

MINCO SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 on the basis of available information up to March 21, 2025, and should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2024. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

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 ease of discussion.

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 at www.sedarplus.com.

This MD&A contains forward-looking information subject to risk factors, as noted 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.

Refer to Note 3 of the audited consolidated financial statements for the year ended December 31, 2024, for details of the Company's material accounting policies.

Minco Silver (TSX: MSV) was incorporated on August 20, 2004, under the laws of British Columbia, Canada. It acquires, explores, and develops precious metals, mineral properties and projects.

As of December 31, 2024, 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 6,870,000 stock options outstanding.

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1. Highlights For the Year

(i). During the year ended December 31, 2024, the Company initiated the sale of its exploration permits and engaged in discussions with several potential buyers. The Company incurred expenses to maintain these permits while actively seeking buyers through negotiations with multiple parties. At the same time, the Company remains committed to acquiring advanced, high-quality mineral projects globally, with its exploration team thoroughly evaluating prospective properties throughout the year.

(ii). In 2024, the court appointed a valuation firm to appraise pledged common shares of Longxin Mining, which was valued at approximately \$29 million (RMB 152 million). Discussions are ongoing with potential buyers, and the Company intends to proceed with the sale of the company if Longxin Mining does not fulfill its repayment obligations. Additionally, the Company has applied for the auction of pledged common shares of Longxin Mining, with several interested parties actively engaging with management regarding the auction process. The owner of Longxin Mining has also indicated a willingness to repay the outstanding Note as soon as possible, and negotiations with the Company's management are underway.

As of December 31, 2024, the outstanding Note principal was \$7,500,286 (RMB 38,053,450), compared to \$7,089,340 (RMB 38,053,450) as of December 31, 2023. The accrued interest in the Company's receivables amounted to \$2,201,001 (RMB 11,166,996), up from \$970,452 (RMB 5,209,095) as of December 31, 2023.

(iii). During the year ended December 31, 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.

Below is a table summarizing the investment activities related to common shares in Canada for the year ended December 31, 2024 and 2023:

	2024	2023
	\$	\$
Proceeds from disposals	3,146,045	1,971,366
Cost of disposals	(3,934,588)	(1,799,508)
Realized gains (loss)	(788,543)	171,858
Unrealized gain (loss) adjustment*	999,709	(161,608)
Total gain	211,166	10,250

*For the year ending December 31, 2024, the \$24,500 impairment loss from seized trading stocks was included in the unrealized gain adjustment.

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

The Company, through Minco China, acquired a 9.54% interest in the Saikheuan LP in October 2022, gaining an indirect interest in 7,480,937 shares of Sichuan Hexie Shuangma Co. Ltd. ("Hexie"), a major cement manufacturer in China. Following a restructuring and distribution agreement with Saikheuan LP and its general partner, finalized on October 23, 2024, Minco China now holds these shares directly as a limited partner. This restructuring ensures that the Company can recoup its total investment from the proceeds of any Hexie share sales, with any additional proceeds being distributed 80% to Minco China and 20% to the general partner.

As of December 31, 2024, the fair value of the investment, net of the payable to the general partner, was \$21,350,514 (RMB 108,323,968), compared to \$24,442,359 (RMB 131,199,253) as of December 31, 2023. Consequently, the Company recognized an unrealized loss of \$4,352,968 (RMB 22,875,285) for the year, compared to a loss of \$3,513,194 (RMB 18,433,029) in the prior year. Additionally, the Company recorded a foreign exchange gain of \$1,261,123, in contrast to a loss of \$1,417,514 in 2023. During the year ended December 31, 2024, the Company also received dividend income of \$435,761 (RMB 2,289,969) from this investment.

2. Exploration and Project Development Activities

2.1 Mineral interests

The Company previously 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.

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 for the Fuwan Silver Project for a five-year term, with an expiry date of March 8, 2026. In November 2022, the Company also renewed the exploration permit for the Changkeng Project for a five-year term, 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, and is therefore 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.com under the Company's profile or on the Company's website at 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 for 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 the assumptions, parameters, and methods of the mineral resource estimates on the Changkeng Gold Project. It is available at www.sedarplus.ca under the Minco Capital profile.

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 Luohe-Jilinggang Permit on the Fuwan area covering a total area of 21.75 mk² located in Gaoming County, approximately 45 km southwest of Guangzhou, the fourth largest city in China and the capital city of Guangdong Province.

The Luohe- 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 adjacent to the Fuwan Silver Project and is situated near 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 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 referred to as 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 made the strategic decision not to exercise the Option Agreement. Consequently, the Company opted not to proceed with acquiring the Norway Project. This choice was made after careful consideration, taking into account 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 year ended December 31, 2024, the Company incurred \$Nil in E&E expenses (compared to \$130,000 in 2023).

2.7 Property investigation and permitting expenses

In 2019, the Company recorded an impairment of \$60 million on capitalized exploration and evaluation costs incurred for the Fuwan Silver Project and Changkeng Gold Project. This impairment was necessary due to delays and uncertainties in renewing exploration permits. Since then, the Company has been expensing all permitting, exploration, and evaluation costs until a thorough review of the project’s potential is conducted.

During the year ended December 31, 2024, the Company incurred expenses for maintaining the exploration permits and actively sought to sell them, engaging in negotiations with several potential buyers. At the same time, the Company remains committed to acquiring advanced, high-quality mineral projects globally. The exploration team thoroughly reviewed and evaluated various prospective properties during 2024 to achieve this objective.

During the year ended December 31, 2024, the Company incurred \$844,180 (2023 - \$1,097,653) in property investigation and permitting expenses. These expenses include salaries, consulting fees, legal fees, travel expenses, licensing costs, and other related costs.

3. Selected Annual Information and Summary of Quarterly Results

3.1 Selected annual information

	2024	2023	2022
	\$	\$	\$
Revenue	-	-	-
Net income (loss)	(2,095,233)	(4,061,585)	3,115,228
Income (loss) per share (basic and diluted)	(0.03)	(0.07)	0.05
Total assets	44,786,208	45,707,052	52,485,490
Total long-term financial liabilities	280,871	535,566	780,567
Cash dividends	-	-	-

As of December 31, 2024, total assets stood at \$44.8 million, remaining relatively stable compared to \$45.7 million as of December 31, 2023. Net loss decreased by \$2.0 million, from \$4.1 million in 2023 to \$2.1 million in 2024. This improvement was primarily attributed to a \$0.7 million reduction in operating expenses, a \$0.8 million increase in the share of gain on equity investment, a \$0.4 million increase in interest and dividend income, and a \$0.4 million increase in income tax recovery.

Total assets decreased by \$6.8 million to \$45.7 million as of December 31, 2023, compared to \$52.5 million as of December 31, 2022, mainly due to a \$8 million change in financial assets at fair value through profit or loss.

As of December 31, 2024, 2023, and 2022, the long-term financial liabilities consisted of lease obligations.

3.2 Summary of quarterly results

	Income (loss) attributable to shareholders	Earnings (loss) per share	
		Basic	Diluted
	\$	\$	\$
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)
06-30-2023*	(6,082,399)	(0.10)	(0.10)
03-31-2023	280,838	0.00	0.00

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 \$6.1 million for the quarter ending June 30, 2023, was primarily due to an unrealized loss of \$5.5 million on financial assets at fair value through profit or loss.

*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.

4. Results of Operations

The Company maintains offices in Gaoyao County, Zhaoqin City, Guangdong Province, as well as in Beijing, China and Vancouver, Canada. The Company’s operating expenses include E&E expenditures, the overhead expenses associated with administering and fees related to property investigation and permitting.

4.1 Operating result comparison for the three months ended December 31, 2024 (“Q4 2024”) and 2023 (“Q4 2023”)

	2024	2023	Change
	\$	\$	\$
Operating expenses	(625,000)	(723,000)	98,000
Other income	1,011,000	2,872,000	(1,861,000)
Share of gain from equity investment	45,000	300,000	(255,000)
Net income before tax	431,000	2,449,000	(2,018,000)

The net income before tax for Q4 2024, was \$0.4 million, while the net income for Q4 2023 was \$2.4 million. The decrease in net income of \$2.0 million was primarily due to the decline in the fair value of an investment in common shares through a partnership in China in Q4 2024.

Share of gain from equity investment

The Company holds a 12.7% ownership stake in the issued and outstanding common shares of Hempnova Lifetech Corp. (“Hempnova”). In Q4 2024, the Company recognized a share of Hempnova’s gain amounting to \$45,000, compared to \$300,000 in Q4 2023. The decrease was primarily attributed to a decline in Hempnova’s sales.

Sections 4.1.1 and 4.1.2 below discuss the details regarding the movement in E&E expenditures, administrative expenses, and other income (expenses).

4.1.1 Operating expenses

The table below summarizes the Company's operating expenses for Q4 2024 and 2023:

Three months ended December 31,	ref	2024	2023	Change
		\$	\$	\$
E&E expenditures		-	(5,546)	5,546
Audit, legal and regulatory		50,766	54,238	(3,472)
Amortization	a	73,392	92,506	(19,114)
Directors' fees		17,250	17,250	-
Interest expenses		10,783	15,853	(5,070)
Office administration expenses		38,277	43,237	(4,960)
Property investigation and permitting expenses	b	260,091	224,105	35,986
Rent		6,172	10,628	(4,456)
Salaries and benefits	c	100,346	132,328	(31,982)
Share-based compensation	d	18,692	120,078	(101,386)
Travel and others	e	49,366	18,634	30,732
Total operating expenses		625,135	723,311	(98,176)

During Q4 2024, the operating expenses decreased by \$98,000 compared to Q4 2023. The material changes in operating costs are as follows:

- (a) Amortization decreased by \$19,000 during Q4 2024 due to an adjustment in lease payment during the same period.
- (b) Property investigation and permitting expenses increased by \$36,000 due to valuation reporting work related to exploration permits and activities associated with selling these permits.
- (c) Salaries and benefits decrease by \$32,000 due to reduced head office personnel.
- (d) Share-based compensation decreased by \$101,000 during Q4 2024 compared to Q4 2023 due to a reduced extensive options expense base.
- (e) Travel expenses increased by \$31,000 due to higher management travel activity in Q4 2024.

4.1.2 Other income (expenses)

Three months ended December 31,	2024	2023	Change
	\$	\$	\$
Credit recovery (loss)	(29,097)	5,078	(34,175)
Foreign exchange gain (loss)	243,144	(95,984)	339,128
Loss from disposal of property, plant and equipment	(5,328)	-	(5,328)
Gain (loss) on disposal of financial assets at fair value through profit or loss	(46,526)	28,566	(75,092)
Unrealized loss on investment in financial assets at fair value through profit or loss	490,271	2,581,608	(2,091,337)
Interest and dividend income	358,563	352,719	5,844
Total	1,011,027	2,871,987	(1,860,960)

Credit losses

In April 2021, Minco China engaged Beijing Anheli Law Firm ("Anheli") under a legal service agreement (the "Anheli Service Agreement") to assist with legal action aimed at recovering the outstanding principal and accrued interest on a Note. The terms of the agreement stipulate that the Company is obligated to pay a success fee of 10% of the total principal and interests recovered through legal proceedings.

The credit losses were attributed to the increasing outstanding accrued interest payments, net of the payment to Anheli.

During Q4 2024, the Company accrued \$29,000 in legal payable to Anheli, compared to a reversal of \$5,000 in legal payment to Anheli due to an adjustment for the prior period record and a foreign exchange difference.

Foreign exchange gain (loss)

The Company's foreign exchange gain (loss) is a result of two components:

- The effect of the exchange rate change between the US dollar and the Canadian dollar on the US dollar denominated in cash and cash equivalent and short-term investment held by the Company's parent and Hong Kong subsidiaries. The Canadian dollar is the functional currency of these entities.
- The exchange rate change between the US dollar and the RMB affects the US dollar-denominated deposits and short-term investments held by the Company's Chinese subsidiaries. RMB is the functional currency of the Company's Chinese subsidiaries.

In Q4 2024, the US dollar strengthened against the Canadian dollar by approximately 8.1% (compared to a 2.2% depreciation in 2023) and weakened against the RMB by about 3.9% (compared to a 2.1% appreciation in 2023). As a result, the net foreign exchange gain for Q4 2024 was \$243,000, compared to a loss of \$96,000 in the same period of the previous year.

Gain (loss) and unrealized gain (loss) on disposal of and net fair value change on financial assets at fair value through profit or loss

The Company deployed its surplus cash into targeted equity investments in the public market. These investments are classified as fair value-through-profit-or-loss (FVTPL) financial assets and are measured at fair value at inception and at each subsequent reporting period.

During Q4 2024, the Company strategically divested certain older holdings and reinvested in alternative assets better aligned with its current objectives. This reallocation resulted in a significant realized loss on the sold stocks due to prevailing market conditions. Simultaneously, the Company recognized a substantial unrealized gain, reflecting positive valuation adjustments within the portfolio and positioning it for long-term growth.

As a result, in Q4 2024, the Company recorded an unrealized gain of \$173,000 (2023 – unrealized loss of \$28,000) and a realized loss of \$47,000 (2023 – realized gain of \$29,000) in the North American market. As of December 31, 2024, the fair value of the Company's investment in the North American market was \$2,147,000 (December 31, 2023 – \$1,524,000).

In 2022, the Company invested in common shares through a partnership in China. As of December 31, 2024, the fair value of this investment was \$21,350,514 (RMB 108,323,968), compared to \$24,442,359 (RMB 131,199,253) as of December 31, 2023. In Q4 2024, the Company recorded an unrealized gain of \$317,000 (RMB 1,842,000, reflecting continued volatility in the investment's fair value (2023 - an unrealized loss of \$2,553,000 (RMB 13,286,000)).

Interest and dividend income

In Q4 2024, the Company's interest and dividend income primarily came from interest accrued on Longxin's loan and interest earned from GIC investments. Interest income for the quarter was \$6,000 higher than in Q4 2023.

4.2 Operating result comparison for the year ended December 31, 2024, and 2023

	2024	2023	Change
	\$	\$	\$
Operating expenses	(2,203,000)	(2,961,000)	758,000
Other expenses	(2,140,000)	(2,256,000)	116,000
Share of gain from equity investment	1,094,000	346,000	748,000
Net loss before income tax	(3,249,000)	(4,871,000)	1,622,000

For the year ended December 31, 2024, the Company reported a net loss of \$3.2 million, an improvement of \$1.6 million compared to the net loss of \$4.9 million recorded in the prior year. This reduction in net loss was primarily driven by a \$0.7 million decrease in operating expenses, a \$0.7 million increase in the share of the gain on equity investments, a \$0.3 million foreign exchange gain, and a \$0.4 million rise in interest and dividend income. These gains were partially offset by a \$2.1 million loss from investment in marketable securities.

The share of gain from equity investments is further discussed in Section 4.1 above.

The movement in connection with the operating expenses and other income (expenses) are discussed in sections 4.2.1 and 4.2.2 below.

4.2.1 Operating expenses

The Company maintains offices in Gaoyao County, Zhaoqin City, Guangdong province, Beijing, China, and Vancouver, Canada. Its operating expenses include overhead associated with administering and property investigation and permitting fees. The following table is a summary of the Company's operating expenses for the year ended December 31, 2024, and 2023:

Year ended December 31	ref	2024	2023	Change
		\$	\$	\$
E&E expenditures	b	-	130,129	(130,129)
Audit, legal and regulatory		181,933	192,270	(10,337)
Amortization	a	291,358	320,483	(29,125)
Consulting		20,000	18,000	2,000
Directors' fees		70,500	75,750	(5,250)
Interest expenses		49,930	69,077	(19,147)
Office Administration	a	148,807	200,039	(51,232)
Property investigation and permitting expenses	c	844,180	1,097,653	(253,473)
Rent		21,494	20,067	1,427
Salaries and benefits	a	332,148	333,954	(1,806)
Share-based compensation	a	148,644	410,937	(262,293)
Travel and others		93,770	92,335	1,435
Total operating expenses		2,202,764	2,960,694	(757,930)

(a) The specifics of the period-to-period changes are elaborated in section 4.1.1. above.

(b) E&E expenditures were associated with the Sagvoll and Sulijelma Projects under an option agreement signed in the third quarter of 2022. The Company terminated the option agreement in early July 2023, resulting in no expenditures during the year ended December 31, 2024. In the corresponding period of 2023, the Company incurred \$130,000 in expenditures related to license renewal fees.

(c) Property investigation and permitting expenses decreased by \$253,000 for the year ended December 31, 2024, compared to the same period in 2023. This decline was primarily due to bonus payments made to the management team 2023, which were not incurred in 2024.

4.2.2 Other income (expenses)

Year ended December 31,	2024	2023	Change
	\$	\$	\$
Credit losses	(113,374)	(78,077)	(35,297)
Foreign exchange gain (loss)	291,449	(96,181)	387,630
Loss from sale of property, plant and equipment	(5,328)	-	(5,328)
Gain (loss) on disposal of financial assets at fair value through profit or loss	(788,543)	171,858	(960,401)
Unrealized loss on investment in financial assets at fair value through profit or loss	(3,353,259)	(3,674,802)	321,543
Interest and dividend income	1,828,799	1,421,365	407,434
Total	(2,140,256)	(2,255,837)	115,581

For a more comprehensive discussion, please refer to Section 4.1.2.

5. Liquidity and Capital Resources

5.1 Cash flows

	Year ended December 31,	
	2024	2023
	\$	\$
Operating activities, cash outflow	(1,914,000)	(1,760,000)
Financing activities, cash outflow	(273,000)	(278,000)
Investing activities, cash inflow	(541,000)	1,929,000

Operating activities

The company generated no revenue from its operations During the years of 2024 and 2023:

- 2024: Net cash outflow was \$1.91 million, mainly due to a net loss of \$2.10 million. This was partly offset by non-cash adjustments, including \$0.3 million in amortization, and \$3.4 million in unrealized investment losses. Other adjustments included a \$1.15 million deferred tax recovery, a \$1.09 million share of gain on equity-accounted investment and a \$0.8 million loss on asset disposals.
- 2023: Net cash outflow was \$1.76 million, driven by a net loss of \$4.06 million, offset by \$0.3 million in amortization, \$3.67 million in unrealized investment losses, and a \$0.4 million share-based compensation expense.

Despite similar cash outflows, the nature of adjustments differed between the years.

Financing Activities

- 2024 and 2023: Cash outflows remained stable, with lease repayments of approximately \$273,000 in 2024 and \$278,000 in 2023.

Investing Activities

- 2024: Net cash outflow of \$541,000. The Company purchased more financial assets (\$3.48 million) and short-term investments (\$2.72 million), despite receiving \$3.15 million from the sale of financial assets, \$1.9 million from the redemption of short-term investments, and \$0.6 million in interest and dividends.
- 2023: Net cash inflow of \$1.93 million, helped by \$1.97 million from asset sales, \$1.91 million from redemptions, and \$0.4 million in interest/dividends. Lower spending on financial assets and investments contributed to a positive balance.

5.2 Capital resources and liquidity risk

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

	December 31, 2024	December 31, 2023
	\$	\$
Working capital	40,236,255	42,360,087
Cash and cash equivalents	5,455,218	7,755,942
Short-term investment	2,846,130	1,851,640
Financial assets at fair value through profit or loss	23,497,437	25,965,950

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. The Company is not subject to any external constraints regarding the utilization of its available resources.

The Company holds material 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 essential to note that if these Chinese subsidiaries become profitable and have 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 comply with Chinese regulations governing 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 Minco China's registered capital 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 years ended December 31, 2024, and 2023, the following compensation and benefits were paid to or accrued for key management.

	2024	2023
	\$	\$
Senior management remuneration and benefit*	578,706	832,373
Directors' fees	70,500	75,750
Share-based compensation	122,791	320,096
	<u>771,997</u>	<u>1,228,219</u>

* The Company provided a living allowance and medical insurance coverage for the CEO in China. In 2023, a bonus of \$264,899 was paid to senior management. No bonus payments have been made in 2024.

(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 \$17,126 (RMB 90,000). Additionally, the Company incurred expenses for lease improvements as part of the agreement. During the year ended December 31, 2024, the Company incurred \$6,615 in lease improvement expenses, compared to \$20,606 in 2023.

(c) Shared office expenses

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

During the year ended December 31, 2024, the Company paid or accrued \$67,577 (December 31, 2023 – \$72,551) in respect of rent and \$149,560 (December 31, 2023 – \$190,529) in shared head office expenses and administration costs to Minco Capital.

(d) Due from (due to) related parties

	December 31, 2024	December 31, 2023
	\$	\$
Due to:		
Companies owned by the CEO	210,008	99,176
Total	<u>210,008</u>	<u>99,176</u>
Due from:		
Hempnova - reimbursement of shared expenses	-	20,120
Minco Capital - reimbursement of shared expenses	-	150
MBM – reimbursement of shared expenses	29,159	22,737
Total	<u>29,159</u>	<u>43,007</u>

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. Following the disposition, Minco Yinyuan has a trust arrangement with Minco China, a wholly owned subsidiary of the Company, to continue holding certain cash and short-term investments on behalf of Minco China. As of December 31, 2024, the amount held by Minco Yinyuan in trust for Minco China was \$157,682, up from \$149,914 as of December 31, 2023.

(f) Investment in Hempnova

The Company has a material influence on 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 Management's Discussion and Analysis (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 at their fair value in the open market at the time of inception and in 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 into a hierarchy based on the significance of the inputs used in their measurement. 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 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:

	December 31, 2024	December 31, 2023
	\$	\$
Financial assets at fair value through profit or loss		
Marketable securities (level 1)	23,497,437	25,965,950
Amortized cost financial assets		
Cash and cash equivalents	5,455,218	7,755,942
Short-term investments	2,846,130	1,851,640
Note receivable	7,500,286	7,089,340
Deposit	68,729	65,684
Receivables	2,341,180	1,065,316
Due from related parties	29,159	43,007

Amortized cost financial liabilities	December 31, 2024	December 31, 2023
	\$	\$
Due to related parties	210,008	99,176
Accounts payable and accrued liabilities	227,786	234,543
Credit losses payable	970,129	805,979
Due to minority shareholders of a subsidiary	349,929	330,756
Lease obligations, current	247,583	224,164
Lease obligations, non-current	280,871	535,566

Financial risk factors

The Company's activities expose it to various financial risks, including market risk (such as price risk, currency risk, and interest rate risk), credit risk, and liquidity risk. Risk management activities are carried out by management, which identifies and evaluates the financial risks.

Credit risk

Counterparty credit risk refers to the financial benefits of contracts with a specific counterparty that would be lost if the counterparty defaults on its contractual obligations. 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 and a short-term investment 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 conducted a sensitivity analysis to estimate the effect of a change in foreign exchange rates on the net loss of the Company, based on its net US\$2.6 million monetary assets as of December 31, 2024. This sensitivity analysis indicates that a change of $\pm 10\%$ in the US foreign exchange rate would result in a net loss of $\pm \$0.26$ million.

Interest rate risk

Cash and cash equivalents, short-term investments, and note receivables 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 material interest rate risk.

Liquidity risk

Liquidity risk encompasses the possibility that the Company may be unable to 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 of directors approves the annual budget. As of December 31, 2024, the Company had positive working capital of approximately \$40.2 million. Management concludes that the Company has sufficient funds to meet its current operating and exploration expenditures.

11. Risks Factor and Uncertainties

The company's Annual Information Form (AIF) for the year ended December 31, 2024, which is available on SEDAR at www.sedarplus.com, includes a comprehensive discussion of risk factors.

12. Disclosure Controls and Procedure 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 the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (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, regardless of its design, has inherent limitations and may not prevent or detect misstatements in a timely manner. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The CEO and CFO evaluated the effectiveness of the Company's internal control framework (ICFR) as of December 31, 2024. Based on the evaluation, they concluded that the Company's internal control over financial reporting is effective as of December 31, 2024.

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 December 31, 2024.

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 the company's present and future business strategies and its environment, including the prices of silver and gold, anticipated costs, and the ability to achieve its 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. There can be no assurance that statements containing forward-looking information will be 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.