

# **Minco Silver Corporation**

Condensed Consolidated Interim Financial Statements

**For the three and nine months ended September 30, 2024**

(Unaudited, expressed in Canadian dollars unless otherwise stated)

## **NOTICE TO READER**

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

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

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

Dr. Ken Cai  
President and CEO

Renee Lin, CPA, CGA  
Chief Financial Officer

Vancouver, Canada

November 12, 2024

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# Minco Silver Corporation

## Condensed Consolidated Interim Statements of Financial Position

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

	September 30, 2024	December 31, 2023
<b>Assets</b>	\$	\$
<b>Current assets</b>		
Cash and cash equivalents (note 3)	6,408,646	7,755,942
Short-term investments (note 4)	2,694,830	1,851,640
Note receivable (note 6)	7,325,296	7,089,340
Financial assets at fair value through profit or loss (note 5)	22,046,666	25,965,950
Receivables (note 7)	1,949,765	1,065,316
Due from related parties (note 14)	23,493	43,007
Prepaid expenses and advances	313,997	283,510
	40,762,693	44,054,705
<b>Deposits</b>	67,433	65,684
<b>Investment accounted for using the equity method</b> (note 9)	1,744,929	660,591
<b>Right-of-use assets</b> (note 11)	483,400	667,637
<b>Property, plant and equipment</b> (note 10)	262,693	258,435
<b>Total assets</b>	43,321,148	45,707,052
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	206,797	234,543
Credit losses payable	918,665	805,979
Due to minority shareholders (note 14)	341,765	330,756
Due to related parties (note 14)	93,272	99,176
Lease obligation, current (note 11)	238,240	224,164
	1,798,739	1,694,618
Deferred tax liabilities	1,153,888	1,153,888
Lease obligation, non-current (note 11)	341,932	535,566
	3,294,559	3,384,072
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital (note 13)	107,812,327	107,812,327
Contributed surplus	28,561,102	28,431,150
Accumulated other comprehensive income	2,767,577	1,512,044
Deficit	(97,728,823)	(94,085,371)
	41,412,183	43,670,150
<b>Non-controlling interest</b> (note 12)	(1,385,594)	(1,347,170)
<b>Total liabilities and equity</b>	43,321,148	45,707,052

Approved by the Board of Directors:

(signed) Maria Tang Director

(signed) George Lian Director

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

# Minco Silver Corporation

## Condensed Consolidated Interim Statements of Operations and Net Loss For the three and nine months ended September 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars unless otherwise stated)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Exploration and evaluation expenditures</b> (note 8)	-	-	-	135,675
<b>Administrative expenses</b>				
Audit, legal and regulatory	41,168	54,236	131,167	138,032
Amortization (notes 10 & 11)	72,510	73,417	217,966	227,977
Consulting	-	-	20,000	18,000
Directors' fees (note 14)	17,250	19,500	53,250	58,500
Interest expense (note 11)	11,266	16,293	39,147	53,224
Office administration expenses	56,463	53,218	110,530	156,802
Property investigation and permitting expenses (note 8)	181,591	243,377	584,089	873,548
Rent (note 11)	1,714	5,720	15,322	9,439
Salaries and benefits	75,181	44,903	231,802	201,626
Share-based compensation (note 13)	25,731	142,029	129,952	290,859
Travel and others	19,970	33,915	44,404	73,701
<b>Total administrative expenses</b>	<b>502,844</b>	<b>686,608</b>	<b>1,577,629</b>	<b>2,101,708</b>
<b>Operating loss</b>	<b>(502,844)</b>	<b>(686,608)</b>	<b>(1,577,629)</b>	<b>(2,237,383)</b>
<b>Finance and other income (expenses)</b>				
Credit loss (note 6)	(28,493)	(25,539)	(84,277)	(83,155)
Foreign exchange gain (loss)	(51,494)	87,647	48,305	(197)
Interest and dividend income	354,526	346,151	1,470,236	1,068,646
Gain (loss) on disposal of financial assets at fair value through profit or loss (note 5)	(785,006)	37,908	(742,017)	143,292
Unrealized gain (loss) on investment in financial assets at fair value through profit or loss (note 5)	2,984,540	(1,344,181)	(3,843,530)	(6,256,410)
<b>Loss before share of loss from equity investment</b>	<b>1,971,229</b>	<b>(1,584,622)</b>	<b>(4,728,912)</b>	<b>(7,365,207)</b>
Share of gain from equity investment (note 9)	428,697	80,877	1,048,788	45,721
<b>Net income (loss)</b>	<b>2,399,926</b>	<b>(1,503,745)</b>	<b>(3,680,124)</b>	<b>(7,319,486)</b>
<b>Net income (loss) attributable to:</b>				
Shareholders of the Company	2,412,487	(1,489,357)	(3,643,452)	(7,290,918)
Non-controlling interest	(12,561)	(14,388)	(36,672)	(28,568)
	<b>2,399,926</b>	<b>(1,503,745)</b>	<b>(3,680,124)</b>	<b>(7,319,486)</b>
<b>Income (loss) per share, - basic and diluted</b>	<b>0.04</b>	<b>(0.02)</b>	<b>(0.06)</b>	<b>(0.12)</b>
<b>Weighted average number of common shares outstanding, - basic and diluted</b>	<b>61,025,083</b>	<b>61,025,083</b>	<b>61,025,083</b>	<b>61,025,083</b>

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

# Minco Silver Corporation

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

**For the three and nine months ended September 30, 2024 and 2023**

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Net income (loss) for the period</b>	2,399,926	(1,503,745)	(3,680,124)	(7,319,486)
<b>Other comprehensive loss</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences in translation from functional to presentation currency	765,807	508,845	1,218,231	(2,323,125)
Share of comprehensive income (loss) from equity investment (note 9)	(20,409)	16,032	35,550	(3,106)
<b>Comprehensive income (loss) for the period</b>	<b>3,145,324</b>	<b>(978,868)</b>	<b>(2,426,343)</b>	<b>(9,645,717)</b>
Shareholders of the Company	3,159,236	(963,984)	(2,387,919)	(9,620,235)
Non-controlling interest	(13,912)	(14,884)	(38,424)	(25,482)
	<b>3,145,324</b>	<b>(978,868)</b>	<b>(2,426,343)</b>	<b>(9,645,717)</b>

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

# Minco Silver Corporation

## Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

### For the nine months ended September 30, 2024 and 2023

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

<b>Changes in Shareholders' Equity</b>								
	Number of Shares	Share capital	Contributed surplus	Accumulated other comprehen- sive income	Deficit	Subtotal	Non-controlling interest	Total equity
	#	\$	\$	\$	\$	\$	\$	\$
<b>Balance - January 1, 2023</b>	61,025,083	107,812,327	28,021,216	3,715,136	(90,066,542)	49,482,137	(1,307,343)	48,174,794
Net loss for the period	-	-	-	-	(7,290,918)	(7,290,918)	(28,568)	(7,319,486)
Other comprehensive income (loss)	-	-	-	(2,329,317)	-	(2,329,317)	3,086	(2,326,231)
Share of reserve changes from equity investment (note 9)	-	-	(1,002)	-	-	(1,002)	-	(1,002)
Share-based compensation	-	-	290,859	-	-	290,859	-	290,859
<b>Balance – September 30, 2023</b>	61,025,083	107,812,327	28,311,073	1,385,819	(97,357,460)	40,151,759	(1,332,825)	38,818,934
<b>Balance - January 1, 2024</b>	61,025,083	107,812,327	28,431,150	1,512,044	(94,085,371)	43,670,150	(1,347,170)	42,322,980
Net loss for the period	-	-	-	-	(3,643,452)	(3,643,452)	(36,672)	(3,680,124)
Other comprehensive income (loss)	-	-	-	1,255,533	-	1,255,533	(1,752)	1,253,781
Share-based compensation	-	-	129,952	-	-	129,952	-	129,952
<b>Balance – September 30, 2024</b>	61,025,083	107,812,327	28,561,102	2,767,577	(97,728,823)	41,412,183	(1,385,594)	40,026,589

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

**Minco Silver Corporation**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**For the nine months ended September 30, 2024 and 2023**  
*(Unaudited, expressed in Canadian dollars, unless otherwise stated)*

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(3,680,124)	(7,319,486)
Adjustments for:		
Amortization	217,967	227,977
Foreign exchange loss (gain)	(48,305)	197
Interest and dividend income	(1,470,236)	(1,068,646)
Credit losses	84,663	85,318
Interest expense	39,147	53,224
Loss (gain) on disposal of investments in financial assets at fair value through profit or loss	742,017	(143,292)
Unrealized loss on investments in financial assets at fair value through profit or loss	3,843,530	6,256,410
Share-based compensation	129,952	290,859
Share of gain of equity investment	(1,048,788)	(45,721)
Changes in items of working capital:		
Accounts payable and accrued liabilities	(72,191)	(42,028)
Due to/from related parties	14,651	168,841
Prepaid expenses and deposits	(22,600)	112,258
Receivables	(41,962)	80,472
<b>Net cash used in operating activities</b>	<b>(1,312,279)</b>	<b>(1,343,617)</b>
<b>Financing activities</b>		
Repayment of lease obligations	(203,469)	(207,853)
<b>Net cash used in financing activities</b>	<b>(203,469)</b>	<b>(207,853)</b>
<b>Investing activities</b>		
Received a promissory note	-	168,717
Payment related to the promissory note	-	(38,214)
Acquisition of investments in financial assets at fair value through profit or loss	(2,215,955)	(1,810,683)
Proceeds from disposal of financial assets at fair value through profit or loss	2,282,317	1,627,981
Proceeds from disposal of property and equipment	35,912	3,010
Purchase of property and equipment	(82,530)	(15,120)
Interest and dividend income received	676,838	356,032
Purchase of short-term investments	(2,719,300)	(541,320)
Redemption of short-term investments	1,914,460	1,912,533
<b>Net cash generated from (used in) investing activities</b>	<b>(108,258)</b>	<b>1,662,936</b>
<b>Effect of exchange rates on cash and cash equivalents</b>	<b>276,710</b>	<b>293,554</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(1,347,296)</b>	<b>405,020</b>
<b>Cash and cash equivalents - Beginning of period</b>	<b>7,755,942</b>	<b>7,533,518</b>
<b>Cash and cash equivalents - End of period</b>	<b>6,408,646</b>	<b>7,938,538</b>

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



# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 1. Nature of operations

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

#### 2. Basis of preparation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, Minco Investment Holding HK Ltd. (“Minco HK”), Minco Resource Limited (“Minco Resources”), Guangdong Changfu Mining Co. Ltd. (“Changfu Minco”), Minco Mining (China) Co. Ltd. (“Minco China”), Tibet Minco Mining Co. Ltd. (“Tibet Minco”), and its 51% interest in Mingzhong Mining Co. Ltd. (“Mingzhong”). Changfu Minco is subject to a 10% net profit interest held by Guangdong Geological Bureau (“GGB”), a Chinese government department.

Information of the Company’s subsidiaries as of September 30, 2024, is as follows:

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

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

These condensed consolidated interim financial statements have been prepared following International Financial Reporting Standards (“IFRS”) issued by the IASB and apply to preparing interim financial statements, including IAS 34, *Interim Financial Reporting*. They should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2023, which were prepared following IFRS as issued by the IASB.

The board of directors approved the issue of these condensed consolidated interim financial statements on November 12, 2024.

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual charges incurred by the Company may differ from these values.

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

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 3. Cash and cash equivalents

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

	As of September 30, 2024	As of December 31, 2023
	\$	\$
Cash	2,558,642	2,506,544
Cash equivalents	3,850,004	5,249,398
	6,408,646	7,755,942

As of September 30, 2024, cash and cash equivalents of \$5,753,074 (or RMB 29,886,071) (December 31, 2023 - \$6,866,851) (or RMB 36,859,194) resided in Mainland China. Under Chinese law, cash advanced to the Company's Chinese subsidiaries as registered share capital is maintained in the subsidiaries' registered capital bank account. Remittance of these funds back to Canada requires approvals from the relevant government authorities, designated banks in China, or both.

#### 4. Short-term investments

As of September 30, 2024, short-term investments consisted of the following:

	Currency	Amount (\$)	Maturity date	Interest rate
Corporate bond (i)	USD	-	January 11, 2019	6.125%
Term deposit	CAD	400,000	June 16, 2025	3.75%
Term deposit	USD	269,980	June 16, 2025	4.45%
Term deposit	USD	1,349,900	June 18, 2025	5.35%
Term deposit	USD	674,950	April 4, 2025	5.4%
		2,694,830		

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

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

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 4. Short-term investments (continued)

- (i) The Company invested in a bond issued by China Energy Reserve & Chemicals Group Co. with a principal of USD 800,000 and a maturity date of January 15, 2019. This bond defaulted on September 30, 2018. As of September 30, 2024, and December 31, 2023, the Company still had the corporate bond but has entirely written off this holding to \$Nil, given the uncertainty of disposing of this corporate bond through the open market.
- (ii) Remittance of short-term investments kept in RMB from China to Canada requires approvals by the relevant government authorities or designated banks in China or both.

#### 5. Financial assets at fair value through profit or loss

The continuity schedule of the Company's financial assets at fair value through profit or loss during the nine months ended September 30, 2024, is as follows:

	December 31, 2023	Additions	Proceeds from dispositions	Realized loss	Unrealized gain (loss)	Foreign exchange	September 30, 2024
	\$	\$	\$	\$	\$	\$	\$
Investment in common shares and warrants <sup>(i)</sup>	1,523,591	2,215,955	(2,282,317)	(742,017)	826,755	6,848	1,548,815
Investment in common shares through a partnership <sup>(ii)</sup>	24,442,359	-	-	-	(4,670,285)	725,777	20,497,851
<b>Total</b>	<b>25,965,950</b>	<b>2,215,955</b>	<b>(2,282,317)</b>	<b>(742,017)</b>	<b>(3,843,530)</b>	<b>732,625</b>	<b>22,046,666</b>

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

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

#### (i) Common shares and warrants

The Company utilized its surplus cash to make targeted equity investments in the public market. These investments are classified as fair value-through-profit-or-loss (FVTPL) financial assets and valued at their fair value at inception and each subsequent reporting period. The investment strategy does not deviate from the Company's core business focus, which remains centered on exploring and developing mineral properties.

During the nine months ended September 30, 2024, the Company strategically sold certain older stocks and reinvested in alternative holdings more closely aligned with its current objectives. This shift resulted in a substantial realized loss on the sold stocks due to market conditions. At the same time, the Company recognized a significant unrealized gain, reflecting positive adjustments within the portfolio and positioning it for long-term growth.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

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

Below is a table summarizing the investment activities related to common shares in Canada for the nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Proceeds from disposals	1,281,904	422,541	1,971,366	1,810,683
Cost of disposals	(2,066,910)	(384,633)	(2,713,383)	(1,667,391)
Realized gain (loss)	(785,006)	37,908	(742,017)	143,292
Unrealized gain (loss)	995,086	(118,367)	826,755	(190,015)
Total gain (loss)	210,080	(80,459)	84,738	(46,723)

#### (ii). Investment in common shares through a partnership

In October 2022, the Company, through Minco China, acquired a 9.54% interest in Tianjin Saikehuan Enterprise Management Center Limited ("Saikehuan LP") from Tianjin Huaxin Anneng Management Consulting Partnership LP ("Huaxin") for \$23,509,619 (RMB 119.8 million). This investment gives the Company an indirect interest in approximately 7,480,937 shares of Sichuan Hexie Shuangma Co. Ltd. ("Hexie"), one of China's largest cement manufacturers. Alongside the acquisition, Minco China entered into a restructuring and distribution agreement with Saikehuan LP and its general partner. Under this agreement, the Saikehuan LP will be restructured to allow Minco China to become a direct holder of the Hexie shares, with the ability to trade these shares on behalf of Saikehuan LP. The terms of the restructuring agreement state that Minco China is entitled to recover its entire purchase price from the proceeds of any sale of Hexie shares. Once the purchase price has been recovered, the remaining proceeds will be distributed, with 20% going to the general partner and 80% to Minco China.

The restructuring was finalized on October 23, 2024, granting the Company direct trading rights for the shares as a limited partner.

As of September 30, 2024, the fair value of the investment was \$20,497,851 (RMB 106,482,237), compared to \$24,442,359 (RMB 131,199,253) as of December 31, 2023, net of the payable to the general partner. Consequently, the Company recorded an unrealized loss of \$4,670,285 (RMB 24,717,016) for 2024, compared to \$4,840,581 (RMB 24,896,558) in 2023, along with a foreign exchange gain of \$725,777, compared to a loss of \$1,768,000 in the same period in 2023. During the nine months ended September 30, 2024, the Company also received a dividend income of \$432,690 (RMB 2,289,969) from this investment.

#### 6. Note receivable

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

As part of the Proposed Acquisition, on August 6, 2018, Minco China entered into a loan agreement with Longxin Mining and its shareholders, pursuant to which Minco China provided the shareholders of Longxin Mining with a loan of \$14,630,621 (73.8 million RMB) (the "Note"). With a nine-month term and 10% annual interest, the Note was secured by a 100% equity interest in Longxin Mining and all Longwangshan Gold Mine assets. Additionally, Longxin Mining's shareholders and a real estate company they control provided further security, including land, real estate, and cash.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

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#### 6. Note receivable (continued)

The Note's maturity date was extended from February 4, 2019, to September 30, 2019, with an increased interest rate of 12% annually. This maturity was extended to December 31, 2019, maintaining the 12% interest rate.

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

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

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

On November 12, 2021, the court ruled in the Company's favor, ordering Longxin and other defendants to pay the claimed amounts, including legal fees. Due to nonpayment, the Company enforced its rights over certain collateral, including real estate and cash, and retains claims to additional collateral. Longxin appealed, and the Company responded in April 2022, maintaining its recovery efforts. The court's final judgment on June 6, 2022, upheld the original decision, and the Company filed an enforcement request on June 17, which was accepted on June 27, 2022.

In 2022, the Company received \$6,555,707 (RMB 33,894,971) from Longxin, split between \$3,189,141 (RMB 16,488,815) as principal and \$3,366,566 (RMB 17,405,156) in interest payments. In 2023, an additional \$380,823 (RMB 1,998,103) was collected, with \$168,134 (RMB 882,165) for principal and \$212,689 (RMB 1,115,938) for interest.

The court has pursued further recoveries, issuing an auction notice on January 10, 2023, for an initial set of 89 properties, with auction activities ongoing.

During the nine months ending September 30, 2024, the Company petitioned to appraise the Longwangshan Gold Mine and engaged a valuation firm for this purpose. With ongoing discussions involving interested parties, the Company intends to sell the mining permit to recover the outstanding balance should Longxin fail to repay.

As of September 30, 2024, the outstanding Note principal was \$7,325,296 (RMB 38,053,450) (December 31, 2023: \$7,089,340 (RMB 38,053,450)), and the accrued interest included in the Company's receivable was \$1,861,358 (RMB 9,669,382) (December 31, 2023: \$970,452 (RMB 5,209,095)).

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 6. Note receivable (continued)

A summary of the note receivable for the nine months ended September 30, 2024, and the year ended December 31, 2023, is as follows:

	Note principal	Interest receivable	Total
	\$	\$	\$
<b>Balance – January 1, 2023</b>	7,643,126	71,930	7,715,056
Principal and interest payment	(168,134)	(212,689)	(380,823)
Accrued interest – 15.4% <sup>(i)</sup>	-	1,135,665	1,135,665
Foreign exchange loss	(385,652)	(24,454)	(410,106)
<b>At December 31, 2023</b>	7,089,340	970,452	8,059,792
Accrued interest – 15.4% <sup>(i)</sup>	-	842,772	842,772
Foreign exchange loss	235,956	48,134	284,090
<b>At September 30, 2024</b>	7,325,296	1,861,358	9,186,654

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

Under the Anheli Service Agreement, the company must remit 10% of the total amount recovered to its legal consultant. As of September 30, 2024, a success fee payable to Anheli was recorded at \$918,665 (RMB 4,772,283), compared to \$805,979 (RMB 4,326,255) as of December 31, 2023.

#### 7. Receivable

	September 30, 2024	December 31, 2023
	\$	\$
Interest receivable <sup>(i)</sup>	1,901,430	1,034,749
GST receivable	592	695
Other receivable	47,743	29,872
	1,949,765	1,065,316

As of September 30, 2024, the interest receivable included \$1,861,358 from note receivable (December 31, 2023 - \$970,452) and \$40,072 from term deposit (December 31, 2023 - \$64,297).

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

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#### 8. Mineral interests

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

A value-in-use calculation was not applicable as the Company had no expected cash flows from the mineral properties. In estimating the fair value less cost of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$Nil. This valuation technique requires management's judgment and estimates of the recoverable amount, so it is classified within Level 3 of the fair value hierarchy.

The Changkeng Gold Project exploration permit was renewed in 2022 and expires on November 21, 2027. In addition, the exploration permit for the Fuwan Silver Project was renewed in March 2021 and expires on March 8, 2026. However, as substantive expenditures on further exploration and evaluation of mineral resources have yet to be planned or budgeted, management determined that this was not an indicator of impairment reversal for the nine months ending September 30, 2024.

##### Fuwan Silver Project

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

##### Changkeng Gold Project

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

##### Sagvoll and Sulitjelma Projects

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

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

Up to December 31, 2023, the Company had accrued \$599,056 in exploration and evaluation ("E&E") expenses, which included the initial \$60,000 payment made upon signing the Option Agreement. These E&E expenses covered a range of costs, such as exploration rights, geological studies, drilling licenses, sampling, and directly attributable administrative expenses.

During the nine months ended September 30, 2024, the Company incurred \$Nil in E&E expenses (compared to \$135,675 in 2023).

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 8. Mineral interests (continued)

##### Field expenses and property investigation

During the nine months ending September 30, 2024, the Company incurred expenses for maintaining the exploration permits. The Company remains committed to acquiring advanced, high-quality mineral projects globally. To achieve this objective, the exploration team thoroughly reviewed and evaluated various prospective properties during 2024.

During the three and nine months ending September 30, 2024, the Company incurred \$181,591 (2023 - \$243,377) and \$584,089 (2023 - \$873,548), respectively, in property investigation and permitting expenses. These expenses include salaries, consulting fees, legal fees, travel expenses, licensing costs, and other related costs.

#### 9. Investment accounted for using the equity method

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

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

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

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

As of September 30, 2024, and December 31, 2023, the Company owned 12.7% of Hempnova. The continuity of this investment is as follows:

	Total
	\$
Carrying value, at January 1, 2023	348,093
Share of Hempnova’s gain	346,008
Share of Hempnova changes in reserve and the equity portion of convertible debenture	(1,003)
Share of other comprehensive losses of Hempnova	(32,507)
Carrying value, at December 31, 2023	660,591
Share of Hempnova’s gain	1,048,788
Share of other comprehensive gains of Hempnova	35,550
Carrying value, at September 30, 2024	1,744,929



# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

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

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

	September 30, 2024	December 31, 2023
	\$	\$
Cash	5,595,975	3,839,638
Other current assets	4,798,754	1,697,242
Non-current assets	3,580,722	4,164,311
Current liabilities	(1,366,800)	(5,700,823)
Non-current liabilities	(177,446)	(107,251)
Shareholders' equity	12,431,205	3,893,117
Minco Silver's share in percentage	12.7%	12.70%
Minco Silver's share of net assets of Hempnova	1,578,763	494,425

Reconciliation to carrying amounts:	September 30, 2024	December 31, 2023
	\$	\$
Minco Silver's share of the net assets of Hempnova	1,578,763	494,425
Goodwill	166,166	166,166
Carrying value of investment in Hempnova	1,744,929	660,591

A summary of Hempnova's income statement for the nine months ended September 30, 2024, and 2023 is as follows:

	September 30, 2024		September 30, 2023	
	Hempnova	Minco Silver share	Hempnova	Minco Silver share
	\$	\$	\$	\$
Revenue	23,679,090	3,007,244	7,434,020	944,121
Net gain	8,258,173	1,048,788	360,008	45,721
Share of reserve from equity investment	-	-	(7,890)	(1,002)
Other comprehensive income (loss)	279,921	35,550	(24,457)	(3,106)
Comprehensive income	8,538,094	1,084,338	327,661	41,613

As of September 30, 2024, management assessed that no impairment charge was required.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 10. Property, plant and equipment

	Leasehold improvement	Motor vehicles	Office equipment and furniture	Total
	\$	\$	\$	\$
Balance, at January 1, 2023	298,075	39,066	29,888	367,029
Additions	20,606	-	-	20,606
Disposition	-	(3,000)	(8,095)	(11,095)
Depreciation	(101,362)	-	(231)	(101,593)
Exchange differences	(13,292)	(1,923)	(1,297)	(16,512)
Balance, at December 31, 2023	204,027	34,143	20,265	258,435
Additions	6,568	-	75,962	82,530
Disposition	-	(8,187)	(27,725)	(35,912)
Depreciation	(59,104)	-	8,241	(50,863)
Exchange differences	5,804	983	1,716	8,503
Balance, at September 30, 2024	157,295	26,939	78,459	262,693

	Leasehold improvement	Motor vehicles	Office equipment and furniture	Total
	\$	\$	\$	\$
At December 31, 2023				
Cost	834,303	664,665	454,315	1,953,283
Accumulated depreciation	(630,276)	(630,522)	(434,050)	(1,694,848)
Net book value	204,027	34,143	20,265	258,435
At September 30, 2024				
Cost	846,675	657,461	504,268	2,008,404
Accumulated depreciation	(689,380)	(630,522)	(425,809)	(1,745,711)
Net book value	157,295	26,939	78,459	262,693

#### 11. Leases

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

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

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

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 11. Leases (continued)

##### (a) Right-of-use assets

The continuity of the right-of-use assets as of September 30, 2024, and December 31, 2023, is as follows:

	Vancouver	Beijing	Total
	\$	\$	\$
Right-of-use assets, January 1, 2023	295,045	614,320	909,365
Change to the lease terms	4,800	-	4,800
Amortization	(56,221)	(162,669)	(218,890)
Foreign exchange	-	(27,638)	(27,638)
Right-of-use assets, December 31, 2023	243,624	424,013	667,637
Change to the lease terms	(28,974)	-	(28,974)
Amortization	(46,153)	(120,951)	(167,104)
Foreign exchange	-	11,841	11,841
Right-of-use assets, September 30, 2024	168,497	314,903	483,400

##### (b) Lease obligation

The continuity of the lease obligation as of September 30, 2024, and December 31, 2023, is as follows:

	Vancouver	Beijing	Total
	\$	\$	\$
Lease liability recognized, January 1, 2023	318,151	676,273	994,424
Change to lease terms	4,800	-	4,800
Interest accretion	23,721	45,356	69,077
Lease payment made	(71,887)	(205,840)	(277,727)
Foreign exchange	-	(30,844)	(30,844)
Lease obligation, December 31, 2023	274,785	484,945	759,730
Change to lease terms	(28,974)	-	(28,974)
Interest accretion	14,030	25,117	39,147
Lease payments	(50,419)	(153,050)	(203,469)
Foreign exchange	-	13,738	13,738
Lease obligation, September 30, 2024	209,422	370,750	580,172
Lease obligation, current	51,879	186,361	238,240
Lease obligation, non-current	157,543	184,389	341,932

The maturity analysis of the Company's contractual undiscounted lease liabilities as of September 30, 2024, is as follows:

	Vancouver	Beijing	Total
	\$	\$	\$
Less than one year	17,637	207,900	225,537
One to two years	67,191	190,575	257,766
Two to three years	68,071	-	68,071
Three to four years	38,355	-	38,355
	191,254	398,475	589,729

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 12. Non-controlling interest (“NCI”)

Below is a summary of the financial information of Mingzhong:

##### Summary of financial positions:

	September 30, 2024	December 31, 2023
<b>NCI percentage</b>	49%	49%
	\$	\$
Current assets	34,403	55,079
Current liabilities	(1,125,208)	(1,035,949)
Net current liabilities	(1,090,805)	(980,870)
Non-current asset	7,715	6,460
Net liabilities	(1,083,090)	(974,410)
<b>Accumulated NCI</b>	<b>(1,385,594)</b>	<b>(1,347,170)</b>

##### Summary of income statements:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net loss	25,635	29,363	74,841	58,302
<b>Loss allocated to NCI (49%)</b>	<b>12,561</b>	<b>14,388</b>	<b>36,672</b>	<b>28,568</b>

##### Summary of statements of cash flows:

	Nine months ended September 30,	
	2024	2023
	\$	\$
Cash inflows (outflows) from operating activities	7,394	(68,190)
Cash outflows from financing activities	(83,748)	-

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

In 2017, Mingzhong embarked on an equity financing initiative to raise capital to finance its operations from its minority shareholders. As a result, in 2018, minority shareholders made contributions totaling \$351,968 through their subscriptions. However, the completion of the equity financing is subject to receiving remittance from the remaining minority shareholders. Unfortunately, as of September 30, 2024, the equity financing has not been fully completed due to one of the minority shareholders failing to fulfill its subscription obligation.

During the nine months ended September 30, 2024, the Company did not receive any funds from the minority shareholder. As of September 30, 2024, the \$341,765 (December 31, 2023 - \$330,756) remained in Mingzhong’s payable account to minority shareholders.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 13. Share capital

##### (a) Common Shares

Authorized: Unlimited number of common shares without par value.

##### (b) Long-term Incentive Plan

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

##### *Stock Options*

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

In 2023, the Company granted 2,930,000 stock options to purchase common shares to employees, consultants and directors at an exercise price of \$0.20 per common share. These options vest 18 months from the grant date and expire on June 2, 2028.

During the nine months ended September 30, 2024, the Company did not grant any stock options.

During the three and nine months ended September 30, 2024, the Company recorded share-based compensation related to the stock option component of \$25,731 (2023 - \$142,029) and \$129,952 (2023 - \$290,859), respectively.

The continuity of the outstanding options is as follows:

	Number outstanding	Weighted average exercise price
	#	\$
Balance, January 1, 2023	6,639,000	0.43
Granted	2,930,000	0.20
Expired	(90,000)	0.29
Forfeited	(1,408,000)	0.69
Balance, December 31, 2023	8,071,000	0.30
Forfeited	(30,000)	0.20
Expired	(1,171,000)	0.57
Balance, September 30, 2024	6,870,000	0.25

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 13. Share capital (continued)

As of September 30, 2024, \$14,240 (December 31, 2023 - \$116,990) of the total unrecognized compensation cost for unvested options remained.

Options outstanding			Options exercisable		
exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$	#		\$	#	\$
0.195	2,900,000	3.67	0.20	1,933,329	0.20
0.23	2,860,000	2.65	0.23	2,860,000	0.23
0.46	1,100,000	0.51	0.46	1,110,000	0.46
	6,870,000	2.74	0.25	5,903,329	0.26

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

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

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

#### 14. Related party transactions

##### (a) Key management compensation

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

During the three and nine months ended September 30, 2024, and 2023, the following compensation and benefits were paid to or accrued for the critical management.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 14. Related party transactions (continued)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Senior management remuneration and benefit <sup>(i)</sup>	140,952	137,253	420,572	679,936
Directors' fees	17,250	19,500	53,250	58,500
Share-based compensation	21,736	119,381	110,759	303,784
	179,938	276,134	584,581	1,042,220

(i) including bonus, living allowance and medical insurance for the CEO.

#### (b) Rental agreement with the CEO

On April 1, 2019, the Company's wholly-owned subsidiary, Minco China, entered into a lease agreement with the property owner, the Company's CEO, to use an office in Beijing, China. The agreement is effective April 1, 2019, and expires August 31, 2026. The monthly rent is \$17,006 (RMB 90,000). The Company also paid the lease improvement expenses.

#### (c) Shared office expenses

The Company, Minco Capital Corp. ("Minco Capital"), Hemnova and Minco Base Metals Corporation ("MBM") have certain directors and management in common. These four companies share certain offices and administrative expenses.

During the three months ended September 30, 2024, the Company paid or accrued \$17,398 (2023 – \$18,949) in respect of rent and \$35,307 (2023 – \$45,132) in shared head office expenses and administration costs to Minco Capital.

During the nine months ended September 30, 2024, the Company paid or accrued \$50,179 (2023 – \$53,602) in respect of rent and \$120,742 (2023 – \$160,872) in shared head office expenses and administration costs to Minco Capital.

#### (d) Due from (due to) related parties

	September 30, 2024	December 31, 2023
	\$	\$
Due to:		
Companies owned by the CEO	93,272	99,176
Total	93,272	99,176
Due from:		
Hemnova - reimbursement of shared expenses	-	20,120
Minco Capital - reimbursement of shared expenses	-	150
MBM – reimbursement of shared expenses	23,493	22,737
Total	23,493	43,007

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

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 14. Related party transactions (continued)

##### (e) Trust arrangement with MBM

2018, the Company disposed of two former subsidiaries (Minco Yinyuan Co. and Minco International Resources Limited) to MBM. After the disposition, Minco Yinyuan has a trust arrangement with Minco China, a wholly owned subsidiary of the Company, to continue holding particular cash and short-term investments for Minco China. As of September 30, 2024, the amount held by Minco Yinyuan in trust for Minco China was \$153,990 (December 31, 2023 - \$149,914).

##### (f) Investment in Hempnova

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

#### 15. Geographical information

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

As of September 30, 2024	Canada	China	Total
	\$	\$	\$
Current assets	5,003,163	35,759,530	40,762,693
Non-current assets	1,913,887	644,568	2,558,455
As of December 31, 2023	Canada	China	Total
	\$	\$	\$
Current assets	4,408,053	39,646,652	44,054,705
Non-current assets	904,848	747,499	1,652,347

#### 16. Financial instruments and fair value measurements

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



# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

#### 16. Financial instruments and fair value measurements (continued)

	September 30, 2024	December 31, 2023
	\$	\$
<b>Financial assets at fair value through profit or loss</b>		
Marketable securities (level 1)	22,046,666	25,965,950
<b>Amortized cost of financial assets</b>		
Cash and cash equivalents	6,408,646	7,755,942
Short-term investments	2,694,830	1,851,640
Note receivable	7,325,296	7,089,340
Deposit	67,433	65,684
Receivables	1,949,765	1,065,316
Due from related parties	23,493	43,007
<b>Amortized cost financial liabilities</b>		
	\$	\$
Due to related parties	93,272	99,176
Accounts payable and accrued liabilities	206,797	234,543
Credit losses payable	918,665	805,979
Due to minority shareholders of a subsidiary	341,765	330,756
Lease obligations, current	238,240	224,164
Lease obligations, non-current	341,932	535,566

Financial assets and liabilities recognized on the balance sheet at fair value can be classified in a hierarchy based on the significance of the inputs used in the measurements. The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivables, note receivables, due to and from related parties, account payable, and accrued liabilities. Due to their short-term nature, the fair values of these financial instruments approximate their carrying value.

#### Financial risk factors

The company's activities expose it to financial risks: market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. Management identifies and evaluates these risks.

# Minco Silver Corporation

## Notes to the Condensed Consolidated Interim Financial Statements

### For the three and nine months ended September 30, 2024 and 2023

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

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#### 16. Financial instruments and fair value measurements (continued)

##### **Credit risk**

Counterparty credit risk is the financial benefits of contracts with a specific counterparty that will be lost if the counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by these counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair value contracts with individual counterparties, which are recorded in the consolidated financial statements. The Company considers its Cash and cash equivalent, short-term investments, and note receivable to be exposed to credit risk.

To manage credit risk, the Company:

- limits its credit exposure on cash and cash equivalents by holding its deposits mainly with high-credit quality financial institutions in Canada, Hong Kong and China,
- Obtain adequate collateral to secure the recoverability of the note receivable (also refer to note 6).

##### **Foreign exchange risk**

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

The Company does not hedge its exposure to currency fluctuations. Based on its net US\$2.73 million monetary assets as of September 30, 2024, it has completed a sensitivity analysis to estimate the impact a change in foreign exchange rates would have on its net loss. This sensitivity analysis shows that a change of +/-10% in the US\$ foreign exchange rate would have a—/+ US\$0.27 million impact on net loss.

##### **Interest rate risk**

Cash and cash equivalents and short-term investments are financial instruments that expose the company to interest rate risk. The Company does not hold cash and cash equivalents, short-term investments, or note receivables at variable rates, so it is not exposed to significant interest rate risk.

##### **Liquidity risk**

Liquidity risk includes the risk that the Company cannot meet its financial obligations as they become due. The Company has a planning and budgeting process to help determine the funds required to support its standard operating requirements and exploration and development plans. The Company's board approves the annual budget of directors. As of September 30, 2024, the Company has positive working capital of approximately \$39.0 million. Management concludes that the Company has sufficient funds to meet its current operating and exploration expenditures.