MINCO CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2023

This Management's Discussion and Analysis ("MD&A") of Minco Capital Corp. ("we," "our," "us," "Minco Capital," or the "Company") has been prepared by management based on available information up to August 15, 2023. It should be read in conjunction with the unaudited condensed interim financial statement and related notes thereto prepared by management for the six months ended June 30, 2023. The Company's condensed 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 financial statements and related notes for the year ended December 31, 2022.

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

Additional Company information is available under the Company's profile on SEDAR at www.sedar.com. The Company's audit committee reviews the condensed interim financial statements and the MD&A and recommends approval to the Company's board of directors.

Minco Capital was incorporated in 1982 under the laws of British Columbia, Canada. The Company changed its name from Minco Gold Corporation to Minco Capital Corp. on February 25, 2019. Our corporate office is in Vancouver, British Columbia. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MMM" and on the OTCQB Market tier in the USA ("OTCQB") under the symbol "MGHCF."

As of the date of this MD&A, the Company had 44,343,881 common shares and 4,797,000 stock options outstanding.

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1. Highlights for the Quarter

During the three months culminating on June 30, 2023 ("Q2 2023"), the Company accomplished the following:

a) The Company procured common shares from public companies, incurring a total cost of $693,000. Additionally, it divested common shares of public companies, realizing proceeds amounting to $478,000, resulting in a gain of $17,000. Furthermore, the Company earned $18,000 in dividends and interest income.

b) Within the framework of the Normal Course Issuer Bid program ("NCIB"), the Company acquired and subsequently cancelled 136,000 common shares of its own for a combined payment of $8,000.

c) On April 24, 2023, the Company announced the nullification of 103,000 insider stock options that exceeded the insider limit stipulated by its stock option plan. Consequently, the total number of outstanding options was reduced to 4,797,000.

d). On July 9, 2023, TSX Venture Exchange (the "Exchange") granted approval for the Company's Security Based Compensation Plan ("SBC Plan") filing. The Company has implemented a fixed SBC Plan whereby a maximum of 20% (8,895,976) of the Issued shares will be issuable under the SBC Plan.

1.1. Net Asset Value

As of June 30, 2023, the Company's net asset value was $0.15 per share (December 31, 2022 - $0.15 per share), while the Company's common shares traded at $0.06 per share (December 31, 2022 - $0.05 per share). The Company believes that the market price of its common shares may not reflect their underlying value. Under the NCIB program, the Company has been repurchasing and cancelling its common shares and believes it is an appropriate use of the Company's funds to benefit all remaining shareholders by increasing their equity interest.

2. Investments at Fair Value

The fair values of financial instruments with quoted bid and ask prices are based on the price within the bid-ask spread most representative of fair value and may include closing prices in exchange markets. The Company considers the closing share price of investments issued by public entities at each reporting date as the fair value. Also, the Company applies the Black Scholes option pricing model to value public companies' share purchase warrants at the reporting date.

The Company has the following investments as of June 30, 2023:

	Number of Shares/Units Held	Fair value
Equities of public resource companies:	#	$
Top ten resource companies by fair value		
-Minco Silver Corporation[(i)]	11,000,000	2,090,000
-Asante Gold Corp.	666,800	1,140,228
-Amerigo Resources Ltd.	278,900	429,506
-Western Alaska Minerals Corp.	109,069	244,315
-Lithium South Development Corp	370,000	179,450
-Global X Lithium & Battery ETF	1,750	150,675
-Sherritt International Corporation	250,000	120,000
-Azimut Exploration Inc	95,600	116,632
-NEO Performance Materials Inc	11,000	90,200
-Vaneck Gold Miners ETF	2,023	80,648
Others	various	1,272,663
Debentures:		
-Convertible debenture: IBC Advanced Alloys 8.25%	100,000	3,575
Trust units		
-Sprott Physical Platinum & Palladium Trust	6,050	85,710
Equity, total		6,003,602
Share warrants, various		1,000
Total		6,004,602

The Company has the following investments as of the six months ended June 30, 2023:

(i) As of June 30, 2023, and December 31, 2022, the Company's investment in public entities includes 11,000,000 common shares of Minco Silver, which was approximately 18% of Minco Silver's outstanding shares.

Minco Silver holds a 90% interest in the Fuwan silver deposit, situated along the northeast margin of the prospective Fuwan Silver Belt in Guangdong, China and 51% interest in the Changkeng gold project, located contiguous to and part of the same mineralized system. Further information with respect to Minco Silver may be found at Minco Silver's website, www.mincosilver.ca. The Company has held its investment in Minco Silver since the spin-off of Minco Silver from the Company in 2005.

The influence of Minco Silver's share price on the Company's overall performance outweighs the significance of its portfolio balance. As of June 30, 2023, the Minco Silver share price concluded at $0.19, a decrease from $0.20 on December 31, 2022. The fair market value of Minco Silver's 11 million common shares stood at $2,090,000, down from $2,200,000 by December 31, 2022. These shares represented 35% of the Company's investment portfolio by fair value, a reduction from 37% at the close of December 31, 2022. Consequently, within the $220,000 unrealized gain reported for the first half of 2023 regarding investments in shares and partnership units, $110,000 stemmed from unrealized losses associated with Minco Silver shares. Conversely, $330,000 originated from unrealized gains within the remaining investment holdings.

In the second quarter of 2023, the Company chose to exercise its Asante Gold Corp. warrants, converting them into units of common shares. While a theoretical loss was noted concerning the warrants, this was offset by an unrealized gain in the common share units. It is important to note that this transaction does not impact the financial statement.

(ii) On December 22, 2016, the Company acquired 5.90% or 400,000 units ("Unit') of El Olivar Imperial SAC ("El Olivar"), a privately held Peruvian corporation, at US$1.00 per Unit through a private placement. Each Unit consists of one Class A voting preferred share and 1.5 Class A share purchase warrant (the "EI Warrant"), with each warrant entitling the holder to purchase one additional Class A voting share for US$1.00. Such warrants expired in 2019.

In accordance with Level 3 of the fair value hierarchy, the Company impaired its investment of $529,600 (US$400,000) in El Olivar in 2009. During the six months ended June 30, 2023, there was no change in management's assessment, and this investment remains impaired.

One director of the Company is also a director, an officer, and a significant shareholder of El Olivar.

The continuity schedule of the Company's investments during the six months ended June 30, 2023, is as follows:

	December 31, 2022	Additions	Proceeds from dispositions	Realized Gain	Unrealized gain (loss)	June 30, 2023
Investment in public entities:	$	$	$	$	$	$
- Shares and partnership units	5,420,458	1,022,868	(770,173)	19,141	222,023	5,914,317
- Share purchase warrants	384,000	-	-	-	(383,000)	1,000
Investment in trust units:	108,736	-	-	-	(23,026)	85,710
Convertible debenture:	90,000	-	-	-	(86,425)	3,575
Total	6,003,194	1,022,868	(770,173)	19,141	(270,428)	6,004,602

3. Results of Operations

Below is a discussion of the Company's operating results for the three and six months ended June 30, 2023, and 2022:

3.1 Operating Result Comparison for the Three and Six months ended June 30, 2023, and 2022

	Three months ended June 30,			Six months ended June 30,		
	2023	2022	Change	2023	2022	Change
	$	$	$	$	$	$
Dividend and interest income	17,882	12,990	4,892	34,184	31,050	3,134
Realized gain (loss) from investments	16,901	2,499	14,402	19,141	169,881	(150,740)
Unrealized gain (loss) from investments	(281,047)	(2,672,572)	2,391,525	(270,428)	(2,616,566)	2,346,138
	(246,264)	(2,657,083)	2,410,819	(217,103)	(2,415,635)	2,198,532
Operating expenses	(121,277)	(102,364)	(18,913)	(218,513)	(200,901)	(17,612)
Foreign exchange gain (loss)	(3,852)	2,892	(6,744)	(4,667)	(430)	(4,237)
Net income (loss)	(371,393)	(2,756,555)	2,385,162	(440,283)	(2,616,966)	2,176,683

The gains and losses incurred from investments are contingent upon the performance of the entities in which the Company invests. These gains and losses are subject to fluctuations based on various factors, including but not limited to the overall economy, foreign exchange rate and metal prices, factors beyond the Company's control.

During Q2 2023, the primary contributor to an unrealized loss of $0.3 million in investments was the decline in fair market values for Western Alaska Minerals Corp., Rise Gold Corp., Libero Copper & Gold Corp. IBC Advanced Alloy debenture, Amerigo Resources Ltd., and Cobalt Blue Holding Limited. In Q2 2022, a notable driver behind the unrealized loss of $2.7 million was the change in Minco Silver's share price, which led to a $1.2 million decrease in its fair value from March 31, 2022.

Over the six months culminating on June 30, 2023, the Company's investment portfolio experienced a reduction in market value totaling $0.3 million. The fluctuation in Minco Silver's share price significantly influenced the Company's performance. Minco Silver's fair market value dwindled to $2.1 million, at a share price of $0.19 as of June 30, 2023, in contrast to $2.2 million at a share price of $0.2 as of December 31, 2022. Consequently, the fair market value of Minco Silver saw a reduction of $0.1 million during the half-year, concluding on June 30, 2023.

Furthermore, the fair value of Western Alaska Minerals Corp. also underwent a decrease of $0.12 million compared to its value on December 31, 2022. Similarly, the investment in the Convertible debenture – IBC Advanced Alloy experienced a fair value decrease of $0.1 million from its value on December 31, 2022.

During the six months ending on June 30, 2022, Minco Silver's price fluctuations were instrumental in the unrealized loss of $2.6 million, as its fair value decreased by $1.7 million from December 31, 2021.

The movement in connection with the operating expenses and foreign exchange loss is discussed in sections 3.1.1 and 3.1.2, respectively.

3.1.1 Operating Expenses for the Three and Six months ended June 30, 2023, and 2022

The Company's operating expenses for the three and six months ended June 30, 2023, and 2022 are as follows:

		Three months ended June 30,			Six months ended June 30,		
		2023	2022	change	2023	2022	change
	ref	$	$	$	$	$	$
Accounting and audit		7,281	6,308	973	13,552	11,885	1,667
Amortization		9,694	10,420	(726)	20,734	20,841	(107)
Consulting	a	5,625	20,625	(15,000)	11,250	41,250	(30,000)
Directors' fees		5,500	8,000	(2,500)	14,000	13,000	1,000
Interest expense		3,983	753	3,230	8,110	1,699	6,411
Investment evaluation and management		10,935	13,632	(2,697)	22,913	22,727	186
Legal and regulatory		14,166	9,210	4,956	25,442	21,978	3,464
Office and administration		8,713	7,892	821	17,748	16,400	1,348
Salaries and benefits		23,477	23,247	230	50,557	47,618	2,939
Share-based compensation	b	31,200	-	31,200	32,821	-	32,821
Travel and transportation		703	2,277	(1,574)	1,386	3,503	(2,117)
		121,277	102,364	18,913	218,513	200,901	17,612

Operating expenses witnessed a $19,000 increase in Q2 2023 compared to Q2 2022.

Over the six months culminating on June 30, 2023, there was an $18,000 rise in operating expenses compared to the previous year's equivalent span.

Notable variations in operating expenses are outlined below:

(a). In Q2 2023, consulting fees exhibited a $15,000 decrease compared to the prior year's corresponding period due to a reduction in consultancy personnel.

During the six months concluding on June 30, 2023, consulting fees experienced a $30,000 decline compared to the same period in the prior year for the reasons mentioned above.

(b). Share-based compensation displays annual fluctuations contingent upon the timing and fair value of vested options within each year.

In Q2 2023, the Company registered $31,000 in share-based compensation (2022 - $Nil). During the quarter, the Company accounted for the expense associated with options newly granted in March 2023.

Over the six months culminating on June 30, 2023, the Company documented $33,000 in share-based compensation (2022 - $Nil). The expenditure on share-based compensation arose from the same underlying factors as detailed earlier.

3.1.2 Foreign Exchange Gain (Loss)

The Company's foreign exchange gain or loss is a consequence of the fluctuation in the exchange rate between the US dollar and the Canadian dollar, impacting the US dollar-denominated cash and cash equivalents held by the Company.

Throughout Q2 2023, the US dollar experienced a depreciation of 2.2% against the Canadian dollar (compared to a 2.0% appreciation in 2022). Consequently, the Company incurred a foreign exchange loss of $4,000 during this period (compared to a foreign exchange gain of $3,000 in 2022).

Over the six-month duration culminating on June 30, 2023, the US dollar underwent a depreciation of 2.3% against the Canadian dollar (compared to a 0.1% depreciation in 2022). As a result, the Company's financial records displayed a foreign exchange loss of $5,000 during this period (compared to a loss of $400 in 2022).

4. Summary of Quarterly Results

		Income (loss) per share	
Period ended	Net income (loss)	Basic	Diluted
	$	$	$
06-30-2023	(371,393)	(0.01)	(0.01)
03-31-2023	(68,890)	(0.00)	(0.00)
12-31-2022	734,943	0.02	0.02
09-30-2022	(689,698)	(0.02)	(0.02)
06-30-2022	(2,756,555)	(0.06)	(0.06)
03-31-2022	139,589	0.00	0.00
12-31-2021	(16,611)	(0.00)	(0.00)
09-30-2021	(1,345,353)	(0.03)	(0.03)

Variations in quarterly performance among the recent eight quarters were mainly a combined result of the gain (loss) from investments at fair values held by the Company, the amount of share-based compensation recognized in each period, and the foreign exchange gain or loss. The Company’s performance is not subject to seasonality.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	$	$	$	$
Operating activities	(340,612)	(108,502)	(413,607)	241,811
Financing activities	(20,336)	(89,467)	(47,658)	(130,758)

Operating activities

In Q2 2023, the Company generated $478,000 in cash from investment disposals (compared to $306,000 in 2022) and expended $693,000 in cash for acquiring investment assets (compared to $315,000 in 2022). Additionally, $126,000 was utilized in other operating activities and working capital (compared to $100,000 in 2022).

Over the six months concluding on June 30, 2023, the Company garnered $770,000 in cash from investment disposals (compared to $427,000 in 2022) and utilized $1,023,000 in cash to acquire investment assets (compared to $864,000 in 2022). Furthermore, $161,000 in cash was used for other operating activities and working capital (compared to $195,000 in 2022).

Financing activities

During Q2 2023, the Company expended $8,000 (compared to $79,000 in 2022) to repurchase the company's common shares through the NCIB program. It disbursed $12,000 (compared to $11,400 in 2022) to fulfill lease obligations associated with the Company's shared office.

Throughout the six months ending on June 30, 2023, the Company employed $25,000 (compared to $110,000 in 2022) to repurchase the Company’s common shares via the NCIB program. It allocated $23,000 (compared to $21,000 in 2022) to meet lease obligations connected with the Company's shared office.

5.2 Capital Resources and Liquidity Risk

As of June 30, 2023, the Company's working capital was $6,446,000 compared to $6,874,000 as of December 31, 2022. The Company has funded its operations using its working capital so far this year, and it believes that it has enough working capital available to meet its operational requirements for the next twelve months.

6. Off-Balance Sheet Arrangements

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

7. Related Party Transactions

The following related party transactions were conducted in the normal course of business:

a) Key management compensation

Key management includes the Company's directors and senior management. The compensation is included in operating expenses. For the three and six months ended June 30, 2023, and 2022, compensations to the key management are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	$	$	$	$
Senior management remuneration	26,250	36,467	55,454	62,717
Directors' fees	5,500	8,000	14,000	13,000
Share-based compensation	31,200	-	32,821	-
Total	62,950	44,467	102,275	75,717

b) Investments

Refer to Section 2 above for the Company's relationships and transactions with its investees, El Olivar and Minco Silver.

c) Other transactions with related parties

The Company, Minco Silver and HempNova Lifetech Corporation ("HempNova") have certain directors and management in common. These companies shared specific office rental and administration expenditures.

- $Nil due from Minco Silver (December 31, 2022 – $1,909) in relation to shared office expenses reimbursement.
- $Nil due from Hempnova (December 31, 2022 - $21,431) in relation to shared office expenses reimbursement.
- $ 8,902 due from a company controlled by the Company's CEO (December 31, 2022 – due to CEO $339) in relation to expenses reimbursement.

The amounts due from related parties are unsecured, non-interest bearing and payable on demand.

8. Significant 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.

The Company's significant accounting policies applied judgements and estimates are set out in notes 3 and 4 of the audited annual financial statements for the year ended December 31, 2022.

9. Financial Instruments

Following is a summary of the Company's financial assets and liabilities as of June 30, 2023, and December 31, 2022:

	June 30, 2023	December 31, 2022
	$	$
Fair value through profit and loss:		
Investments at fair value	6,004,602	6,003,194
Amortized cost:		
Cash and cash equivalents	420,973	882,238
Short-term investment	20,000	20,000
Receivables	2,809	4,677
Due from related parties	8,902	23,340
Deposit	13,148	13,148
Accounts payable and accrued liabilities	18,258	46,264
Due to related parties	-	339
Lease obligations	197,550	212,100

Fair value measurement

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

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

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

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

As of June 30, 2023, and December 31, 2022, financial instruments that are not measured at fair value on the statement of financial position are represented by cash and cash equivalents, short-term investment, receivables, due from related parties, accounts payable and accrued liabilities, due to related parties and lease obligations. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

The Company's financial assets measured at fair values through profit or loss are as follows:

	Level 1	Level 2	Level 3
	$	$	$
Investments at fair value, June 30, 2023	5,914,317	90,285	-
Investments at fair value, December 31, 2022	5,420,458	582,736	-

The Company uses the Black-Scholes option pricing model to determine the fair value of those shares purchase warrants using assumptions. The fair value of investments classified at level 2 is reconciled as follows:

	December 31, 2022	Additions	Unrealized gain (loss)	June 30, 2023
	$	$	$	$
Share purchase warrants	384,000	-	(383,000)	1,000
Convertible debenture	90,000	-	(86,425)	3,575
Trust units	108,736	-	(23,026)	85,710
	582,736	-	(492,451)	90,285

	December 31, 2021	Additions	Unrealized gain (loss)	December 31, 2022
	$	$	$	$
Share purchase warrants	436,000	17,800	(69,800)	384,000
Convertible debenture	95,000	-	(5,000)	90,000
Trust units	104,621	-	4,115	108,736
	635,621	17,800	(70,685)	582,736

10. 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 Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible for ensuring that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, concerning the period covered by these filings, and these financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings. Due to the inherent limitations associated with such controls and procedures, management recognizes that, no matter how well designed, they may not prevent or detect misstatements on a timely basis.

The Board of Directors approves the financial statements and MD&A and ensures that 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.

10.1. 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 has materially affected or are reasonably likely to materially affect ICFR. No material changes were made to internal controls during the three months ended June 30, 2023.

11. Cautionary Statement on 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, assumptions, and beliefs of the Company as of the date of such information or statements. 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" or "will be taken," "occur" or "be achieved" or the negative connotation thereof.

All such forward-looking statements are based on our assumptions and analyses in light of our experience and perception of historical trends, current conditions and expected future developments, and other factors we believe are appropriate in the circumstances. However, these statements are subject to known and unknown risks, uncertainties, and other factors. As a result, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These risks, uncertainties and other factors include, among others: but are not limited to, statements concerning the Company's future growth, results of operations, performance and business prospects, opportunities, the Company's investment strategy, investment process, and competitive advantage, growth expectation and opportunities, the availability of future acquisition opportunities and use of the proceeds from the financing.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, other factors may cause results to be less 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 statements containing forward-looking information. All the forward-looking information and opinions contained in this document are expressly qualified, in their entirety, by this cautionary statement. The forward-looking information and statements are made as of the date of this document, and we assume no obligation to update or revise them except as required pursuant to applicable securities laws.