

Minco Capital Corp.

Condensed Interim Financial Statements

For the three months ended March 31, 2024

(Unaudited, expressed in Canadian dollars unless otherwise stated)

NOTICE TO READER

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

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

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

Dr. Ken Cai
Chief Executive Officer

Renee Lin, CPA, CGA
Chief Financial Officer

Vancouver, Canada
May 16, 2024

Minco Capital Corp.

Condensed Interim Statements of Financial Position

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

	March 31, 2024	December 31, 2023
Assets	\$	\$
Current assets		
Cash and cash equivalents (note 3)	603,542	391,301
Short-term investment (note 4)	20,000	20,000
Investments at fair value (note 5)	4,537,431	5,127,293
Receivables	3,411	1,648
Due from related parties (note 8)	-	324
Prepaid expenses and deposits	15,424	23,175
	5,179,808	5,563,741
Non-current assets		
Long-term deposit	13,148	13,148
Property and equipment	426	554
Right-of-use assets (note 6)	149,060	158,186
Total assets	5,342,442	5,735,629
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	36,116	42,695
Due to related party (note 8)	3,599	4,844
Lease obligation, current (note 6)	37,094	36,183
	76,809	83,722
Lease obligation, non-current (note 6)	136,743	147,006
	213,552	230,728
Shareholders' Equity		
Share capital (note 7)	35,948,817	36,096,115
Contributed surplus	10,485,944	10,469,089
Deficits	(41,305,871)	(41,060,303)
	5,128,890	5,504,901
Total liabilities and shareholders' equity	5,342,442	5,735,629

Approved by the Board of Directors

(signed) Malcolm Clay Director

(signed) Mike Doggett Director

The accompanying notes are an integral part of these condensed interim financial statements.

Minco Capital Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2024, and 2023

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

	Three months ended March 31,	
	2024	2023
	\$	\$
Dividend and interest income	8,815	16,302
Realized gain from investments (note 5)	68,012	2,240
Unrealized gain (loss) from investments (note 5)	(351,013)	10,619
	(274,186)	29,161
Operating expenses		
Accounting and audit	10,034	6,271
Amortization	9,254	11,040
Consulting	5,625	5,625
Directors' fees (note 8)	5,500	8,500
Interest expense (note 6)	3,516	4,127
Investment evaluation and management	9,729	11,978
Legal and regulatory	10,517	11,276
Office and administration	9,701	9,035
Salaries and benefits	28,090	27,080
Share-based compensation (note 7)	16,855	1,621
Travel	674	683
	109,495	97,236
Operating loss	(383,681)	(68,075)
Foreign exchange gain (loss)	455	(815)
Net loss and comprehensive loss	(383,226)	(68,890)
Net loss per share - Basic and diluted	(0.01)	(0.00)
Weighted average number of common shares outstanding		
- Basic and diluted	43,443,321	45,657,952

The accompanying notes are an integral part of these condensed interim financial statements.

Minco Capital Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2024, and 2023

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

	Number of shares	Treasury shares	Share capital	Contributed surplus	Deficits	Subtotal
	#		\$	\$	\$	\$
Balance - January 1, 2023	44,788,881	5,000	37,072,717	10,386,171	(40,557,116)	6,901,772
Net loss for the period	-	-	-	-	(68,890)	(68,890)
Share-based compensation	-	-	-	1,621	-	1,621
Shares cancelled (note 7)	(309,000)	(5,000)	(259,875)	-	243,233	(16,642)
Balance - March 31, 2023	44,479,881	-	36,812,842	10,387,792	(40,382,773)	6,817,861
Balance - January 1, 2024	43,608,881	11,000	36,096,115	10,469,089	(41,060,303)	5,504,901
Net loss for the period	-	-	-	-	(383,226)	(383,226)
Share-based compensation	-	-	-	16,855	-	16,855
Shares cancelled (note 7)	(178,000)	(11,000)	(147,298)	-	137,658	(9,640)
Balance - March 31, 2024	43,430,881	-	35,948,817	10,485,944	(41,305,871)	5,128,890

The accompanying notes are an integral part of these condensed interim financial statements.

Minco Capital Corp.

Condensed Interim Statements of Cash Flow

For the three months ended March 31, 2024, and 2023

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

	Three months ended March 31,	
	2024	2023
Cash flow generated from (used in):	\$	\$
Operating activities		
Net loss for the period	(383,226)	(68,890)
Items not affecting cash and cash equivalent:		
Amortization	9,254	11,040
Interest expense	3,516	4,127
Unrealized loss (gain) from investments	351,013	(10,619)
Realized gain from investments	(68,012)	(2,240)
Share-based compensation	16,855	1,621
Purchase of investments	(135,764)	(329,846)
Disposition of investments	442,625	291,943
Changes in items of working capital:		
Accounts payable and accrued liabilities	(6,580)	(13,618)
Due from (to) related parties	(920)	36,461
Prepaid expenses and deposits	7,751	5,087
Receivables	(1,763)	1,939
Net cash generated from (used in) operating activities	234,749	(72,995)
Financing activities		
Purchase of shares for cancellation	(9,640)	(16,643)
Repayment of lease obligation	(12,868)	(10,679)
Net cash used in financing activities	(22,508)	(27,322)
Increase (decrease) in cash and cash equivalents	212,241	(100,317)
Cash and cash equivalents - Beginning of the period	391,301	882,238
Cash and cash equivalents - End of the period	603,542	781,921
Supplemental information:		
Foreign exchange gain (loss) included in unrealized loss from investment	12,720	(442)
Taxes paid	-	-
Interest paid	-	-

The accompanying notes are an integral part of these condensed interim financial statements.

Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

1. Nature of operations

Minco Capital Corp. (the “Company”) is an investment company that aims to generate income and achieve long-term capital appreciation by investing in public and private companies and assets.

The Company was incorporated in 1982 under the laws of British Columbia, Canada, as Cap Rock Energy Ltd. On February 25, 2019, the Company changed its name to Minco Capital Corp. The company’s registered office is 2060 - 1055 West Georgia Street, British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol MMM and on the OTC Market in the USA (“OTCQB”) under the symbol MGHCF.

2. Basis of preparation

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

The board approved these condensed interim financial statements of directors for issue on May 16, 2024.

The condensed interim financial statements have been prepared under the historical cost convention, except for financial instruments carried at fair value through profit or loss (“FVTPL”).

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

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

3. Cash and cash equivalents

As of March 31, 2024, the Company had cash on hand of \$603,542 (December 31, 2023 - \$391,301).

4. Short-term investment

As of March 31, 2024, the short-term investment consists of \$20,000 (December 31, 2023 - \$20,000) cashable guaranteed investment certificates. The yield on this investment is 3.25% per annum (December 31, 2023 – 3.25%).

Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

4. 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, which is the 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 had the following investments as of March 31, 2024:

	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	1,650,000
-Asante Gold Corp.	541,800	704,340
-Amerigo Resources Ltd.	178,900	277,295
-Lithium South Development Corporation	504,000	277,200
-Global X Lithium & Battery ETF	1,750	107,441
-Vaneck Gold Miners ETF	2,045	87,618
-Western Alaska Minerals Corp.	109,069	83,983
-Unity Software Inc.	2,072	74,962
-Anortech Inc.	1,750,857	70,034
-Sherritt International Corporation	250,000	70,000
Others	various	1,054,384
Equities of a private company (EL Olivar)⁽ⁱⁱ⁾	400,000	-
Trust units		
-Sprott Physical Platinum & Palladium Trust	6,050	80,174
Total		4,537,431

The Continuity schedule of the Company's investments during the three months ended March 31, 2024, is as follows:

	December 31, 2023	Additions	Proceeds from dispositions	Realized Gain	Unrealized loss	March 31, 2024
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,044,955	135,764	(442,625)	68,012	(348,849)	4,457,257
Investment in trust units:	82,338	-	-	-	(2,164)	80,174
Total	5,127,293	135,764	(442,625)	68,012	(351,013)	4,537,431

Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

5. Investments at fair value (continued)

The Company has the following investments as of December 31, 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	1,980,000
- Asante Gold Corp	566,800	804,856
- Amerigo Resources Ltd	278,900	387,671
- Lithium South Development Corporation	579,500	182,543
- Global X Lithium & Battery Tech ETF	1,750	117,880
- Western Alaska Minerals Corp	109,069	104,706
- Azimut Exploration Inc	95,600	87,952
- Neo Performance Materials Inc	11,000	83,930
- Van Eck Gold Miners ETF	2,045	83,873
- Sherritt International Corporation	250,000	73,750
Others	various	1,137,794
Equities of a private company (EI Olivar)⁽ⁱⁱ⁾	400,000	-
Trust units		
-Sprott Physical Platinum & Palladium Trust	6,050	82,338
Total		5,127,293

The Continuity of the Company's investments during the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions	Proceeds from dispositions	Realized gain	Unrealized gain (loss)	December 31, 2023
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,420,458	1,214,614	(997,627)	140,302	(732,792)	5,044,955
- Share purchase warrants	384,000	-	-	-	(384,000)	-
Investment in trust units:	108,736	-	-	-	(26,398)	82,338
Convertible debenture:	90,000	-	(100,000)	-	10,000	-
Total	6,003,194	1,214,614	(1,097,627)	140,302	(1,133,190)	5,127,293

(i) As of March 31, 2024, the Company held 11,000,000 common shares of Minco Silver Corporation ("Minco Silver"), which was approximately 18% of Minco Silver's number of outstanding shares (December 31, 2023 - 11,000,000 common shares about 18% ownership). As of March 31, 2024, the market price closed at \$0.15 per share (December 31, 2023 - \$0.18 per share).

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

5. Investments at fair value (continued)

(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 \$542,000 (US\$400,000) in El Olivar in 2019. During the three months ended March 31, 2024, there was no change in management’s assessment, and this investment remains impaired.

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

6. Leases

The Company shares office space in Vancouver, British Columbia, with other related companies through certain common directors and management. In November 2022, The Company extended its lease commitment for an additional five years, set to conclude on April 30, 2028. As per the guidelines of IFRS 16 Leases, this specific lease arrangement was not accounted for as an independent lease entity. Instead, the right-of-use asset and lease obligation were evaluated at the present value of the adjusted lease payments. This valuation was computed using an incremental borrowing rate of 8% for discounting.

a) Right-of-use assets

During the three months ended March 31, 2024, the cost attributable to the Company remained stable. However, in 2023, the Company’s attributable costs fluctuated due to variations in property taxes and other fees. These changes, reflected in the table below, impacted the lease terms.

The following table shows the Company’s right-of-use assets for the three months ended March 31, 2024, and for the year ended December 31, 2023:

	March 31, 2024	December 31, 2023
	\$	\$
Right-of-use asset, beginning of period	158,186	191,491
Change to lease term	-	3,200
Amortization	(9,126)	(36,505)
Right-of-use asset, end of period	149,060	158,186

Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

6. Leases (continued)

b) Lease obligation

The continuity of the lease obligation for the three months ended March 31, 2024, and the year ended December 31, 2023, is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Lease obligation recognized, beginning of period	183,189	212,100
Change to lease term	-	3,200
Interest accretion	3,516	15,814
Lease payments	(12,868)	(47,925)
Lease obligation, end of period	173,837	183,189
Current lease obligation	37,094	36,183
Non-current lease obligation	136,743	147,006
Lease obligation, end of period	173,837	183,189

The maturity analysis of the Company's contractual undiscounted lease liabilities as of March 31, 2024, is as follows:

	Total
	\$
Less than one year	49,434
One to two years	50,094
Two to three years	50,753
Three to four years	51,413
Five and beyond five years	1,591
	203,285

7. Share capital

(a) Common shares

Authorized: 100,000,000 common shares without par value

In 2023, the Company renewed the NCIB for one year, ending March 31, 2024. Under the renewed NCIB program, the Company may repurchase for cancellation up to 3,410,425 or 10% of the Company's public float.

In 2023, the Company acquired 1,180,000 common shares. Initially procured at an original cost of \$976,602, these shares were redeemed for a total payment of \$75,998. The variance of \$900,604 between the purchase price and the actual cost was duly documented as a credit to the deficit. 1,174,000 of these common shares were cancelled.

During the three months ending March 31, 2024, the Company acquired and cancelled 189,000 common shares with an original cost of \$147,298 for a total payment of \$9,640. The difference of \$137,658 between the purchase price and actual cost was recorded as a credit to retained earnings.

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Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

7. Share capital (continued)

(b) Stock options

The Company has implemented a fixed stock option plan, reserving 8,895,976 shares for issuance. The Company's board of directors may grant such options to its directors, officers, employees, and consultants for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options are granted. These options are equity-settled.

In 2023, the Company granted stock options to employees, consultants, and directors to purchase 2,700,000 common shares at an exercise price of \$0.055 per common share. These options vest over 18 months from the issue date and will expire five years after issuance if unexercised.

During the three months ended March 31, 2024, the Company did not grant stock options.

The Company's outstanding option continuity is as follows:

	Number outstanding	Weighted average exercise price
	#	\$
Balance, December 31, 2022,	4,390,000	0.14
Expired	(2,190,000)	0.17
Forfeited*	(103,000)	0.12
Grant	2,700,000	0.06
Balance, December 31, 2023 and March 31, 2024	4,797,000	0.08

*On April 24, 2023, the Company announced the cancellation of 103,000 insider stock options that exceeded the insider limit set by its stock option plan, reducing the number of outstanding options to 4,797,000.

The Company recorded a \$16,855 share-based compensation for the three months ended March 31, 2024 (2023 - \$1,621).

As of March 31, 2024, there was \$11,320 (December 31, 2023 - \$24,828) of the total unrecognized compensation cost relating to unvested options.

A summary of the Company's outstanding options as of March 31, 2024, is as follows:

Options outstanding			Options exercisable		
exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$	#		\$	#	\$
0.055	2,700,000	3.99	0.055	1,800,000	0.055
0.12	2,097,000	1.08	0.12	2,097,000	0.12
	4,797,000	2.72	0.08	3,897,000	0.09

Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

7. Share capital (continued)

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

	2024	2023
Risk-free interest rate	-	2.94%
Dividend yield	-	0%
Volatility	-	104%
Forfeiture rate	-	17%
Estimated expected lives	-	5 years

8. Related party transactions

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

a) Key management compensation

The Company's key management comprises its directors and senior executives; their compensation is included in the operating expenses.

The compensation for the key management during the three months ended March 31, 2024, and 2023, is as follows:

	2024	2023
	\$	\$
Senior management remuneration	28,110	29,204
Directors' fees	5,500	8,500
Share-based compensation	16,855	1,621
Total	50,465	39,325

b) Investment

Refer to note 5 for the Company's relationships and transactions with its investees, EI Olivar and Minco Silver.

c) Other transactions with related parties

The Company, Minco Silver, and HempNova Lifetech Corporation ("HempNova") have common directors and management. As a result, these companies shared certain office rental and administrative expenses.

As of March 31, 2024, the Company's due to/from related parties consists of:

- \$134 due to Minco Silver (December 31, 2023 – \$150) in relation to shared office expenses reimbursement.
- \$186 due to Hempnova (December 31, 2023 – due from Hempnova \$324) in relation to shared office expenses reimbursement.

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Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

8. Related party transactions (continued)

- \$3,279 due to a company controlled by the Company's CEO (December 31, 2023 –\$4,694) in relation to expenses reimbursement.

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

9. Financial instruments and fair value

The following table summarizes the carrying value of financial assets and liabilities on March 31, 2024, and December 31, 2023:

	March 31, 2024	December 31, 2023
	\$	\$
Fair value through profit and loss:		
Investments at fair value	4,537,431	5,127,293
Amortized cost:		
Cash and cash equivalents	603,542	391,301
Short-term investment	20,000	20,000
Receivables	3,411	1,648
Due from related parties	-	324
Deposits	13,148	13,148
Accounts payable and accrued liabilities	36,116	42,695
Due to related parties	3,599	4,844
Lease obligations	173,837	183,189

Fair value measurement

As of March 31, 2024, and December 31, 2023, financial instruments not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivables, due from related parties, accounts payable, and accrued liabilities. Due to their short-term nature, the fair values of these financial instruments approximate the carrying value.

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

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

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

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

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Notes to the Condensed Interim Financial Statements

For the three months ended March 31, 2024 and 2023

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

9. Financial instruments and fair value (continued)

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

March 31, 2024	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	4,457,257	80,174	-

December 31, 2023	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	5,044,955	82,338	-

The fair value of investments classified as level 2 is reconciled as follows:

	December 31, 2023	Additions	Unrealized loss	March 31, 2024
	\$	\$	\$	\$
Trust units:	82,338	-	(2,164)	80,174

	December 31, 2022	Additions	Unrealized gain (loss)	December 31, 2023
	\$	\$	\$	\$
Share purchase warrants:	384,000	-	(384,000)	-
Trust units:	108,736	-	(26,398)	82,338
Convertible debenture:	90,000	(100,000)	10,000	-
	582,736	(100,000)	(400,398)	82,338

The Company uses the Black-Scholes option pricing model to determine the fair value of those shares purchase warrants using assumptions.