

**MINCO SILVER CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**

*This Management's Discussion and Analysis ("MD&A") of Minco Silver Corporation ("we," "our," "us," "Minco Silver," or the "Company") has been prepared by management based on available information up to August 14, 2025, and should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes to it prepared by management for the six months ended June 30, 2025. The Company's condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Certain information and notes usually provided in the annual financial statements have been omitted or condensed. Therefore, this MD&A should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2024.*

*Except as noted, all financial amounts are expressed in Canadian dollars. All references to "\$" and "dollars" are Canadian dollars, all references to "US\$" are United States dollars and all references to "RMB" are Chinese Renminbi. Some dollar amounts are rounded to thousands ('000) for discussion purposes.*

*Additional information regarding the Company, including our continuous disclosure materials, the audited consolidated financial statements, MD&A, and Annual Information Form ("AIF"), which contain extensive disclosure of the company's history and properties, is available under the Company's profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).*

*This MD&A contains forward-looking information subject to risk factors, as described in a cautionary note in the Company's MD&A. The Company's audit committee reviewed the consolidated financial statements and MD&A and recommended approval to the Company's Board of Directors.*

*For details of the company's material accounting policies, refer to Note 3 of the audited consolidated financial statements for the year ended December 31, 2024.*

Minco Silver (TSX: MSV) was incorporated on August 20, 2004, under the laws of British Columbia, Canada. It is engaged in acquiring, exploring, and developing precious metals, mineral properties and projects.

As of June 30, 2025, the Company had the following Chinese subsidiaries: Minco Investment Holding HK Ltd. ("Minco HK"), Minco Resource Limited ("Minco Resources"), Minco Mining (China) Co. Ltd. ("Minco China"), Guang Dong Changfu Mining Co. Ltd., ("Changfu Minco"), Tibet Minco Mining Co. Ltd. ("Tibet Minco"), and its 51% interest in Mingzhong Mining Co. Ltd. ("Mingzhong"). Changfu Minco is subject to a 10% net profit interest held by Guangdong Geological Bureau ("GGB") and the Company.

At the date of this MD&A, the Company has 61,025,083 common shares and 8,660,000 stock options outstanding.

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## 1. Highlights for Quarter

(1) During the six months ended June 30, 2025, the Company commenced a process to sell its interests in the Fuwan Silver Project and Changkeng Gold Project. The Company is currently negotiating with several interested parties regarding a potential transaction. Management will continue to assess developments and their possible impact on the valuation and classification of these mineral interests.

(2) During the six months ended June 30, 2025, the Company recovered \$11,584,747 (RMB 59,637,121), fully settling the outstanding principal of \$7,392,034 (RMB 38,053,450), accrued and late-payment interest of \$3,866,259 (RMB 19,903,116), and related expenses of \$326,454 (RMB 1,680,554). After paying a 10% success fee of \$1,158,475 (RMB 5,963,712) to legal counsel under the Anhe Service Agreement, the case was closed.

As of June 30, 2025, the note receivable and related accrued interest were fully settled, and the matter is considered closed.

(3) The Company invested in specific equity through the public market using the Company's surplus cash held. The investment does not alter the Company's focus on exploring and developing mineral properties.

During the six months ending June 30, 2025, the Company purchased \$12.8 million common shares (2024 - \$0.7 million), disposed of \$11.8 million common shares (2024 - \$0.7 million), recorded an unrealized loss of \$0.3 million (2024 - \$0.2 million), and recognized a gain of \$0.7 million (2024 - \$0.04 million). As of June 30, 2025, the fair value of the investment was \$3.5 million (December 31, 2024 - \$2.2 million).

The Company also invested in common shares through a partnership in China.

As of June 30, 2025, the fair value of the investment was \$25.3 million (RMB 132.99 million), compared to \$21.3 million (RMB 108.3 million) as of December 31, 2024. Consequently, the Company recognized an unrealized gain of \$4.8 million (RMB 24.7 million) for the period, in contrast to a loss of \$2,795,825 (RMB 14,902,027) in the prior year. Additionally, the Company recorded a foreign exchange loss of \$0.8 million, compared to a gain of \$0.3 million in 2024.

## 2. Exploration and Project Development Activities

### 2.1 Mineral interests

In the past, the Company faced significant delays in renewing exploration permits for the Fuwan Silver Deposit 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.

Although the Company had fully impaired the Fuwan Silver and Changkeng Gold projects, renewal applications for exploration permits were still ongoing. In March 2021, the Company renewed the exploration permit on the Fuwan Silver Project for five years with an expiry date of March 8, 2026. In November 2022, the Company also renewed the exploration permit on the Changkeng Project for five years, with an expiry date of November 21, 2027. With both renewal exploration permits, the Company intends to obtain mining licenses for its Changkeng Gold and Fuwan Silver Projects.

A value-in-use calculation is not applicable as the Company has no expected cash flows from using these mineral properties at this stage of operations. In estimating the fair value less cost of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$Nil. 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.

## **2.2 Disclosure of Technical Information**

The Fuwan Silver Project and the Changkeng Gold Project are located in a significant part of the northeast-trending Fuwan silver belt, which hosts the known gold and silver occurrences in the Sanzhou basin. Technical information or other scientific information about the Fuwan Silver Project is disclosed in two Technical Reports, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile or on the Company's website at [www.mincosilver.com](http://www.mincosilver.com).

The following is a summary:

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

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

The Company acquired Changkeng Gold Project from Minco Capital Corp. ("Minco Capital") on July 31, 2015. Technical Information on the Changkeng Gold Project is available from the NI 43-101 technical report prepared for Minco Capital entitled "Technical Report and Updated Resource Estimate on the Changkeng Gold Project Guangdong Province, China," dated effective February 21, 2009, and prepared by Tracy Armstrong, P. Geo Ontario, Eugene Puritch, P. Eng. Ontario and Antoine Yassa, P. Geo. Québec is the qualified person for NI 43-101. This technical report includes relevant information regarding the data, data validation, and assumptions, parameters, and methods of the mineral resource estimates for the Changkeng Gold Project. It is available at [www.sedarplus.ca](http://www.sedarplus.ca) under the profile of Minco Capital.

The Company has not updated the three technical reports or feasibility studies mentioned above since their initial publication. Therefore, readers are cautioned not to rely on the above-mentioned technical reports/feasibility study for the assessment of the prospect of the Fuwan Silver Project and Changkeng Gold Project and for the accuracy of specific numbers, including the mineral resources estimates, capital cost, development cost, preproduction cost and operating cost presented in this MD&A, which have been derived from the above-mentioned technical reports.

All other disclosure of a scientific or technical nature in this MD&A was reviewed and approved by Wan Fang, a Member of the Association of Professional Engineers and Geoscientists of Ontario (P. Geo) and a "qualified person" as such term is defined in NI 43-101.

The Company is evaluating the Fuwan and Changkeng projects for further exploration and development or sale.

## **2.3 Fuwan Silver Project**

The Company, through Changfu Minco, has Luoke-Jilinggang Permit on the Fuwan area covering a total area of 21.75 km<sup>2</sup> located in Gaoming County, approximately 45 km southwest of Guangzhou, the fourth largest city in China and the capital city of Guangdong Province.

The Luoke- Jilinggang Permit was renewed in early March 2021 for five years with an expiry date of March 8, 2026.

## 2.4 Changkeng Gold Project

The Changkeng Gold Project is adjoined to the Fuwan Silver Project and is close to well-established water, power, and transportation infrastructure. The Company has a 51% interest in the Changkeng Project through its subsidiary Mingzhong, a joint venture established with three Chinese partners.

The Changkeng exploration permit was renewed and expires on November 21, 2027.

## 2.5 Property investigation and permitting expenses

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

During the six months ending June 30, 2025, the Company incurred expenses for maintaining the exploration permits. The Company remains committed to acquiring advanced, high-quality mineral projects globally. To achieve this objective, the exploration team thoroughly reviewed and evaluated various prospective properties during the first quarter of 2025. In addition, as part of the Company's efforts to sell the Fuwan Silver Project and Changkeng Gold Project, field expenses during the period also included transaction-related costs, such as travel, meals, valuation services, legal consulting, and other selling-related expenditures.

During the three and six months ended June 30, 2025, the Company incurred property investigation and permitting expenses of \$233,801 (2024 – \$208,123) and \$453,479 (2024 – \$402,498), respectively. These expenses comprised salaries, consulting and legal fees, travel, licensing costs, and other related expenditures.

## 3. Results of Operations

### 3.1 Operating Result Comparison for the Three and Six Months Ended June 30, 2025, and 2024

The company maintains offices in Zhaoqin City, Guangdong Province, Beijing, China, and Vancouver, Canada. Its operating expenses include E&E expenditures, the overhead expenses associated with administering, and property investigation and permitting fees.

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
	\$	\$	\$	\$	\$	\$
Administrative expenses	(593,523)	(529,489)	(64,034)	(1,110,950)	(1,074,785)	(36,165)
Other income (expenses)	4,283,039	(3,165,457)	7,448,496	6,681,997	(5,625,356)	12,307,353
Share of gain (loss) from equity investment	(218,490)	330,238	(548,728)	(67,910)	620,091	(688,001)
Net income (loss)	3,471,026	(3,364,708)	6,835,734	5,503,137	(6,080,050)	11,583,187

For the three months ended June 30, 2025, the Company recorded net income of \$3.47 million, compared to a net loss of \$3.36 million in 2024, an improvement of \$6.84 million. The change was primarily due to a \$4.4 million swing in unrealized gains on investments, higher realized gains, and increased interest and dividend income, partly offset by a \$0.22 million share of loss from equity investment versus a \$0.33 million gain in the prior year. Administrative expenses rose by \$64,034 (12%) to \$593,523, mainly from higher property investigation and permitting costs, office administration expenses, and salaries.

For the six months ended June 30, 2025, net income was \$5.50 million versus a net loss of \$6.08 million in 2024, an improvement of \$11.58 million. The increase reflected a \$4.5 million unrealized gain on investments in 2025 compared to a \$6.8 million unrealized loss in 2024, along with higher realized gains and investment income. Administrative expenses increased modestly by \$36,165 (3%) to \$1.11 million, while the share of loss from equity investment was \$0.07 million compared to a \$0.62 million gain in the prior year.

### 3.1.1 Administrative Expenses

The table below summarizes the Company's operating expenses for the three and six months ended June 30, 2025, and 2024:

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	change	2025	2024	change
	\$	\$	\$	\$	\$	\$
Audit, legal and regulatory	43,902	42,563	1,339	93,648	89,999	3,649
Amortization	81,573	68,749	12,824	150,195	145,456	4,739
Consulting	21,000	20,000	1,000	21,000	20,000	1,000
Directors' fees	20,875	18,750	2,125	38,125	36,000	2,125
Interest expenses	7,940	13,453	(5,513)	17,641	27,881	(10,240)
Office administration expenses	41,041	13,654	27,387	93,468	67,675	25,793
Property investigation and permitting expenses	233,801	208,123	25,678	453,479	402,498	50,981
Salaries and benefits	94,560	78,811	15,749	169,710	156,621	13,089
Share-based compensation	31,119	47,542	(16,423)	31,119	104,221	(73,102)
Travel and Transportation	17,712	17,844	(132)	42,565	24,434	18,131
<b>Total operating expenses</b>	<b>593,523</b>	<b>529,489</b>	<b>64,034</b>	<b>1,110,950</b>	<b>1,074,785</b>	<b>36,165</b>

#### Three months ended June 30, 2025 vs. 2024

Total operating expenses were \$593,523, up \$64,034 (12%) from \$529,489 in 2024, mainly due to:

- **Property investigation and permitting expenses:** increased \$25,678 – increased project evaluation and permitting activities.
- **Office administration:** increased \$27,387 – higher general office and corporate costs.
- **Salaries and benefits:** increased \$15,749 – annual compensation adjustments.
- **Directors' fees:** increased \$2,125 – increase in the number of board meetings held during the quarter.
- **Partially offset by:**
  - **Share-based compensation:** decreased \$16,423 – no vesting in the current quarter for the 2.9 million option granted on June 3, 2025; prior year included full expense recognition for earlier grants.
  - **Interest expenses:** decreased \$5,513 – reduced lease liabilities.

#### Six months ended June 30, 2025 vs. 2024

Total operating expenses were \$1,110,950, up \$36,165 (3%) from \$1,074,785 in 2024, mainly due to:

- **Property investigation and permitting expenses:** increased \$50,981 – increased project review and permitting work.
- **Office administration:** increased \$25,793 – higher general office and corporate costs.
- **Salaries and benefits:** increased \$13,089 – annual compensation adjustments.
- **Partially offset by:**
  - **Share-based compensation:** decreased \$73,102 – no vesting in the current quarter for the 2.9 million option granted on June 3, 2025; prior year included full expense recognition for earlier grants.
  - **Interest expenses:** decreased \$10,240 – reduced lease liabilities.

### 3.1.2 Other Income (Expenses)

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	change	2025	2024	change
	\$	\$	\$	\$	\$	\$
Credit loss	(173,445)	(27,992)	(145,453)	(202,348)	(55,784)	(146,564)
Foreign exchange gain (loss)	(107,458)	22,292	(129, 750)	(124,899)	99,799	(224,698)
Gain (loss) on disposal of financial assets at fair value through profit or loss	235,581	26,133	209,448	717,909	42,989	674,920
Unrealized loss on investment in financial assets at fair value through profit or loss	2,897,882	(3,962,363)	6,860,245	4,471,748	(6,828,070)	11,299,818
Interest and dividend income	1,430,479	776,473	654,006	1,819,587	1,115,710	703,877
	4,283,039	(3,165,457)	7,448,496	(5,625,356)	(5,625,356)	12,307,353

For the **three months ended June 30, 2025**, other income was \$4,283,039, compared to other expenses of \$3,165,457 in 2024, an improvement of \$7,448,496. Key variances were as follows:

- **Credit loss** – Loss of \$173,445 compared to a loss of \$27,992 in 2024, an increase of \$145,453, primarily representing the 10% fee paid to Anheli for services related to the recovery of the Longxin loan.
- **Foreign exchange** – Loss of \$107,458 compared to a gain of \$22,292 in 2024, a decrease of \$129,750. The Company’s Canadian operations have the Canadian dollar as their functional currency, while its China-based operations have the RMB as their functional currency. Foreign exchange gains and losses arise primarily from translating RMB- and U.S. dollar–denominated cash, investments, and receivables into the Canadian dollar presentation currency. The current quarter’s loss reflects depreciation of both the RMB and USD against the Canadian dollar compared to the same period in 2024.
- **Gain on disposal of financial assets at fair value through profit or loss** – Gain of \$235,581 versus \$26,133 in 2024, an increase of \$209,448, primarily from the sale of marketable securities at prices above their carrying values.
- **Unrealized gain (loss) on financial assets at fair value through profit or loss** – Unrealized gain of \$2,897,882 in 2025 compared to an unrealized loss of \$3,962,363 in 2024, a positive swing of \$6,860,245, due to favorable market performance in the Company’s investment portfolio.
- **Interest and dividend income** – \$1,430,479 compared to \$776,473 in 2024, an increase of \$654,006, mainly from interest earned on the Longxin loan and, to a lesser extent, higher returns from the Company’s income-producing investments.

For the **six months ended June 30, 2025**, other income totaled \$6,681,997, compared to other expenses of \$5,625,356 in 2024, an improvement of \$12,307,353. The year-to-date change was driven by the same factors noted for the second quarter — the Anheli fee related to the Longxin loan recovery, foreign exchange losses from RMB and USD depreciation against the Canadian dollar, higher realized and unrealized gains on investments, and increased interest income primarily from the Longxin loan — with the six-month results reflecting the cumulative impact of these items.

#### 4. Summary of Quarterly Results

	Income (loss) attributable to shareholders	Earnings (loss) per share	
		Basic	Diluted
	\$	\$	\$
06-30-2025*	3,484,306	0.06	0.05
03-31-2025*	2,044,443	0.03	0.03
12-31-2024*	1,592,555	0.03	0.03
09-30-2024*	2,412,487	0.04	0.04
06-30-2024*	(3,351,646)	(0.06)	(0.06)
03-31-2024*	(2,704,293)	(0.04)	(0.04)
12-31-2023*	3,272,089	0.05	0.05
09-30-2023*	(1,489,357)	(0.02)	(0.02)

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

\*The net loss of \$1.5 million for the quarter ending September 30, 2023, was mainly attributed to an unrealized loss of \$1.3 million on financial assets at fair value through profit or loss.

\*The net income of \$3.3 million for the quarter ending December 31, 2023, was mainly attributed to an unrealized gain of \$2.6 million on financial assets at fair value through profit or low. Other differences were due to the tax recovery.

\*The net loss of \$2.7 million for the quarter ending March 31, 2024, was mainly due to an unrealized loss of \$2.9 million on financial assets at fair value through profit or loss.

\*The net loss of \$3.4 million for the quarter ending June 30, 2024, was mainly due to an unrealized loss of \$4.0 million on financial assets at fair value through profit or loss. This loss was partially offset by \$0.4 million in dividend income.

\*The net income of \$2.4 million for the September 30, 2024 quarter was primarily driven by an unrealized gain of \$3.0 million on financial assets at fair value through profit or low and \$0.4 million gain from equity pick up in Hempnova. These gains were partially offset by a \$0.8 million loss from the disposal of marketable security.

\*The net income of \$1.6 million for the quarter ended December 31, 2024, was primarily driven by an unrealized gain of \$0.5 million on financial assets measured at fair value through profit or loss and a \$1.2 million tax recovery.

\*The net income of \$2.0 million for the quarter ended March 31, 2025, was primarily driven by an unrealized gain of \$1.6 million, and realized gain of \$0.5 million on financial assets measured at fair value through profit or loss.

\*Net income of \$3.5 million for the quarter ended June 30, 2025, was primarily attributable to an unrealized gain of \$2.9 million on investments and \$1.4 million in interest income. These positive contributions were partially offset by operating expenses of \$0.6 million, legal fees of \$0.2 million, and a foreign exchange loss of \$0.1 million.

#### 5. Liquidity and Capital Resources

##### 5.1 Cash Flows

	Six months ended June 30,	
	2025	2024
	\$	\$
Operating activities, cash outflow	(996,399)	(911,000)
Financing activities, cash outflow	(134,000)	(136,000)
Investing activities, cash inflow	2,927,537	341,000

For the six months ended June 30, 2025, Minco Silver reported an increase in cash and cash equivalents of \$1.7 million, compared to a reduction of \$0.5 million in the same period of 2024. The Company's cash flow activities are summarized as follows:

### Operating Activities

Net cash used in operating activities was \$1.0 million for the six months ended June 30, 2025, compared to \$0.9 million used in the same period of 2024. The Company generated net income of \$5.5 million in 2025 versus a net loss of \$6.1 million in 2024, largely due to a \$4.5 million unrealized gain on investments in 2025 compared to a \$6.8 million unrealized loss in the prior year. These fair value changes, while significantly improving reported profit, did not provide operating cash flow. Interest and dividend income, although received in cash during the period, is presented under investing activities in the statement of cash flows under IFRS, and therefore appears as a deduction in the reconciliation of net income to operating cash. Modest working capital changes, primarily a reduction in accounts payable, also contributed to the operating cash outflow.

### Financing Activities

Financing activities used \$0.13 million in 2025, in line with the \$0.14 million used in 2024, both relating to lease obligation repayments. The Company did not raise capital or incur new borrowings during the period, continuing to fund operations and investments through existing liquidity.

### Investing Activities

Investing activities generated \$2.9 million of net cash in 2025, a substantial increase from \$0.3 million in 2024. Key inflows included \$7.4 million from the repayment of a promissory note, \$11.8 million in proceeds from the sale of investments (2024 – \$0.7 million), \$3.9 million in interest and dividend income received (2024 – \$0.6 million), and \$0.33 million in expense reimbursements from Longxin. These were partly offset by \$12.8 million in new investment purchases (2024 – \$0.7 million), \$9.3 million in short-term investment purchases (2024 – \$2.0 million), and a \$1.16 million legal settlement payment. The strong net inflow from investing activities reflects active portfolio management, realization of investment gains, and the collection of income on the Company's investment portfolio.

### Overall Change in Cash

The combination of negative operating cash flow, minimal financing outflows, and strong investing inflows resulted in a \$1.75 million increase in cash and cash equivalents during the first half of 2025, compared to a \$0.50 million decrease in 2024. The Company ended the period with \$7.2 million in cash, maintaining a strong liquidity position to support operations and pursue future investment opportunities.

## 5.2 Capital Resources and Liquidity Risk

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

	June 30, 2025	December 31, 2024
	\$	\$
Working capital	44,551,297	40,236,255
Cash and cash equivalents	7,203,369	5,455,218
Short-term investment	9,139,201	2,846,130
Financial assets at fair value through profit or loss	28,798,306	23,497,437

The Company has not generated any revenue to date. Currently, it relies on its available cash to fulfill its working capital needs, which support activities such as exploration, development, permitting, and administrative functions.

The Company is confident that its working capital is adequate to meet its current operational and developmental commitments for the upcoming 12 months. It is not subject to any external constraints regarding the utilization of its available resources.

The Company holds significant cash, cash equivalents, and investments in China. For funds denominated in RMB held in China, remitting funds from jurisdictions outside China is subject to government regulations governing foreign currency controls. Such remittances necessitate approval from the relevant government authorities, designated banks in China, or both.

While most of the Company's operating subsidiaries in China have incurred losses, it's important to note that if these Chinese subsidiaries turn profitable and possess surplus cash for remittance to the parent company outside China, the repatriation of profits from China will be subject to certain restrictions. To repatriate profits from China, the Company must adhere to Chinese regulations on repatriation. 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 demonstrating compliance with Chinese tax laws; and (iv) a foreign exchange registration certificate. Minco China will comply with these requirements as necessary.

In 2020, the Company initiated the process of reducing the registered capital of Minco China from US \$60 million to US \$40 million, representing a reduction of US\$20 million. After a comprehensive and time-consuming process, this application received approval from various Chinese government agencies. The Company intends to transfer the funds once sufficient RMB term deposits mature and the outstanding Note principal repayment is received, enabling it to finance potential property acquisitions outside of China.

## 6. Off-Balance Sheet Arrangements

The Company does not have off-balance sheet arrangements.

## 7. Transactions with Related Parties

### (a) Key management compensation

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

During the three and six months ended June 30, 2025, and 2024, the following compensation and benefits were paid to or accrued for the key management.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Senior management remuneration and benefit <sup>(i)</sup>	163,090	140,357	306,026	279,620
Directors' fees	21,750	18,750	39,000	36,000
Share-based compensation	26,272	41,629	26,272	89,023
	211,112	200,736	371,298	404,643

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

### (b) Rental agreement with the CEO

On April 1, 2019, Minco China, a wholly-owned subsidiary of the Company, entered into a lease agreement to utilize an office in Beijing, China. The lessor of the property is the Company's CEO. The lease, effective from April 1, 2019, is set to expire on August 31, 2026. The monthly rent for the office space is \$17,483 (RMB 90,000). Additionally, the Company incurred expenses for lease improvements as part of the agreement. During the six months ended June 30, 2025, the Company incurred \$18,007 in lease improvement expenses, compared to \$54,612 in 2024.

(c) Shared office expenses

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

During the three months ended June 30, 2025, the Company paid or accrued \$10,245 (2024 – \$13,479) in respect of rent and \$42,186 (2024 – \$37,476) in shared head office expenses and administration costs to Minco Capital.

During the six months ended June 30, 2025, the Company paid or accrued \$27,281 (2024 – \$32,781) in respect of rent and \$78,526 (2024 – \$85,435) in shared head office expenses and administration costs to Minco Capital.

(d) Due from (due to) related parties

	June 30, 2025	December 31, 2024
	\$	\$
Due to:		
Companies owned by the CEO	170,129	210,008
Due from:		
MBM – reimbursement of shared expenses	25,712	29,159

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

(e) Trust arrangement with MBM

In 2018, the Company disposed of two former subsidiaries (Minco Yinyuan Co. and Minco International Resources Limited) to MBM. After the disposition, Minco Yinyuan has a trust arrangement with Minco China, a wholly owned subsidiary of the Company, to continue holding particular cash and short-term investments for Minco China. As of June 30, 2025, the amount held by Minco Yinyuan in trust for Minco China was \$151,968 (December 31, 2024 - \$157,682).

Investment in Hempnova

The Company significantly influences Hempnova as the Company and Hempnova have certain directors and management in common; in addition, certain directors and management also, directly and indirectly, own Hempnova common shares.

## 8. Critical Accounting Estimates and Judgments

Refer to note 3 of the audited annual consolidated financial statements for the year ended December 31, 2024.

## 9. Material Accounting Policies

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. The Company’s management has made judgments and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual charges incurred by the Company may differ from these values.

Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2024, sets out the company’s material accounting policies, applied judgements, and estimates.

## 10. Financial Instruments expenses

The Company measured its investments in common shares from the open market at their fair value at inception and each subsequent reporting period. Due to their short-term nature, the fair values of financial instruments not measured at fair

value approximate their carrying value.

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 (unobservable inputs).

Financial instruments not measured at fair value on the balance sheet are represented by cash and cash equivalent, short-term investments, receivables, notes receivable, due to and from related parties, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

The Company's financial instruments are as follows:

	June 30, 2025	December 31, 2024
	\$	\$
<b>Financial assets at fair value through profit or loss</b>		
Marketable securities (level 1)	28,798,306	23,497,437
<b>Amortized cost of financial assets</b>		
Cash and cash equivalents	7,203,369	5,455,218
Short-term investments	9,139,201	2,846,130
Note receivable	-	7,500,286
Deposit	66,840	68,729
Receivables	77,384	2,341,180
Due from related parties	25,712	29,159
<b>Amortized cost financial liabilities</b>		
	\$	\$
Due to related parties	170,129	210,008
Accounts payable and accrued liabilities	151,384	227,786
Credit losses payable	-	970,129
Due to minority shareholders of a subsidiary	338,036	349,929
Lease obligations, current	244,241	247,583
Lease obligations, non-current	135,402	280,871

### Financial risk factors

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

### Credit risk

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

To manage credit risk, the Company:

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

### **Foreign exchange risk**

The Company's functional currency is the Canadian dollar, and the functional currency of its Chinese subsidiaries is RMB. Most foreign currency risk is related to US dollar funds held by the Company and its Chinese subsidiaries. Therefore, the Company's net earnings are impacted by fluctuations in the valuation of the US dollar compared 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\$2.85 million monetary assets as of June 30, 2025. This sensitivity analysis shows that a change of +/- 10% in the US\$ foreign exchange rate would have a net loss of +/- US\$0.29 million.

### **Interest rate risk**

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

The Company does not hold cash and cash 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 the directors. As of June 30, 2025, the Company has positive working capital of approximately \$44.6 million. Management concludes that the Company has sufficient funds to meet its current operating and exploration expenditures.

## **11. Risk Factors and Uncertainties**

A comprehensive discussion of risk factors is included in the Company's AIF for the year ended December 31, 2024, which is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)

## **12. Disclosure Controls and Procedures and Internal Controls over Financial Reporting**

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparing financial statements for external purposes in accordance with IFRS. The control framework used to design the Company's ICFR is the Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on its evaluation, it has concluded that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and reported as required. Management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements on time. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The CEO and the CFO evaluated the effectiveness of the Company's ICFR as of March 31, 2025. Based on the evaluation, they concluded that the Company's internal control over financial reporting is effective as of March 31, 2025.

The Board of Directors approves the financial statements and MD&A and ensures management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to

review all financial reports before filing.

### **12.1. Changes in Internal Controls over Financial Reporting**

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that have materially affected or are reasonably likely to affect ICFR. No material changes were made to internal controls in the three months ended June 30, 2025.

### **13. Cautionary Statement of Forward-Looking Information**

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

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

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

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

Forward-looking statements included or incorporated by reference in this MD&A are based on a number of assumptions including, but not limited to:

- The collection of the note and accrued interest.
- The continued availability of equity and debt financing to fund the Fuwan Silver and Changkeng Projects-related

exploration and development activities

- The continued ability of the Company to attract and retain key management personnel.
- The ability of the Company to evaluate precious metals projects outside China for potential acquisition.
- The ability of the Company to renew the exploration and mining area permits before their expiry.
- The ability of the Company to pursue an alternative strategy in finding a large mining group as a business partner in China or outside China.
- The Company can withdraw sufficient money from China when needed (e.g., to finance the acquisition of new mineral properties in areas other than China).

Although the Company has attempted to identify important factors that could cause actual results to differ materially, other factors may cause results not to be as anticipated, estimated, or intended. Statements containing forward-looking information cannot be guaranteed accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not rely on messages containing forward-looking information.

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