the three months ended December 31, 2013 compared to a foreign exchange gain of $490,109 for the comparative period of 2012. The increase was due to the US dollar appreciating against the Canadian dollar during the fourth quarter of 2013 and 2012.

The foreign exchange gain was $1,375,542 for the year ended December 31, 2013 compared to a foreign exchange loss of $166,997 for the comparative period of 2012. The increase in foreign exchange gain was due to the same reason described above.

Investor relations

Investor relations fees for the year ended December 31, 2014 were $15,350 compared to $175,225 for the comparative period in 2013. The decrease was mainly due to the Company reducing its use of consultants and the resignation of the Company's Vice President of Corporate Communications in the third quarter of 2013.

Investor relations expense for the three months ended December 31, 2013 were $13,038 compared to $88,181 for the comparative period. The decrease was mainly due to the Company reducing its attendance at road shows relative to the comparative period, and also reducing its use of external consultants during period in 2013.

Investor relations expense for the year ended December 31, 2013 were $175,225 compared to $292,544 for the comparative period of 2012. The decrease was due to the same reason described above.

Rent

Rent expense increased to $356,736 for the year ended December 31, 2014 from $290,930 for the comparative period in 2013. The increase was due to a significant increase in Beijing office rent in 2014, offset by cost savings from an office space reduction in Vancouver.

Rent expense for the year ended December 31, 2013 was $290,930 which was comparable to the $310,538 for the comparative period of 2012.

Salaries and benefits

Salaries and benefits for the three month ended December 31, 2014 were $119,354 compared to $179,159 for the comparative period in 2013. The decrease was mainly due to the departure of the former CFO during the second quarter of 2014.

Salaries and benefits for the year ended December 31, 2014 were $431,477 compared to $451,214 for the comparative period in 2013. The decrease was due to the same reason above. Benefits paid/accrued for the departure of the Company's former CFO was recorded during the second quarter of 2014.

Salaries and benefits for the year ended December 31, 2013 were $451,214 which was comparable with $452,574 for the comparative period in 2012.

Office administration expenses

Office administration expenses for the year ended December 31, 2014 were $205,984 compared to $185,053 for the comparative period of 2013. The increase was mainly due to additional director and officer liability insurance costs in 2014.

Office administration expenses for the year ended December 31, 2013 were $185,053 compared to $152,924 for the comparative period of 2012. The increase was mainly due to a newly approved key man insurance policy purchased for the Company's CEO in 2013.

Property investigation

Property investigation expense was $78,653 for the three months ended December 31, 2014 compared to $31,140 for the comparative period of 2013. The increase was due to the Company's Vice President of Business Development increasing his time spent on the Company's operations during 2014.

Property investigation expense was $169,852 for the year ended December 31, 2014 compared to $72,665 for the comparative period of 2013. The increase was due to the same reason as described above.

Property investigation expense was $31,140 for the three months ended December 31, 2013 compared to $Nil for the comparative period of 2012. The increase was due to the hiring of the Vice President of Business Development in November 2012.

Property investigation expense was $72,665 for the year ended December 31, 2013 compared to $Nil for the comparative period of 2012. The increase was due to the same reason as described above.

Share-based compensation

Share-based compensation for the three months ended December 31, 2014 were $73,961 compared to $309,193 for the comparative period of 2013. The decrease was mainly due to the reduced number of options and reduced value per stock option granted in 2014 compared to 2013.

Share-based compensation decreased to $750,226 for the year ended December 31, 2014 from $2,393,720 for the comparative period in 2013. The decrease was due to the same reason above.

Share-based compensation for the three months ended December 31, 2013 were $309,103 compared to $444,951 for the comparative period of 2012. The decrease was mainly due to the reduced number of options and reduced value per stock option granted in 2013 compared to 2012.

Share-based compensation decreased to $2,393,720 for the year ended December 31, 2013 from $2,792,280 for the comparative period in 2012. The Company granted RSU's to the Company's CEO on February 1, 2013 and recorded $87,939 in share-based compensation in 2013. The increase was offset by the factor described above.

3.5 Finance and other income (expenses)

To date the Company has not earned revenue from operations other than interest income earned on short-term investments.

Interest income

Interest income for the year ended December 31, 2014 was $980,945 compared to $806,038 for the comparative period of 2013.

Other expenses

During the year ended December 31, 2014, Minco China incurred $40,344 ($344,073 for the comparative period of 2013) to exchange the US funds into RMB as part of the requirement to increase the registered share capital for Foshan Minco. The Company also recorded other expenses of $269,241 to expense a non-refundable deposit paid on a terminated mine design agreement during the year ended December 31, 2014.

4. Summary of Quarterly Results

		Net loss per share	
Period ended	**Net loss**	**Basic**	**Diluted**
	$	**$**	**$**
12-31-2014	(255,428)	(0.01)	(0.01)
09-30-2014	(17,310)	(0.00)	(0.00)
06-30-2014	(1,139,929)	(0.02)	(0.02)
03-31-2014	(252,849)	(0.00)	(0.00)
12-31-2013	(155,766)	(0.00)	(0.00)
09-30-2013	(1,497,810)	(0.03)	(0.03)
06-30-2013	(697,162)	(0.01)	(0.01)
03-31-2013	(636,295)	(0.01)	(0.01)

Variations in quarterly performance over the eight quarters were primarily due to changes in foreign exchange rates and share-based compensation. Appreciation or depreciation of the US dollar can result in significant foreign exchange gains and losses due to the US dollar funds held by the Company.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Years ended December 31,	
	2014	**2013**
	$	$
Operating activities	(1,763,621)	(3,227,358)
Financing activities	18,666	7,000
Investing activities	(11,216,495)	2,177,032

Operating activities

For the year ended December 31, 2014, the Company used $1,763,621 of cash in operating activities compared to $3,227,358 in the comparative period of 2013. The decrease in cash used for operating activities was mainly due to repayments made by a related party in Minco Gold in 2013.

Financing activities

For the year ended December 31, 2014, the Company received $18,666 proceeds from the exercise of stock options to arrive at cash inflows compared to $7,000 proceeds received from the exercise of stock options during 2013.

Investing activities

For the year ended December 31, 2014, the Company used $11,216,495 of cash in investing activities compared to cash generated of $2,177,032 in 2013. The cash used in investing activities in 2014 was primarily due to the investments made in 2014. The cash generated in 2013 was primarily related to the net redemption of short term investments of $5,889,823 offset with cash used on development costs of $2,378,304 and advances to Minco Gold.

5.2 Capital Resources

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

	December 31, 2014	**December 31 2013**
	$	$
Working capital	60,101,207	64,332,571
Cash and cash equivalents	11,938,544	23,580,514
Short-term investment	33,560,374	36,976,308

The Company's working capital has decreased to $60,101,207 as at December 31, 2014 compared to $64,332,571 at the year end of 2013. The decrease in working capital was due primarily to the day-to-day use of cash to support the Company's operations and also due to an unrealized loss recorded on the change in fair value on the Company's investments in 2014.

The Company does not generate revenues and relies on equity and debt financing for its working capital requirements to fund exploration, development, permitting and administrative activities. As at December 31, 2014, the Company has sufficient working capital available to meet its current operational and development obligations.

The Company cannot invest directly in Foshan Minco as Foshan Minco is legally owned by Minco China. Minco China is a wholly foreign owned entity ("WFOE") for the purposes of Chinese law and is a subsidiary of Minco Gold. All funding supplied by Minco Silver for financing of the Fuwan Project must first go through Minco China via Minco Gold to comply with Chinese Law. This approach will be applied when profits to be realized by Foshan Minco are repatriated to Minco Silver, they must first pass through Minco China, Minco Resources and Minco Gold. In the normal course of business the Company uses trust agreements when providing cash, denominated in US dollars, to Minco China via Minco Gold for the purpose of increasing the registered capital of Foshan Minco.

Minco China is a wholly owned subsidiary of Minco Resources. Minco China is a registered entity in China however it is classified as being a WFOE and therefore can receive foreign investment. Foshan Minco is a Chinese company with registered capital denominated in RMB and therefore can only receive domestic investment from Minco China. Increases to the registered capital of Foshan Minco must be denominated in RMB.

For the cash denominated in RMB that is maintained in China, the remittance of funds to jurisdictions outside China may be subject to government rules and regulations on foreign currency controls. Such remittance may require approval by the relevant government authorities or designated banks in China or both.

Under Chinese law, WFOEs are subject to restrictions on the repatriation of profits out of China. In order to repatriate profits from China to Minco Gold and ultimately, Minco Silver, the Company must comply with Chinese regulations pertaining to repatriations. In order to repatriate profits to Canada, Minco China must provide the following documents to its Chinese bank: (i) a board resolution authorizing the distribution; (ii) a capital verification report and an audit report; (iii) a tax certificate, which shows that Minco China has paid the related tax in compliance with Chinese laws; and (iv) a foreign exchange registration certificate.

5.3 Contractual Obligations

The Company`s contractual obligations are related to a cost sharing agreement between the Company, Minco Gold and MBM, related parties domiciled in Canada, and outlines shared expenses incurred by the three companies including consulting and rental expenses. The cost sharing agreement is renegotiated or amended by the parties annually.

The Company entered into multiple agreements with consultants in respect of the permitting of the Fuwan Silver mine. The Company has no other long-term debt at this time.

	Payments due by period				
Contractual obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
	$	$	$	$	$
Long-term debt	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Operating leases (1)	534,973	463,144	52,935	11,337	7,557
Purchase obligations	260,534	260,534	-	-	-
Other obligations (2)	1,059,592	739,592	320,000	-	-
Total contractual obligations	1,855,099	1,463,270	372,935	11,337	7,557

(1) Office rental payments – Canada and China

(2) Key management personnel, accounts payable and accrued liabilities

5.4 Use of Proceeds from Public Offering

The Company closed a public offering by way of short form prospectus, of 7,600,000 common shares at a price of $5.95 per share for gross proceeds of $45,220,000 on March 3, 2011. The Company intends to use the funds towards its ongoing efforts to complete the permitting process for the Fuwan Project and for general corporate purposes. In the event that the Company receives all permits and licenses required to construct and operate the mine on the Fuwan Project, a portion of the funds will be used to partially fund the pre-production capital costs of the mine. The total pre-production capital costs of the Fuwan Silver Project are estimated to be US$73,060,000 based on the Feasibility Study Technical Report published by the Company effective September 1, 2009. This report is available on the Company's website and on SEDAR.

During the year ended December 31, 2014, the Company purchased 47,719,423 common shares of Gold Road Resources Limited for $13,889,316 for investment purposes. The planned use of proceeds from the public offering has not significantly changed for the year ended December 31, 2014 compared to the Company's initial plan.

Use of the proceeds in funding the pre-production capital costs of the Fuwan Project will not occur until the permitting process is complete, allowing the Company to construct and operate the Fuwan Project mine.

6. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

7. Transactions with Related Parties

Funding of Foshan Minco

The Company cannot invest directly in Foshan Minco as Foshan Minco is legally owned by Minco China. All funding supplied by the Company for exploration of the Fuwan Project must first go through Minco China via Minco Gold and Minco Resources to comply with Chinese law. In the normal course of business the Company uses trust agreements when providing cash, denominated in US dollars, to Minco China via Minco Gold for the purpose of increasing the registered capital of Foshan Minco. Minco China is a registered entity in China and is classified as being a wholly foreign-owned entity and therefore can receive foreign investment. Foshan Minco is a Chinese company with registered capital denominated in RMB and therefore can only receive domestic investment from Minco China. Increases to the registered capital of Foshan Minco must be denominated in RMB.

During the year ended December 31, 2013, the Company advanced US $20 million to Minco China via Minco Resources and Minco Gold in accordance with a trust agreement signed on April 30, 2013 in which Minco Silver agreed to advance US $20 million to Minco China to increase Foshan Minco's registered capital. Minco China will exchange these US funds into RMB.

Minco China is required to exchange the US dollars into RMB, before the money can be used to increase the registered capital of Foshan Minco. The exchange of US dollars into RMB requires approval from the State Administration of Foreign Exchange ("SAFE"). In order to obtain SAFE approval to effect the foreign currency exchange, Minco China, on behalf of Minco Silver has engaged a third party consultant to enter into purchase and sales transaction to exchange US dollars into RMB. During the year ended December 31, 2014, Minco China paid and accrued consultancy fees totaling RMB 139,632 ($25,063) (2013 – RMB 1,697,520 ($281,882), 2012- RMB 2,274,906 ($359,757)) due to a third party, who assisted in the completion of currency exchange of the US funds into RMB.

As at December 31, 2014, Minco China held US$ 11,352,188 ($11,642,168) (December 31, 2013 – US$12,526,138 ($13,399,210)) and RMB 39,513 ($7,466) (December 31, 2013 – RMB 14,613,570 ($2,556,161)) in trust for the Company.

Shared expenses

The Company shares its Vancouver office with Minco Gold and MBM, and shares its Beijing offices with Minco Gold, which allocates a portion of salaries, rent and office administration expenses at cost to the Company.

Amounts due from related parties as at December 31, 2014 were $3,603,847 (December 31, 2013 – due from related parties of $3,584,387) and consisted of the following:

Amounts due to Minco China as at December 31, 2014 of $35,102 (December 31, 2013 – $15,847) representing expenditures incurred by Minco China on behalf of Foshan Minco.

Amounts due from Minco Gold as at December 31, 2014 of $3,638,949 (December 31, 2013 – $3,600,234) representing funds advanced from Minco Silver to Minco Gold to support its operating activities in Canada, net of shared head office expenses.

The amounts due are unsecured, non-interest bearing and payable on demand. Minco Gold is a junior exploration company, consequently its ability to repay the loan is subject to the entity's ability to raise funds. The liquidity position of Minco Gold may result in uncertainty as to the timing of repayment.

In the year ended December 31, 2014, the Company paid or accrued $124,833 (December 31, 2013 – $157,296, December 31, 2012 - $133,153) in respect of rent and $663,667 (December 31, 2013 – $617,044, December 31, 2012 - $563,879) in respect of shared head office expenses and administration costs to Minco Gold.

The above transactions are conducted in the normal course of business.

Key management compensation

In the year ended December 31, 2014, 2013 and 2012, the following compensation was paid to key management. Key management includes the Company's directors and senior management. This compensation is included in development costs and administrative expenses.

	2014	**2013**	**2012**
	$	$	$
Cash remuneration	1,026,436	873,124	909,302
Share-based compensation	745,925	2,751,426	2,493,631
	1,772,361	3,624,550	3,402,933

8. Critical Accounting Estimates and Judgments

The preparation of the Company's consolidated financial statements requires management to use judgment in applying its accounting policies, estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the company has made in the preparation of the financial statements:

Impairment

Mineral Interests

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

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, silver prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

Management has assessed for impairment indicators on the Company's mineral interest to determine whether the mineral interest might be impaired. Management has concluded that despite negative sentiments in the precious metals sector which contributed to the Company's carrying amount of net assets exceeding its market capitalization, the Company plans to continue with its objective of developing the Fuwan Silver project.

Investment

At each reporting date, we conduct a review to determine whether there are any indications of impairment. This determination requires significant judgment. In making this judgment, we evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

If the decline in fair value below cost were significant or prolonged, we would recognize a loss, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired available-for-sale financial assets to the statement of income.

Management has assessed for impairment indicators on the Company's investment and has concluded that there was neither a prolonged nor a significant decline as of December 31, 2014.

9. Adoption of New Accounting Standard

Effective January 1, 2014, the Company adopted the following standard:

IFRIC 21 Levies

This standard was issued on May 20, 2013 and provided guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, *Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The adoption of this standard did not have an impact on our consolidated financial statements.

9.1 Accounting Standards and amendments issued but not yet applied

IFRS 9 *Financial Instruments*

IFRS 9, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 *Financial Instruments: Recognition and Measurement* for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this standard will be for periods beginning on or after January 1, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

10. Financial Instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of operations or comprehensive loss. Those categories are: fair value through profit or loss. loans and receivables, available-for-sale and amortized cost for liabilities.

The following table shows the carrying values of assets and liabilities for each of these categories at December 31, 2014 and December 31, 2013.

	December 31, 2014	December 31, 2013
Loans and receivables	**$**	**$**
Cash and cash equivalents	11,938,544	23,580,514
Short-term investments	33,560,374	36,976,308
Receivables	370,903	291,778
Due from related parties	3,603,847	3,584,387
Available-for-sale		
Investment	10,865,140	-
Other financial liabilities		
Accounts payable and accrued liabilities	419,592	523,984

Investments are measured at fair value based on quoted market price and is a level 1 fair value measurement. The Company makes strategic securities purchases from time to time for investment purposes depending on market conditions and any other relevant factors.

Financial instruments that are not measured at fair value are represented by cash and cash equivalent, short-term investments, receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

Due from related parties amounts are unsecured, non-interest bearing and payable on demand. Minco Gold is a junior exploration company. Its ability to repay the loan is subject to the entity's ability to raise funds. This could cause uncertainty as to the timing of repayment.

Financial risk factors

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

Price risk

Financial instrument that expose the Company to price risk is the investment.

We hold common shares as an investment which is measured at fair value, being the closing price at the reporting date. We are exposed to changes in share prices which would result in gains and losses being recognized in total comprehensive income or loss. A +/- 10% in share prices would have a +/- $1.1 million impact on total comprehensive income or loss.

Foreign exchange risk

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

The Company does not hedge its exposure to currency fluctuations. The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net US$12.4 million monetary assets as at December 31, 2014. This sensitivity analysis shows that a change of +/- 10% in US$ foreign exchange rate would have a -/+ US$1.2 million impact on net loss.

Interest rate risk

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

The Company has completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a -/+ $0.5 million impact on net loss. This impact is primarily as a result of the Company holding short-term investments such as guaranteed investment certificates and as a result of the Company having cash invested in interest bearing accounts.

11. Risks Factor and Uncertainties

A comprehensive discussion of risk factors is included in the Company's AIF for the year ended December 31, 2014, dated March 27, 2015 available on SEDAR at www.sedar.com.

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

Management has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2014 and has concluded, based on its evaluation, that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and reported as required. Management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The control framework used to design the Company's internal control over financial reporting is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management has evaluated the effectiveness of design and operation of the Company's internal controls over financial reporting as at December 31, 2014. Based on the result of this assessment, management has concluded that the Company's internal controls over financial reporting are effective.

During the year ended December 31, 2014, there have been no material changes in the Company's internal control over financial reporting.

13. Cautionary Statement of Forward Looking Information

Except for statements of historical fact, this MD&A contains certain "forward looking information" and "forward looking statements" within the meaning of applicable securities laws, which reflect management's current expectations regarding, among other things and without limitation, the Company's future growth, results of operations, performance and business prospects, opportunities, future price of minerals and the effects thereof, the estimation of mineral reserves and resources, the timing and amount of estimated capital expenditures, the realization of mineral reserves estimates, costs and timing of proposed activities, plans and budgets for and expected results of exploration activities, exploration and permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation obligations and expenses, the availability of future acquisition opportunities and use of the proceeds of from financing. Generally, forward looking statements and information can be identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Forward looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company operates, including the price of silver, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, silver price volatility, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of mineral exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property.

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

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

Forward looking statements included or incorporated by reference in this MD&A are based on a number of assumptions including:

- The Company being able to successfully complete the Mining License Application process and begin construction of the Fuwan Silver mine.
- The approval of the Company's EIA by Chinese authorities.
- The continued availability of equity and debt financing to fund the completion of the Fuwan Silver Project mine and other exploration and development activities.
- Intended use of proceeds from the Company's previous public offering.
- The continued ability of the Company to attract and retain key management personnel.
- The ability of the Company to evaluate precious metals project outside China for potential acquisition.
- The ability of the Company to pursue an alternative strategy in finding a large mining group in China as a business partner.

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

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