MINCO CAPITAL CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 August 4, 2020, and should be read in conjunction with the condensed interim financial statements and related notes thereto prepared by management for the three and six months ended June 30, 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. Some dollar amounts are rounded to thousands ('000) for discussion purposes.

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 and 9,368,334 stock options outstanding.

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1. Highlights for the Period

During the six months ended June 30, 2020, the Company:

a) acquired trust units of a public company for a total cost of $134,972.

b) 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.

c) earned investment income of $26,767 from dividends, fund distributions, and interest.

d) 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 six months ended June 30, 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.

e) reported the retirement of Robert Callander from the Board of Directors.

f) 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 $1,974,455 during the six months ended June 30, 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.

g) announced changes 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.

   As part of measures to significantly reduce the Company's operating costs in light of the current economic and market conditions, the Company decided not to renew the employment agreement with Mr. Ken Leigh who had acted as the President of the Company since June 1, 2017. The Company's Chief Executive Officer, Dr. Ken Cai, has acted as the President of the Company effective June 1, 2020.

h) granted 3,600,000 stock options to its officers, directors, employees and consultants at an exercise price of $0.12 per common share for a term of five years. These options vest over 18 months from the grant date April 28, 2020.

1.1. Subsequent events

Subsequent to the six months ended June 30, 2020, the Company:

a) engaged Durose Asset Management Inc. ("Durose") to manage a gold and precious metals investment portfolio. Durose is controlled by a former director of the Company who stepped down as the director on June 30, 2020. A margin trading account was established in relation to this initiative with an investment strategy to provide the Company's exposure to a basket of primarily growth-oriented junior and intermediate-stage gold and precious metal companies. The portfolio may include advanced-stage exploration companies, development-stage and growth-oriented producing precious metal companies, and precious-metal related ETFs.

b) participated a private placement in High Gold Mining Inc. by purchasing its 42,500 common shares at a price of $1.73 per share for a total investment amount of $73,525.

c) participated a private placement in Rise Gold Corp. by purchasing its 75,000 units at a price of $1.02 (US $0.75) per unit for a total investment amount of $76,500. Each unit is comprised of one share of common stock of Rise Gold Corp. and one-half of one transferrable stock purchase warrant ("warrant"). Each warrant entitles to purchase one additional share at a price of US $1.00 for a period of 24 months from the closing date.

d) invested in various gold equities through the open market at a total cost of $74,666 with the fair market value of $85,974 as at July 31, 2020.

2. Investments at Fair Value

The Company has the following investments as at June 30, 2020:

	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	6,270,000
-Hudson Resources Inc.	2,142,857	257,143
-Labrador Iron Ore Royalty	10,000	242,700
-Amarillo Gold	715,000	164,450
-Global X Lithium & Battery ETF	3,500	151,298
-Amerigo Resources	309,000	112,785
-Neo Performance Materials Inc.	11,000	99,330
-Almaden Minerals Ltd.	100,000	64,038
-Sherritt International Corp.	250,000	30,000
-Mexican Gold Mining Corp.	335,000	28,475
Others	various	49,596
Equities of a private company (EL Olivar Imperial)	400,000	-
Debentures:		
-Convertible debenture: IBC Advanced Alloys 8.25%	100,000	50,000
Trust units		
-Sprott physical platinum palladium	6,050	115,346
Equity, total		7,635,161
Share warrants, various		26,500
Total		7,661,661

The continuity of the Company's investments is as follows:

	December 31, 2019	Additions	Proceeds from dispositions	Realized Gains	Unrealized losses (iv)	June 30, 2020
Investment in public entities:	$	$	$	$	$	$
- Shares and partnership units (i)	9,865,526	-	(522,348)	9,029	(1,882,392)	7,469,815
- Share purchase warrants (ii)	53,800	-	-	-	(27,300)	26,500
Investment in others: Platinum	141,829	-	(144,703)	2,874	-	-
Investment in trust units:	-	134,972	-	-	(19,626)	115,346
Investment in convertible debenture:						
- IBC Advanced Alloys Corp.	95,137	-	-	-	(45,137)	50,000
Total	10,156,292	134,972	(667,051)	11,903	(1,974,455)	7,661,661

During the six months ended June 30, 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 June 30, 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.

The change in share price of Minco Silver has a greater impact on the Company's performance than the balance of the portfolio. As at June 30, 2020, the share price of Minco Silver closed at $0.57 (December 31, 2019: $0.71). Included in the Company's investment portfolio, the fair value of Minco Silver was $6,270,000 as at June 30, 2020 (December 31, 2019: $7,810,000), which accounted for 82% of the Company's investment portfolio by fair value (December 31, 2019: 77%). Of the total $1,974,455 in unrealized loss reported for the six months ended June 30, 2020, $1,540,000 was from Minco Silver, with the balance of $434,455 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 that 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 June 30, 2019, but not in the period ending June 30, 2020.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Net realized gain on investments	-	36,676	189,368	97,848
Reversal of unrealized gain (loss) previously recorded	-	77,361	(177,465)	125,166
Realized gain	-	114,037	11,903	223,014
Change in unrealized gain (loss) on investments	1,788,326	1,588,516	(1,974,455)	2,257,603
Net gain (loss) from investments	1,788,326	1,702,553	(1,962,552)	2,480,617

3. Results of Operations

3.1 Operating result comparison for the three months ended June 30, 2020 and 2019

	2020	2019	Change
	$	$	$
Dividend, fund distribution, and interest income	6,546	13,413	(6,867)
Realized gain from investments	-	114,037	(114,037)
Unrealized gain from investments	1,788,326	1,588,516	199,810

Operating expenses	(277,046)	(188,657)	(88,389)
Other expenses	(55,366)	(24,465)	(30,901)
	1,462,460	1,502,844	(40,384)

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 3.1.1 and 3.1.2 respectively.

3.1.1 Operating Expenses for the three months ended June 30, 2020 and 2019

The Company's operating expenses for the three months ended June 30, 2020 and 2019 are as follows:

		2020	2019	Change
	ref	$	$	$
Accounting and audit	a	6,644	1,901	4,743
Amortization		9,637	11,942	(2,305)
Consulting		13,125	15,426	(2,301)
Directors' fees		12,500	13,500	(1,000)
Interest expense		1,985	2,297	(312)
Investor relations		676	2,820	(2,144)
Legal and regulatory		13,581	14,270	(689)
Office and administration	b	17,607	9,415	8,192
Property and Investment evaluation		15,251	17,180	(1,929)
Salaries and benefits	c	119,382	65,930	53,452
Share-based compensation	d	63,679	29,865	33,814
Travel and transportation		2,979	4,111	(1,132)
		277,046	188,657	88,389

Significant changes are as follows:

a) Accounting and audit expenses increased due to a revision in Q2 2019 for the accrued 2018 audit fees as a result of lower fees charged.

b) Included in the office and administration expenses, there was a refund of $6,000 received in Q2 2019 for the prior year's annual general meeting.

c) In June 2020, the Company paid a severance of $65,025 to the former president.

d) Share-based compensation fluctuates from year to year depending on the timing and fair value of options vested in each year. During the three months ended June 30, 2020, the Company granted 3,600,000 stock options. As a result, the Company recorded $63,679 of share-based compensation expenses during the quarter.

3.1.2 Other Income (Expense)

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

The Company holds cash and investments denominated in US$ from time to time. US$ depreciated against Canadian dollars of 4% during the three months ended June 30, 2020 (2019 – 2%). As a result, the Company recorded $55,366 of foreign exchange loss for the quarter ended June 30, 2020 compared to a loss of $24,465 for the prior year same period.

3.2 Operating result comparison for the six months ended June 30, 2020 and 2019

	2020	2019	Change
	$	$	$
Dividend, fund distribution, and interest income	26,767	38,888	(12,121)
Realized gain from investments	11,903	223,014	(211,111)

Unrealized (loss) /gain from investments	(1,974,455)	2,257,603	(4,232,058)
Operating expenses	(449,445)	(419,744)	(29,701)
Other income (expenses)	61,178	(39,886)	101,064
	(2,324,052)	2,059,875	(4,383,927)

3.2.1 Operating Expenses for the six months ended June 30, 2020 and 2019

The Company's operating expenses for the six months ended June 30, 2020 and 2019 are as follows:

Six months ended June 30,	ref	2020	2019	Change
		$	$	$
Accounting and audit		13,676	7,003	6,673
Amortization		19,234	24,308	(5,074)
Consulting		36,694	32,940	3,754
Directors' fees	a	23,167	29,500	(6,333)
Interest expenses		4,114	6,891	(2,777)
Investor relations	b	1,308	8,214	(6,906)
Legal and regulatory		30,892	31,778	(886)
Office and administration		26,611	26,495	116
Property and Investment evaluation	b	35,971	38,361	(2,390)
Salaries and benefits		188,908	132,908	56,000
Share-based compensation		63,679	74,440	(10,761)
Travel	b	5,191	6,906	(1,715)
		449,445	419,744	29,701

a) Director's compensation decreased due to the retirement of a director in January 2020.

b) Investor relations, property and investment evaluation and travel expenses decreased mainly due to reduced expenditures.

The rest of analyses of the period to period movement refer to the section 3.1.1, above.

3.2.2 Other Income (Expense)

US$ appreciated against Canadian dollars of 5% during the six months ended June 30, 2020 (2019 – depreciation of 4%). As a result, the Company recorded a foreign exchange gain of $61,178 for the six months ended June 30, 2020 and a loss of $39,886 for the prior year same period.

4. Summary of Quarterly Results

		Income (loss) per share	
Period ended	**Net income (loss)**	**Basic**	**Diluted**
	$	$	$
06-30-2020	1,462,460	0.03	0.03
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)

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

	Six months ended June 30,	
	2020	2019
	$	$
Operating activities	194,332	1,101,786
Financing activities	(82,084)	(46,596)
Investing activities	500	-

Operating activities

During the six months ended June 30, 2020, the Company generated cash of $667,051 (2019 - $1,489,557) from disposition of investments, used cash of $134, 972 (2019 - $186,015) in purchase of investments and $337,747 (2019 – 201,756) in other operating activities.

Financing activities

The Company used $63,483 in purchase of the Company's common shares for cancellation (2019 - $23,908) and $18,601 in payment of the lease obligation in connection with the Company's shared office (2019 - $22,688).

Investing activities

The Company received $500 from the disposition of equipment (2019 - $Nil).

5.2 Capital Resources and Liquidity Risk

As at June 30, 2020, the Company's working capital was $10,788,546 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 June 30, 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 is included in operating expenses. For the three and six months ended June 30, 2020 and 2019, compensation to key management are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	$	$	$	$
Senior management remuneration	52,875	65,691	127,386	133,470
Severance (1)	65,025	-	65,025	-
Directors' fees (2)	15,500	13,500	26,167	33,500
Share-based compensation	47,936	26,426	47,936	66,208
	181,336	105,617	266,514	233,178

(1) as part of measures to significantly reduce the Company's operating costs in light of the current economic and market conditions, the Company decided not to renew the employment agreement with the Company's President and paid $65,025 of severance benefits.

(2) During the three and six months ended June 30, 2020, the Company paid directors' fees of $12,500 (2019 - $13,500) and $23,167 (2019 - $29,500), respectively. The Company also paid $3,000 to a director for new project search fees during the three months ended June 30, 2020 (three months ended March 31, 2019 - $4,000), which was recorded as property and investment evaluation expenses.

b) Investments

Refer to Note 5 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, Minco Base Metals Corporation ("MBM") and HempNova Lifetech Corporation ("HempNova") have certain directors and management in common. These four companies shared certain office rental and administration expenditures.

As at June 30, 2020, the Company's due from related parties consists of:

- $32,212 due from Minco Silver (December 31, 2019 – $19,153), in relation to shared office expenses reimbursement.
- $13,490 due from MBM (December 31, 2019 - $17,375), in relation to shared office expenses reimbursement.
- $458 due from HempNova (December 31, 2019 - $3,808), in relation to shared office expenses reimbursement.
- $8,387 due from Sinocan Capital Limited (December 31, 2019 –$8,000), 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 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 June 30, 2020 and December 31, 2019:

	June 30, 2020	**December 31, 2019**
	$	**$**
Fair value through profit and loss:		
Investments at fair value	7,661,661	10,156,292
Amortized cost:		
Cash and cash equivalent	3,073,023	2,899,097
Short-term investment	20,000	20,000
Receivables	2,547	2,106
Due from related parties	54,547	48,336
Accounts payables	36,634	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 June 30, 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:

June 30, 2020	Level 1	Level 2	Level 3
	$	$	$
Investments at fair value	7,469,815	191,846	-

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

	December 31, 2019	Additions/ dispositions	June 30, 2020	Unrealized loss recognized in profit or loss
	$	$	$	$
Share purchase warrants:	53,800	-	26,500	(27,300)
Convertible debenture:	95,137	-	50,000	(45,137)
Trust units:	-	134,972	115,346	(19,626)
	148,937	134,972	191,846	(92,063)

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 during the period ended June 30, 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.