

MINCO CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

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 on the basis of available information up to April 29, 2020, and should be read in conjunction with the condensed interim financial statements and related notes thereto prepared by management for the three months ended March 31, 2020. 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 thereto for the year ended December 31, 2019.

Except as noted, all financial amounts are expressed in Canadian dollars. All references to "\$" and "dollars" are to Canadian dollars and all references to "US\$" are United States dollars.

Additional information regarding the Company, including our continuous disclosure materials, the audited financial statements and the MD&A 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 at the date of this MD&A, the Company had 48,056,881 common shares outstanding, 500,000 common shares held in treasury pending for cancellation, and 9,618,334 stock options outstanding.

1. Highlights for the Period

During the three months ended March 31, 2020, the Company:

- (1) Acquired trust units of a public company for a total cost of \$134,972.
- (2) Disposed of common shares of public companies for proceeds of \$667,051 with a realized gain of \$11,903. The original purchase cost of these shares was \$477,856 resulting in an actual gain of \$189,368.
- (3) Earned investment income of \$20,221 from dividends, fund distributions, and interest.
- (4) Received approval from the TSX Venture for a renewal of the normal course issuer bid ("NCIB") for a term of one year ending February 9, 2021. Under the NCIB program, the Company may acquire up to 2,427,844 shares, representing 5% of the current issued and outstanding shares.

During the three months ended March 31, 2020, the Company acquired 786,000 common shares of the Company with an original cost of \$634,972 for a total payment of \$63,483. \$571,489 of the difference between the purchase price paid and the original cost was recorded as a credit to retained earnings.

- (5) Reported the retirement of Robert Callander from the Board of Directors.
- (6) COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's investments. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of this MD&A, the Company's investment value declined \$3,762,781 during the three months ended March 31, 2020. Should the stock prices remain at or below

currently prevailing levels for an extended period, this could have a further significant adverse impact on the Company's financial position and results of operations for future periods.

1.1. Subsequent events

Subsequent to the three months ended March 31, 2020, the Company:

- 1) Announced a change of management. The Former Chief Financial Officer ("CFO"), Larry Tsang, retired, and Ms. Melinda Hsu was appointed as the new CFO, effective April 1, 2020.
- 2) Granted 3.6 million stock options to Officers, Directors, Employees, and Consultants. The options have a term of five years and an exercise price of \$0.12.

2. Investments at Fair Value

The Company has the following investments as at March 31, 2020:

	Number of Shares/Units Held	Fair value
Equities of public resource companies:		\$
Top ten resource companies by fair value		
-Minco Silver Corp.	11,000,000	4,895,000
-Labrador Iron Ore Royalty	10,000	168,100
-Hudson Resources Inc.	2,142,857	139,286
-Global X Lithium & Battery ETF	3,500	108,148
-Amarillo Gold	715,000	85,800
-Neo Performance Materials Inc.	11,000	67,430
-Amerigo Resources	309,000	47,895
-Almaden Minerals Ltd.	100,000	39,184
-Sherritt International Corp.	250,000	26,250
-Mexican Gold Mining Corp.	335,000	16,750
Others	various	38,070
Equities of a private company (EL Olivar Imperial)	400,000	-
Debentures:		
-Convertible debenture: IBC Advanced Alloys 8.25%	100,000	83,063
Trust units		
-Sprott physical platinum palladium	6,050	132,609
Equity, total		5,847,586
Share warrants, various		25,750
Total		5,873,335

Continuity of the Company's investments is as follows:

	December 31, 2019	Additions	Proceeds from dispositions	Realized Gains	Unrealized losses (iv)	March 31, 2020
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units						
(i)	9,865,526	-	(522,348)	9,029	(3,720,294)	5,631,913
- Share purchase warrants (ii)	53,800	-	-	-	(28,050)	25,750
Investment in others: Platinum	141,829	-	(144,703)	2,874	-	-
Investment in trust units:	-	134,972	-	-	(2,363)	132,609
Investment in convertible debenture:						
- IBC Advanced Alloys Corp.	95,137	-	-	-	(12,074)	83,063
Total	10,156,292	134,972	(667,051)	11,903	(3,762,781)	5,873,335

During the three months ended March 31, 2020, the Company acquired trust units of a public company for a total cost of \$134,972. The Company disposed of common shares of public companies for proceeds of \$667,051 with a realized gain of \$11,903.

(i) On March 31, 2020, the Company's Investment in public entities, including 11,000,000 common shares of Minco Silver Corporation ("Minco Silver"), representing approximately 18% of Minco Silver's outstanding shares, which is unchanged from December 31, 2019.

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.

At March 31, 2020, Minco Silver accounted for 83% of the Company's investment portfolio by fair value (2019: 53%). The change in share price of Minco Silver has a greater impact on the Company's performance than the balance of the portfolio. Of the total \$3,762,781 in unrealized loss reported for the three months ended March 31, 2020, \$2,915,000 was from Minco Silver, with the balance of \$847,781 from the remainder of the investment holdings.

(ii) The Company considers the closing share price of investments issued by public entities at each reporting date as the fair value. The Company applies the Black Scholes option pricing model to value public company's share purchase warrants at the reporting date.

(iii) 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. As at December 31, 2019, in accordance with Level 3 of the fair value hierarchy, the Company impaired its investment of US\$400,000 or \$545,293 in El Olivar due to the fact the El Olivar needs to raise significant money to complete the development of its project and the uncertainty of its ability to raise these funds in a timely manner. As such, the fair value of the El Olivar was included in the period ending March 31, 2019, but not in the period ending March 31, 2020.

One Director of the Company is also a Director, Officer, and controlling shareholder of El Olivar.

(iv) Details of the Company's net gain (loss) on investments are as follows:

Three months ended March 31,	2020	2019
	\$	\$
Net realized gain on investments	189,368	61,172
Previously recorded unrealized (loss) / gain on investments	(177,465)	47,805
Realized gain	11,903	108,977
Change in unrealized (loss) / gain on investments	(3,762,781)	669,087
Net (loss) / gain from investments	(3,750,878)	778,064

3. Results of Operations

3.1 Operating result comparison for the three months ended March 31, 2020 and 2019

	2020	2019	Change
	\$	\$	\$
Dividend, fund distribution, and interest income	20,221	25,475	(5,254)
Realized gain from investments	11,903	108,977	(97,074)
Unrealized (loss) /gain from investments	(3,762,781)	669,088	(4,431,869)
Operating expenses	(172,399)	(231,087)	58,688
Other income (expenses)	116,544	(15,421)	131,965
	(3,786,512)	557,032	(4,343,544)

The amount of gain and loss of the investments depends on the performance of the entities the Company invests in and will fluctuate from time to time depending on many factors, including but not limited to the overall economy, foreign exchange rate, metal prices, which are not controlled by the Company.

The movement in connection with the operating expenses and other income (expenses) are discussed in section 3.2 and 3.3 respectively.

3.2 Operating Expenses for the three months ended March 31, 2020 and 2019

The Company's operating expenses for the three months ended March 31, 2020 and 2019 are as follows:

Three months ended March 31,		2020	2019	Change
	ref	\$	\$	\$
Accounting and audit		7,032	5,102	1,930
Amortization		9,597	12,366	(2,769)
Consulting		23,569	17,514	6,055
Directors' fees	a	10,667	16,000	(5,333)
Interest accredited		2,129	4,594	(2,465)
Investor relations		632	5,394	(4,762)
Legal and regulatory		17,311	17,508	(197)
Office and administration	b	9,004	17,080	(8,074)
Property and Investment evaluation		20,720	21,181	(461)
Salaries and benefits		69,526	66,978	2,548
Share-based compensation	c	-	44,575	(44,575)
Travel and transportation		2,212	2,795	(583)
		172,399	231,087	(58,688)

Significant changes are as follows:

(a) Director's compensation decreased due to a reduction in fees in Q1 2019 and the retirement of one Director in January 2020.

(b) The Company entered into a new office expenses sharing agreement with Minco Silver Corporation, Minco Base Metals Corporation and HempNova Lifetech Corporation, and shared a smaller amount of overhead expenditures in 2020. Consequently, office and administration expenses decreased.

(c) Share-based compensation fluctuate from year to year depending on the timing and fair value of options vested in each year. The stock options were fully expensed in 2019 and no new stock options were granted in 2019 or during the three months ended March 31, 2020. As a result, \$nil of share-based compensation expenses was recorded in 2020.

3.3 Other Income (Expense)

Other income (expense) is mainly from the foreign exchange gain (loss) for the period.

The Company had foreign exchange gain of \$116,544 for the three months ended March 31, 2020 and a loss of \$15,421 for the same period of 2019. The Company holds cash denominated in US\$ from time to time. US\$ appreciated against Canadian dollars of 9% during three months ended March 31, 2020 (2019 – depreciation of 2.1%). As a result, the Company had a foreign exchange gain in the current quarter.

4. Summary of Quarterly Results

Period ended	Net income (loss)	Income (loss) per share	
		Basic	Diluted
	\$	\$	\$
03-31-2020	(3,786,512)	(0.08)	(0.08)
12-31-2019	(160,226)	(0.00)	(0.00)
09-30-2019	(217,313)	(0.00)	(0.00)
06-30-2019	1,502,844	0.03	0.03
03-31-2019	557,032	0.01	0.01
12-31-2018	(2,019,330)	(0.04)	(0.04)
09-30-2018	(1,586,650)	(0.03)	(0.03)
06-30-2018	(69,945)	(0.00)	(0.00)

Variations in quarterly performance among 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 earned by the Company. The Company's performance is not subject to seasonality.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Three months ended March 31,	
	2020	2019
	\$	\$
Operating activities	348,566	545,662
Financing activities	(72,730)	(16,731)

Operating activities

During the three months ended March 31, 2020, the Company generated cash of \$667,051 (2019 - \$865,822) from disposition of investments, used cash of \$134, 972 (2019 - \$186,015) in purchase of investments and \$183,513 (2019 – 134,145) in other operating activities.

Financing activities

The Company used \$63,483 in purchase of the Company's common shares for cancellation (2019 - \$5,387) and \$9,247 in payment of the lease obligation in connection with the Company's shared office (2019 - \$11,344).

5.2 Capital Resources and Liquidity Risk

As at March 31, 2020, the Company's working capital was \$9,260,418 compared to \$13,100,248 on December 31, 2019. The Company's operations were financed by its working capital during the current quarter.

As at March 31, 2020, the Company believes there is sufficient working capital available to meet its current operational requirements in 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. This compensation has been included in exploration costs and operating expenses.

For the three months ended March 31, 2020 and 2019, the following compensation was paid and accrued for compensation to key management:

	2020	2019
	\$	\$
Senior management remuneration	74,511	67,779
Directors' fees	10,667	16,000
Share-based compensation	-	39,782
Total	85,178	123,561

b) Other transactions with related parties

Other related parties consist of companies with shared key management and/or directors of the Company. Due from related parties consists of:

- \$35,696 due from Minco Silver Corporation (December 31, 2019 – \$19,153), in relation to shared office expenses reimbursement.
- \$11,636 due from Minco Base Metals Corporation (December 31, 2019 - \$17,375), in relation to shared office expenses reimbursement.
- \$44,433 due from HempNova Lifetech Corporation (December 31, 2019 - \$3,808), in relation to shared office expenses reimbursement.
- \$6,721 due to Sinocan Capital Limited ("Sinocan") (December 31, 2019 – due from Sinocan of \$8,000), in relation to expenses reimbursement.

The amounts due to and 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 expense. Actual amounts incurred by the Company may differ from these values.

The Company's significant accounting policies, applied judgements and estimates are set out in the note 3 of the audited annual financial statements for the year ended December 31, 2019.

9. Financial Instruments

Following is a summary of the Company's financial assets and liabilities as at March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
	\$	\$
Fair value through profit and loss:		
Investments at fair value	5,873,335	10,156,292
Amortized cost:		
Cash and cash equivalent	3,291,477	2,899,097
Short-term investment	20,000	20,000
Receivables	4,065	2,106
Due from related parties	91,765	48,336
Due to related party	6,721	-
Accounts payables	41,625	39,833

Fair value measurement

Financial assets and liabilities that are recognized on the balance sheet at fair value can be classified in a hierarchy that is 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 that are not based on observable market data (that is, unobservable inputs).

As at March 31, 2020 and December 31, 2019, financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivable, due from related parties, account payable and accrued liabilities, and due to related parties. 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:

March 31, 2020	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	5,631,913	241,422	-

Fair value of investments classified as level 2 are reconciled as follows:

	December 31, 2019	Additions/ dispositions	March 31, 2020	Unrealized loss recognized in profit or loss
	\$	\$	\$	\$
Share purchase warrants:	53,800	-	25,750	(28,050)
Convertible debenture:	95,137	-	83,063	(12,074)
Trust units:	-	134,972	132,610	(2,363)
	148,937	134,972	241,423	(42,487)

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 in accordance with IFRS. The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure 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, with respect to 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 any 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, prior to 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 is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended March 31, 2020.

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 made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These statements are, however, subject to known and unknown risks and 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 with respect to: 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, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to 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 pursuant to applicable securities laws.