

MINCO CAPITAL CORP.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

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 13, 2024. It should be read with the condensed interim financial statement and related notes prepared by management for the nine months ending September 30, 2024. The Company’s condensed interim financial statements have been prepared following IAS 34 Interim Financial Reporting of International Financial Reporting Standards (“IFRS”) 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 with the audited financial statements and related notes for the year ending December 31, 2023.

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 information about the Company is available under its profile on SEDAR at www.sedarplus.ca. 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.

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. 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 43,430,881 common shares and 4,797,000 stock options outstanding.

Table of Contents

1. HIGHLIGHTS FOR THE QUARTER	2
2. INVESTMENTS AT FAIR VALUE	2
3. RESULTS OF OPERATIONS	4
4. SUMMARY OF QUARTERLY RESULTS	5
5. LIQUIDITY AND CAPITAL RESOURCES	6
6. OFF-BALANCE SHEET ARRANGEMENTS	6
7. RELATED PARTY TRANSACTIONS	7
8. MATERIAL ACCOUNTING POLICIES	7
9. FINANCIAL INSTRUMENTS	8
10. INTERNAL CONTROLS OVER FINANCIAL REPORTING	9
11. CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION	9

1. Highlights for the Quarter

During the three months ending September 30, 2024, the Company reported the following activities:

- a) The Company strategically divested certain older stocks and reinvested in holdings that were more closely aligned with its current objectives. While these sales resulted in a realized loss due to market conditions, the Company also recognized a significant unrealized gain, marking positive adjustments within the portfolio and positioning it for long-term growth.
 - Acquired common shares from the public market totaling \$534,000.
 - Sold common shares of public companies, generating proceeds of \$836,000, resulting in a realized loss of \$961,000 and an unrealized gain of \$861,000.
 - Earned \$11,000 in dividends and interest income.
- b) Acquired an additional \$300,000 in guaranteed investment certificates (“GIC”) with terms of 180 and 270 days, yielding between 3.75% and 4.38% per annum.

1.2. Net asset value

As of September 30, 2024, the Company’s net asset value was \$0.12 per share (December 31, 2023 - \$0.13 per share), while the Company’s common shares traded at \$0.05 per share (December 31, 2023 - \$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 repurchased and cancelled its common shares. It believes it is appropriate to use the Company’s funds to benefit all remaining shareholders by increasing their equity interest.

The Company uses net asset value (NAV) per share to assess its performance. It presents NAV per share to reflect a measure of the Company’s underlying value to shareholders compared to its traded market price per share. NAV per share is a non-GAAP financial measure that does not have a standardized meaning prescribed by IFRS and might not be comparable to similar measures presented by other entities. It should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS.

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, 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 reviews quoted bids and asks prices for convertible debentures, if available. If such information is unavailable, the convertible debenture is measured at either its redemption or conversion value, depending on the Company’s intent to exercise the instrument upon maturity.

The Company has the following investments as of September 30, 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	1,815,000
-Asante Gold Corp.	523,400	748,462
-Tesla Inc.	400	141,270
-Unity Software Inc.	4,000	122,139
-Global X Lithium & Battery ETF	1,750	102,974
-Lundin Gold Inc.	3,500	102,375
-Lithium South Development Corporation	495,000	96,525
-Lavras Gold Corp.	37,034	94,444
-Western Alaska Minerals Corp.	109,069	73,076
-Perseus Mining Ltd.	28,000	66,640
Others	various	812,760
Equities of a private company (EL Olivar)⁽ⁱⁱ⁾	400,000	-
Total		4,175,665

The Company has the following investments during the nine months ended September 30, 2024:

(i) As of September 30, 2024, and December 31, 2023, 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 about Minco Silver can be found on its 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.

As of September 30, 2024, Minco Silver's share price closed at \$0.165 (compared to \$0.18 as of December 31, 2023). The fair market value of Minco Silver's 11 million common shares was \$1,815,000 (compared to \$1,980,000 as of December 31, 2023), which accounted for 43% of the Company's investment portfolio by fair value (compared to 39% as of December 31, 2023). Consequently, Minco Silver's share price fluctuations will significantly impact the overall portfolio.

(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"), entitling the holder to purchase one additional Class A voting share for US\$1.00. Such warrants expired in 2019.

Following Level 3 of the fair value hierarchy, the Company impaired its investment of \$539,960 (US\$400,000) in El Olivar in 2009. During the nine months ended September 30, 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.

The continuity schedule of the Company's investments during the nine months ended September 30, 2024, is as follows:

	December 31, 2023	Additions	Proceeds from dispositions	Realized loss	Unrealized gain	September 30, 2024
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,044,955	881,033	(1,697,403)	(640,486)	587,566	4,175,665
Investment in trust units:	82,338	-	(83,798)	(51,175)	52,635	-
Total	5,127,293	881,033	(1,781,201)	(691,661)	640,201	4,175,665

3. Results of Operations

3.1 Operating result comparison for the three and nine months ended September 30, 2024, and 2023

	Three months ended September 30, 2024			Nine months ended September 30, 2024		
	2024	2023	Change	2024	2023	Change
	\$	\$	\$	\$	\$	\$
Dividend and interest income	10,599	13,468	(2,869)	28,194	47,652	(19,458)
Realized gain (loss) from investments	(960,787)	57,379	(1,018,166)	(691,661)	76,520	(768,181)
Unrealized gain (loss) from investments	861,086	(1,026,046)	1,887,132	640,201	(1,296,474)	1,936,675
	(89,102)	(955,199)	866,097	(23,266)	(1,172,302)	1,149,036
Operating expenses	(91,497)	(135,095)	43,598	(298,862)	(353,608)	54,746
Foreign exchange gain (loss)	(6,414)	2,453	(8,867)	(1,831)	(2,214)	383
Net loss	(187,013)	(1,087,841)	900,828	(323,959)	(1,528,124)	1,204,165

The company's investment gains and losses depend on the performance of the entities it invests in. These financial outcomes fluctuate due to external influences like overall economic conditions, government policies, foreign exchange rates, and commodity prices, all of which are beyond the company's control.

During the nine months ended September 30, 2024, the company strategically divested certain stocks acquired in 2018 and reinvested in assets more aligned with its current goals. Despite market conditions resulting in a realized loss on these sales, the company recorded a significant unrealized gain, reflecting positive adjustments within its portfolio and positioning it for long-term growth.

Consequently, the company reported a net loss of \$692,000 for the nine months ended September 30, 2024, compared to a net gain of \$77,000 for the same period in 2023. Additionally, the company recognized an unrealized gain of \$640,000, in contrast to a \$1,296,000 loss in 2023. This unrealized gain resulted from fair value adjustments on both sold and existing stocks, partially offset by a \$165,000 loss related to Minco Silver.

For the three months ended September 30, 2024 ("Q3 2024"), the company recorded a net loss of \$961,000, a sharp decline from a \$57,000 gain in Q3 2023. Despite an unrealized loss of \$385,000 from Minco Silver, the portfolio's overall performance in Q3 2024 remained positive, driven by favorable adjustments on sold and existing stocks.

Further details on operating expenses and foreign exchange losses are discussed in Sections 3.1.1 and 3.1.2, respectively.

3.1.1 Operating expenses for the three and nine months ended September 30, 2024, and 2023

The Company's operating expenses for the three and nine months ended September 30, 2024, and 2023 are as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	change	2024	2023	change
	\$	\$	\$	\$	\$	\$
Accounting and audit	7,984	6,573	1,411	25,829	20,125	5,704
Amortization	9,169	8,976	193	27,592	29,710	(2,118)
Consulting	5,625	5,625	-	16,875	16,875	-
Directors' fees	5,500	5,500	-	18,500	19,500	(1,000)
Interest expense	3,186	3,808	(622)	10,083	11,918	(1,835)
Investment evaluation and management	9,576	10,693	(1,117)	29,100	33,606	(4,506)
Legal and regulatory	11,259	19,376	(8,117)	34,860	44,818	(9,958)
Office and administration	8,869	17,158	(8,289)	28,768	34,906	(6,138)
Salaries and benefits	22,102	22,793	(691)	73,646	73,350	296
Share-based compensation	7,521	33,920	(26,399)	31,548	66,741	(35,193)
Travel and Transportation	706	673	33	2,061	2,059	2
	91,497	135,095	(43,598)	298,862	353,608	(54,746)

During the nine months ending September 30, 2024, the Company's operating expenses decreased by \$55,000, primarily due to reductions in specific areas: share-based compensation decreased by \$35,000, office expenses by \$6,000, and legal fees by \$10,000. Other cost components remained consistent with the same period in 2023.

In Q3 2024, the Company's operating expenses decreased by \$44,000, driven mainly by a \$26,000 reduction in share-based compensation, an \$8,000 reduction in office expenses, and an \$8,000 reduction in legal fees. Other cost components aligned with those in the same period in 2023.

Share-based compensation expenses vary annually based on the number of new grant options, fair value, and option vesting timing. On March 27, 2023, the company granted 2.7 million stock options to its employees and directors. No new options were granted during 2024, resulting in higher stock option expenses in 2023 compared to 2024.

4. Summary of Quarterly Results

Period ended	Net income (loss)	Income (loss) per share	
		Basic	Diluted
	\$	\$	\$
09-30-2024	(187,013)	(0.00)	(0.00)
06-30-2024	246,280	0.01	0.01
03-31-2024	(383,226)	(0.01)	(0.01)
12-31-2023	124,333	0.00	0.00
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

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 June 30, 2022 quarter was primarily due 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,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Operating activities	(53,528)	18,071	(46,971)	(395,536)
Financing activities	(13,048)	(23,120)	(45,845)	(70,778)

Operating activities

During the nine months ending September 30, 2024, the Company generated \$1,781,000 in cash from the disposition of investments, an increase from \$995,000 during the same period in 2023. It utilized \$881,000 for investment purchases, a decrease from \$1,192,000 in 2023. Additionally, the Company purchased a \$700,000 GIC during this period. The Company also used \$247,000 in cash for other operating activities and working capital, compared to \$199,000 in 2023.

In Q3 2024, the Company generated \$836,000 in cash from the disposition of investments, up from \$225,000 during the same period in 2023. It utilized \$534,000 for investment purchases, an increase from \$225,000 in 2023. The Company also purchased a \$300,000 GIC during this period. Additionally, the Company used \$55,000 in cash for other operating activities and working capital, compared to \$46,000 in 2023.

Financing activities

During the nine months ending September 30, 2024, the Company spent \$10,000 to repurchase its common shares under the NCIB program, down from \$35,000 in 2023. It also allocated \$36,000 to cover the lease obligation for its shared office, consistent with the amount used in the previous year.

In Q3 2024, the Company spent \$Nil to repurchase its common shares under the NCIB program, down from \$10,000 in 2023. Additionally, it allocated \$13,000 to cover the lease obligation for its shared office, consistent with the amount used in the previous year.

5.2 Capital Resources and Liquidity Risk

As of September 30, 2024, the Company's working capital was \$5,177,000, compared to \$5,480,000 as of December 31, 2023. 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

The Company's key management comprises its directors and senior executives; their compensation is included in the operating expenses. The compensation for the critical management during the three and nine months ended September 30, 2024, and 2023, is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Senior management remuneration	29,835	28,110	87,931	85,425
Directors' fees	5,500	5,500	18,500	19,500
Share-based compensation	7,521	33,920	31,548	66,741
Total	42,856	67,530	137,979	171,666

b) Investments

Please refer to section 2, Investments at Fair Value, 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 joint directors and management. As a result, these companies shared certain office rental and administrative expenses.

As of September 30, 2024, the Company's due to/from related parties consists of:

- \$Nil due to Minco Silver (December 31, 2023 – \$150) to shared office expenses reimbursement.
- \$Nil due from Hempnova (December 31, 2023 – \$324) to shared office expenses reimbursement.
- \$2,080 due from a company controlled by the Company's CEO (December 31, 2023 –due to CEO \$4,694) to expenses reimbursement.

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

8. Material Accounting Policies

The financial information presented in this MD&A has been prepared following 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 amounts incurred by the Company may differ from these values.

The Company's material accounting policies, applied judgements, and estimates are set out in notes 3 and 4 of the audited annual financial statements for December 31, 2023.

9. Financial Instruments

Following is a summary of the Company's financial assets and liabilities as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
	\$	\$
Fair value through profit and loss:		
Investments at fair value	4,175,665	5,127,293
Amortized cost:		
Cash and cash equivalents	298,485	391,301
Short-term investment	720,000	20,000
Receivables	13,121	1,648
Due from related parties	2,080	324
Deposits	13,148	13,148
Accounts payable and accrued liabilities	22,566	42,695
Due to related parties	-	4,844
Lease obligations	157,067	183,189

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 making 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 not based on observable market data (unobservable inputs).

As of September 30, 2024, and December 31, 2023, financial instruments that are not measured at fair value on the statement of financial position are represented by cash and cash equivalents, short-term investments, receivables, due from related parties, accounts payable and accrued liabilities due to related parties, and lease obligations. Due to their short-term nature, the fair values of these financial instruments approximate their carrying value.

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, 2024	4,175,665	-	-
Investments at fair value, December 31, 2023	5,044,955	82,338	-

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, 2023	Disposition	Realized loss	Unrealized gain	September 30, 2024
	\$	\$	\$	\$	\$
Trust units:	82,338	(83,798)	(51,175)	52,635	-

	December 31, 2022	Disposition	Realized loss	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

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 the preparation of financial statements for external purposes following 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, for the period covered by these filings, and these financial statements together with the other financial information included in these filings reasonably 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 time.

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.

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 affect ICFR materially. Accordingly, no material changes were made to internal controls during the three months ended September 30, 2024.

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 certain 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 certain assumptions and analyses we made in light of our experience and perception of historical trends, current conditions, expected future developments, and other factors we believe are appropriate in the circumstances. These statements are, however, 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 financing.

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 place undue reliance on statements containing forward-looking information. All the forward-looking information and statements 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 under applicable securities laws.