

MINCO CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 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 November 14, 2023. It should be read in conjunction with the unaudited condensed interim financial statement and related notes thereto prepared by management for the nine months ended September 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.sedarplus.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 44,227,881 common shares and 4,797,000 stock options outstanding.

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1. Highlights for the Quarter

During the three months culminating on September 30, 2023 ("Q3 2023"), the Company accomplished the following:

- a) The company acquired common shares from public companies at a total cost of \$169,000. In addition, it sold common shares of public companies, generating proceeds totaling \$225,000 and resulting in a gain of \$57,000. Moreover, the company earned \$13,000 in dividends and interest income. As part of the total proceeds from the share disposition, the company successfully redeemed \$100,000 from its convertible debenture investment.
- b) Under the Normal Course Issuer Bid program ("NCIB"), the company acquired and subsequently cancelled 142,000 of its common shares for a payment of \$11,000.

Following September 30, 2023, the company acquired and cancelled an additional 315,000 common shares for \$22,000.

1.1. Net Asset Value

As of September 30, 2023, the Company's net asset value was \$0.12 per share (December 31, 2022 - \$0.15 per share), while the Company's common shares traded at \$0.07 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 September 30, 2023:

	Number of Shares/Units Held	Fair value
Equities of public resource companies:	#	\$
Top ten resource companies by fair value		
- Minco Silver Corporation	11,000,000	1,650,000
- Asante Gold Corp	616,800	838,848
- Amerigo Resources Ltd	278,900	354,203
- Lithium South Development Corporation	579,500	243,390
- Global X Lithium & Battery Tech ETF	1,750	130,651
- Western Alaska Minerals Corp	109,069	121,067
- Sherritt International Corporation	250,000	103,750
- Azimut Exploration Inc	95,600	95,600
- Neo Performance Materials Inc	11,000	88,330
- Rare Element Resources Ltd	120,000	78,686
Others	various	1,189,173
Trust units		
-Sprott Physical Platinum & Palladium Trust	6,050	85,313
Equity, total		4,979,011
Share warrants, various		1,000
Total		4,980,011

The Company has the following investments as of the nine months ended September 30, 2023:

(i) As of September 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 impact of Minco Silver's share price on the company's overall performance takes precedence over the significance of its portfolio balance. As of September 30, 2023, the share price of Minco Silver had declined to \$0.15, down from \$0.20 on December 31, 2022. The fair market value of Minco Silver's 11 million common shares had also decreased to \$1,650,000, a drop from \$2,200,000 as of December 31, 2022. These shares represented 33% of the company's investment portfolio by fair value, marking a reduction from the 37% they held at the end of December 31, 2022.

Consequently, out of the \$913,000 in unrealized losses reported for the nine months ending on September 30, 2023, concerning investments in shares and partnership units, \$550,000 was attributed to unrealized losses associated with Minco Silver shares, while \$244,000 in unrealized losses stemmed from Western Alaska Mineral Corp. In contrast, the remaining investment holdings accounted for \$119,000 in unrealized losses.

(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 \$540,800 (US\$400,000) in El Olivar in 2009. During the nine months ended September 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 nine months ended September 30, 2023, is as follows:

	December 31, 2022	Additions	Proceeds from dispositions	Realized gain	Unrealized gain (loss)	September 30, 2023
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,420,458	1,191,590	(894,819)	76,520	(900,051)	4,893,698
- Share purchase warrants	384,000	-	-	-	(383,000)	1,000
Investment in trust units:	108,736	-	-	-	(23,423)	85,313
Convertible debenture:	90,000	-	(100,000)	-	10,000	-
Total	6,003,194	1,191,590	(994,819)	76,520	(1,296,474)	4,980,011

3. Results of Operations

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

3.1 Operating Result Comparison for the Three and Nine Months Ended September 30, 2023, and 2022

	Three months ended September 30,			Nine months ended September 30,		
	2023	2022	Change	2023	2022	Change
	\$	\$	\$	\$	\$	\$
Dividend and interest income	13,468	16,034	(2,566)	47,652	47,084	568
Realized gain (loss) from investments	57,379	(2,406)	59,785	76,520	167,475	(90,955)
Unrealized gain (loss) from investments	(1,026,046)	(623,419)	(402,627)	(1,296,474)	(3,239,985)	1,943,511
	(955,199)	(609,791)	(345,408)	(1,172,302)	(3,025,426)	1,853,124
Operating expenses	(135,095)	(84,664)	(50,431)	(353,608)	(285,565)	(68,043)
Foreign exchange gain (loss)	2,453	4,757	(2,304)	(2,214)	4,327	(6,541)
Net income (loss)	(1,087,841)	(689,698)	(398,143)	(1,528,124)	(3,306,664)	1,178,540

The gains and losses stemming from the investments are contingent on the performance of the entities in which the Company invests. These financial outcomes are susceptible to fluctuations driven by various factors, including, but not limited to, the broader economic climate, foreign exchange rates, and metal price variables that are beyond the Company's control.

In the third quarter of 2023, the primary cause of an unrealized loss amounting to \$1.0 million in the investments was the decline in the fair market values of Minco Silver Corporation, Asante Gold Corp., Western Alaska Minerals Corp., Lithium South Development Corporation and Amerigo Resources Ltd, resulting in a loss of \$1.0 million. In contrast, during the third quarter of 2022, a noteworthy driver behind the unrealized loss of \$0.6 million was the change in the fair market value of Asante Gold Corp., Azumut Exploration Inc., Lion One Metals Ltd., Amerigo Resources Ltd., Solaris Resources Inc., and Minco Silver Corporation, collectively contributing to a \$0.4 million fair value loss in that period.

Over the nine months leading up to September 30, 2023, the company's investment portfolio saw a reduction in market value totaling \$1.3 million. Minco Silver's share price fluctuation significantly impacted our company's performance. As of September 30, 2023, Minco Silver's fair market value had decreased to \$1.65 million, with a share price of \$0.15, compared to \$2.2 million at a share price of \$0.2 on December 31, 2022. Consequently, Minco Silver's fair market value experienced a reduction of \$0.6 million during the nine months ending on September 30, 2023. Additionally, Western Alaska Minerals Corp.'s fair value decreased by \$0.2 million compared to its value on December 31, 2022.

In the nine months ending on September 30, 2022, fluctuations in Minco Silver's price were instrumental in the unrealized loss of \$3.2 million, as its fair value decreased by \$1.7 million from December 31, 2021. Other investments, such as Hudson Resources Inc., NEO Performance Materials, Solaris Resources Inc., and Amerigo Resources Ltd., also contributed to a \$0.7 million fair value loss during the nine months ending September 30, 2022.

3.1.1 Operating Expenses for the Three and Nine Months Ended September 30, 2023, and 2022

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

		Three months ended September 30,			Nine months ended September 30,		
		2023	2022	change	2023	2022	change
	ref	\$	\$	\$	\$	\$	\$
Accounting and audit		6,573	5,828	745	20,125	17,713	2,412
Amortization		8,976	10,422	(1,446)	29,710	31,263	(1,553)
Consulting	a	5,625	7,775	(2,150)	16,875	49,025	(32,150)
Directors' fees		5,500	6,500	(1,000)	19,500	19,500	-
Interest expense		3,808	552	3,256	11,918	2,251	9,667
Investment evaluation and management		10,693	10,326	367	33,606	33,053	553
Legal and regulatory	b	19,376	4,545	14,831	44,818	26,523	18,295
Office and administration		17,158	15,757	1,401	34,906	32,157	2,749
Salaries and benefits		22,793	22,285	508	73,350	69,903	3,447
Share-based compensation	c	33,920	-	33,920	66,741	-	66,741
Travel and transportation		673	674	(1)	2,059	4,177	(2,118)
		135,095	84,664	50,431	353,608	285,565	68,043

Operating expenses in Q3 2023 saw a \$50,000 increase compared to Q3 2022.

Over the nine months ending on September 30, 2023, operating expenses rose by \$68,000 compared to the corresponding period in the previous year.

The noteworthy variations in operating expenses are outlined below:

(a) In Q3 2023, consulting fees remained consistent with the same period 2022.

However, during the nine months concluding on September 30, 2023, consulting fees experienced a \$32,000 decrease due to reduced consultancy personnel.

(b) Legal fees in Q3 2023 increased by \$15,000, primarily driven by hiring a legal counsel for the company to address matters related to share consolidation and dividends. The company also incurred legal fees related to filing a new stock option plan.

Over the nine months ending on September 30, 2023, legal fees increased by \$18,000 for the same reasons mentioned above.

(c) Share-based compensation exhibits annual fluctuations depending on the timing and fair value of vested options within each year.

In Q3 2023, the company recorded \$34,000 in share-based compensation (compared to \$Nil in 2022). This expense was associated with options newly granted in March 2023.

Over the nine months concluding on September 30, 2023, the company reported \$67,000 in share-based compensation (compared to \$Nil in 2022), with the expenditure on share-based compensation stemming from the same underlying factors detailed earlier.

4. Summary of Quarterly Results

Period ended	Net income (loss)	Income (loss) per share	
		Basic	Diluted
	\$	\$	\$
09-30-2023*	(1,087,841)	(0.02)	(0.02)
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)

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.

*The net loss of \$2.8 million for the quarter ending June 30, 2022, was primarily attributed to a \$2.7 million fair value loss on the equity investment.

* The net loss of \$1.1 million for the quarter ending September 30, 2023, can be mainly attributed to an unrealized loss of \$1.0 million resulting from a change in fair value on the equity investment.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating activities	18,071	(99,360)	(395,536)	142,451
Financing activities	(23,120)	(33,342)	(70,778)	(164,100)

Operating activities

In Q3 2023, the Company generated \$225,000 in cash from investment disposals (compared to \$10,000 in 2022) and expended \$169,000 in cash for acquiring investment assets (compared to \$131,000 in 2022). Additionally, \$38,000 was utilized in other operating activities and working capital (compared to \$21,000 cash generated in 2022).

Over the nine months concluding on September 30, 2023, the Company garnered \$995,000 in cash from investment disposals (compared to \$875,000 in 2022) and utilized \$1,192,000 in cash to acquire investment assets (compared to \$558,000 in 2022). Furthermore, \$199,000 in cash was used for other operating activities and working capital (compared to \$175,000 in 2022).

Financing activities

In Q3 2023, the Company expended \$10,000 (compared to \$23,000 in 2022) to repurchase the company's common shares through the NCIB program. It disbursed \$13,000 (compared to \$11,000 in 2022) to fulfill lease obligations associated with the Company's shared office.

Throughout the nine months ending on September 30, 2023, the Company employed \$35,000 (compared to \$132,000 in 2022) to repurchase the Company's common shares via the NCIB program. It allocated \$35,000 (compared to \$32,000 in 2022) to meet lease obligations connected with the Company's shared office.

5.2 Capital Resources and Liquidity Risk

As of September 30, 2023, the Company's working capital was \$5,381,000 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 nine months ended September 30, 2023, and 2022, compensations to the key management are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Senior management remuneration	28,110	30,914	85,425	93,631
Directors' fees	5,500	6,500	19,500	19,500
Share-based compensation	33,920	-	66,741	-
Total	67,530	37,414	171,666	113,131

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.

- \$4,222 due to Minco Silver (due from Minco Silver December 31, 2022 - \$1,909) in relation to shared office expenses reimbursement.
- \$1,508 due to Hempnova (due from Hempnova December 31, 2022 - \$21,431) in relation to shared office expenses reimbursement.
- \$1,303 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 September 30, 2023, and December 31, 2022:

	September 30, 2023	December 31, 2022
	\$	\$
Fair value through profit and loss:		
Investments at fair value	4,980,011	6,003,194
Amortized cost:		
Cash and cash equivalents	415,924	882,238
Short-term investment	20,000	20,000
Receivables	2,596	4,677
Due from related parties	1,303	23,340
Deposit	13,148	13,148
Accounts payable and accrued liabilities	26,191	46,264
Due to related parties	5,730	339
Lease obligations	188,726	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 September 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, September 30, 2023	4,893,698	86,313	-
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	Proceeds from dispositions	Realized Gain	Unrealized gain (loss)	September 30, 2023
	\$	\$	\$	\$	\$	\$
Share purchase warrants:	384,000	-	-	-	(383,000)	1,000
Investment in trust units:	108,736	-	-	-	(23,423)	85,313
Convertible debenture:	90,000	-	(100,000)	-	10,000	-
Total	582,736	-	(100,000)	-	(396,423)	86,313

	December 31, 2021	Additions	Proceeds from dispositions	Realized Gain	Unrealized gain (loss)	December 31, 2022
	\$	\$	\$	\$	\$	\$
Share purchase warrants:	436,000	17,800	-	-	(69,800)	384,000
Investment in trust units:	104,621	-	-	-	4,115	108,736
Convertible debenture:	95,000	-	-	-	(5,000)	90,000
Total	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 have materially affected or are reasonably likely to materially affect ICFR. No material changes were made to internal controls during the three months ended September 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 expected future developments, and other factors we believe are appropriate. 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.