

# **Minco Capital Corp.**

Condensed Interim Financial Statements

**For the three months ended March 31, 2021**

(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 Canadian Institute of Chartered Professional Accountants for a review of condensed interim financial statements by an entity's auditor.

Dr. Ken Cai  
Chief Executive Officer

Melinda Hsu, CPA, CGA  
Chief Financial Officer

Vancouver, Canada  
May 27, 2021

# Minco Capital Corp.

## Condensed Interim Statements of Financial Position

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

	March 31, 2021	December 31, 2020
<b>Assets</b>	\$	\$
<b>Current assets</b>		
Cash and cash equivalents (note 3)	2,226,793	2,501,687
Short-term investment (note 4)	20,000	20,000
Investments at fair value (note 5)	8,226,848	8,722,010
Receivables	6,196	2,726
Due from related parties (note 8)	44,004	34,196
Prepaid expenses and deposits	30,257	30,800
	10,554,098	11,311,419
<b>Non-current assets</b>		
Long-term deposit	8,765	8,765
Property and equipment	16,848	18,870
Right-of-use assets (note 6)	61,205	69,588
<b>Total assets</b>	10,640,916	11,408,642
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	64,976	54,411
Due to related party (note 8)	562	729
Lease obligation, current (note 6)	33,331	32,934
	98,869	88,074
Lease obligation, non-current (note 6)	39,977	49,191
	138,846	137,265
<b>Shareholders' Equity</b>		
Share capital (note 7)	39,541,810	39,777,711
Contributed surplus	10,349,398	10,319,231
Deficits	(39,389,138)	(38,825,565)
	10,502,070	11,271,377
<b>Total liabilities and shareholders' equity</b>	10,640,916	11,408,642

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, 2021 and 2020

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

	Three months ended March 31,	
	2021	2020
	\$	\$
<b>Dividend and interest income</b>	3,407	20,221
<b>Realized gain from investments (note 5)</b>	23,465	11,903
<b>Net unrealized loss from investments (note 5)</b>	(673,759)	(3,762,781)
	(646,887)	(3,730,657)
<b>Operating expenses</b>		
Accounting and audit	4,478	7,032
Amortization	9,367	9,597
Consulting	13,125	23,569
Directors' fees (note 8)	5,000	10,667
Interest expense (note 6)	1,508	2,129
Investment evaluation and management	8,884	20,720
Legal and regulatory	8,785	17,311
Office and administration	8,453	9,636
Salaries and benefits	31,308	69,526
Share-based compensation (note 7)	30,167	-
Travel	746	2,212
	121,821	172,399
<b>Operating loss</b>	(768,708)	(3,903,056)
Foreign exchange gain (loss)	(8,728)	116,544
<b>Net loss and comprehensive loss</b>	(777,436)	(3,786,512)
<b>Net loss per share - Basic and diluted</b>	(0.02)	(0.08)
<b>Weighted average number of common shares outstanding</b>		
- Basic and diluted	47,832,048	49,056,969

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, 2021 and 2020

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

	Number of shares	Treasury shares	Share capital	Contributed surplus	Deficits	Subtotal
	#	#	\$	\$	\$	\$
<b>Balance - January 1, 2020</b>	48,842,881	1,182,000	40,412,683	10,182,186	(37,432,319)	13,162,550
Net loss for the period	-	-	-	-	(3,786,512)	(3,786,512)
Shares cancelled (note 7)	(286,000)	(1,182,000)	(231,046)	-	207,946	(23,100)
Treasury shares (note 7)	(500,000)	500,000	(403,926)	-	363,543	(40,383)
<b>Balance - March 31, 2020</b>	<b>48,056,881</b>	<b>500,000</b>	<b>39,777,711</b>	<b>10,182,186</b>	<b>(40,647,342)</b>	<b>9,312,555</b>
<b>Balance - January 1, 2021</b>	48,056,881	-	39,777,711	10,319,231	(38,825,565)	11,271,377
Net loss for the period	-	-	-	-	(777,436)	(777,436)
Share-based compensation	-	-	-	30,167	-	30,167
Shares cancelled (note 7)	(285,000)	-	(235,901)	-	213,863	(22,038)
<b>Balance - March 31, 2021</b>	<b>47,771,881</b>	<b>-</b>	<b>39,541,810</b>	<b>10,349,398</b>	<b>(39,389,138)</b>	<b>10,502,070</b>

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, 2021 and 2020

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

	Three months ended March 31,	
	2021	2020
<b>Cash flow generated from (used in):</b>	\$	\$
<b>Operating activities</b>		
Net loss for the period	(777,436)	(3,786,512)
Items not affecting cash and cash equivalent:		
Amortization	9,367	9,597
Interest expense	1,508	2,129
Net unrealized loss from investments	673,759	3,762,781
Realized gain from investments	(23,465)	(11,903)
Share-based compensation	30,167	-
Purchase of investments	(330,251)	(134,972)
Disposition of investments	175,119	667,051
Changes in items of working capital:		
Accounts payable and accrued liabilities	10,565	1,792
Due from (to) related parties	(9,975)	(36,708)
Prepaid expenses and deposits	543	(6,186)
Receivables	(3,470)	(1,959)
<b>Net cash generated from (used in) operating activities</b>	<b>(243,569)</b>	<b>465,110</b>
<b>Financing activities</b>		
Purchase of shares for cancellation	(22,038)	(63,483)
Repayment of lease obligation	(9,287)	(9,247)
<b>Net cash used in financing activities</b>	<b>(31,325)</b>	<b>(72,730)</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>(274,894)</b>	<b>392,380</b>
<b>Cash and cash equivalents - Beginning of the period</b>	<b>2,501,687</b>	<b>2,899,097</b>
<b>Cash and cash equivalents - End of the period</b>	<b>2,226,793</b>	<b>3,291,477</b>
<b>Supplemental information:</b>		
Foreign exchange gain (loss) included in unrealized losses from investment	(3,837)	22,769
Non-cash share capital adjustment related to purchase of shares for cancellation	213,863	571,489

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, 2021 and 2020

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

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#### 1. Nature of operations

Minco Capital Corp. (the “Company”) is an investment Company whose objective is 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. and changed its name to Minco Capital Corporation on February 25, 2019. The registered office of the Company 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.

Since February 2020, the coronavirus (“COVID-19”) has slowed down in the global economy and caused volatility in the global financial markets. The outbreak of COVID-19 and its impact on the global financial markets has had an adverse effect on the Company’s investments. The extent to which COVID-19 may impact the Company’s business will depend on the duration of the outbreak, travel restrictions, the effectiveness of actions and vaccine taken to contain and treat the disease. Although it is not possible to reliably estimate the financial impact, the Company’s investment value declined \$673,759 during the three months ended March 31, 2021 and \$1,378,706 during the year ended December 31, 2020.

#### 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 applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were approved by the board of directors for issue on May 27, 2021.

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 expense. Actual amounts incurred by the Company may differ from these values.

The Company’s accounting policies and 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, 2020.

#### 3. Cash and cash equivalents

As at March 31, 2021, the Company had cash on hand of \$2,226,793 (December 31, 2020 - \$1,317,517) and cash equivalents of \$ Nil (December 31, 2020 - \$1,184,170).

#### 4. Short-term investment

As at March 31, 2021, the short-term investment consists of \$20,000 (December 31, 2020 - \$20,000) cashable guaranteed investment certificates. The yield on this investments is 0.85% per annum (2020 - 0.85%).

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 5. 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 that are most representative of fair value and may include closing prices in exchange markets. The Company considers the closing share price of investments issued by public entities at each reporting date as the fair value. Also, the Company applies the Black Scholes option pricing model to value public companies' share purchase warrants at the reporting date.

The Company has the following investments as at March 31, 2021:

	Number of Shares/Units Held	Fair value
	#	\$
<b>Equities of public resource companies:</b>		
<b>Top ten resource companies by fair value</b>		
-Minco Silver Corp. <sup>(i)</sup>	11,000,000	5,225,000
-Hudson Resources Inc.	2,117,857	444,750
-Amerigo Resources	309,000	281,190
-Neo Performance Materials Inc.	11,000	221,320
-Amarillo Gold Corp.	715,000	193,050
-Neo Lithium Corp.	50,000	148,000
-Solaris Resources Inc.	16,230	145,745
-Sherritt International Corp.	250,000	130,000
-Global Lithium EFT	1,750	128,539
-Asante Gold Corp.	33,334	80,000
<b>Others</b>	various	971,267
<b>Equities of a private company (EL Olivar) <sup>(ii)</sup></b>	400,000	-
<b>Debentures:</b>		
-Convertible debenture: IBC Advanced Alloys 8.25%	100,000	85,000
<b>Trust units</b>		
-Sprott physical platinum palladium	6,050	141,887
<b>Equity, total</b>		8,195,748
<b>Share warrants, various</b>		31,100
<b>Total</b>		8,226,848

The Continuity of the Company's investments during the three months ended March 31, 2021 is as follows:

	December 31, 2020	Additions	Proceeds from dispositions	Realized Gains	Unrealized gains (losses)	March 31, 2021
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	8,489,378	330,251	(175,119)	23,465	(699,114)	7,968,861
- Share purchase warrants	44,400	-	-	-	(13,300)	31,100
Investment in trust units:	113,232	-	-	-	28,655	141,887
Investment in convertible debenture:						
- IBC Advanced Alloys Corp.	75,000	-	-	-	10,000	85,000
<b>Total</b>	8,722,010	330,251	(175,119)	23,465	(673,759)	8,226,848



# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 5. Investments at fair value (continued)

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

	Number of Shares/Units Held	Fair value
	#	\$
<b>Equities of public resource companies:</b>		
<b>Top ten resource companies by fair value</b>		
-Minco Silver Corporation <sup>(i)</sup>	11,000,000	5,830,000
-Hudson Resources Inc.	2,142,857	589,286
-Global X Lithium & Battery ETF	3,500	275,349
-Amerigo Resources	309,000	247,200
-Amarillo Gold	715,000	221,650
-Neo Performance Materials Inc.	11,000	151,580
-Sherritt International Corp.	250,000	102,500
-Solaris Resources Inc.	16,230	98,678
-High Gold Mining Inc.	42,500	95,200
-Orca Gold Inc.	100,000	90,000
<b>Others</b>	various	787,935
<b>Equities of a private company (El Olivar) <sup>(ii)</sup></b>	400,000	-
<b>Debentures:</b>		
-Convertible debenture: IBC Advanced Alloys 8.25%	100,000	75,000
<b>Trust units</b>		
-Sprott physical platinum palladium	6,050	113,232
<b>Equity, total</b>		8,677,610
<b>Share warrants, various</b>		44,400
<b>Total</b>		8,722,010

The Continuity of the Company's investments during the year ended December 31, 2020 is as follows:

	December 31, 2019	Additions	Proceeds from dispositions	Realized Gains	Unrealized losses	December 31, 2020
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	9,865,526	685,698	(868,255)	108,338	(1,301,929)	8,489,378
- Share purchase warrants	53,800	25,500	-	-	(34,900)	44,400
Investment in others: Platinum	141,829	-	(144,703)	2,874	-	-
Investment in trust units	-	134,972	-	-	(21,740)	113,232
Investment in convertible debenture:						
- IBC Advanced Alloys Corp.	95,137	-	-	-	(20,137)	75,000
<b>Total</b>	10,156,292	846,170	(1,012,958)	111,212	(1,378,706)	8,722,010

(i) As at March 31, 2021, the Company held 11,000,000 common shares of Minco Silver Corporation ("Minco Silver"), which was approximately 18% of Minco Silver number of outstanding shares (December 31, 2020 - 11,000,000 common shares or approximately 18% ownership). As at March 31, 2021, the market price closed at \$0.475 per share (December 31, 2020 - \$0.53 per share).

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

(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 “El Warrant”), with each full warrant entitling the holder to purchase one additional Class A voting share at a price of US\$1.00. Such warrants expired in 2019.

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

As part of the consideration for the investment in El Olivar, the Company was entitled to receive an annual cash dividend in U.S. dollars equal to 6% of the total invested amount, calculated from the closing date of investment and payable starting on June 22, 2018. However, due to delays in project construction, no dividends have been paid. The Company has not accrued the dividend receivable given that El Olivar has not started its operations and the timing and structure of the initial dividend payment is uncertain.

In accordance with Level 3 of the fair value hierarchy, the Company impaired its investment of \$545,293 (US\$400,000) in El Olivar as at December 31, 2019, due to the fact that El Olivar needed to raise significant money to complete the development of its project with uncertainty of its ability to raise these funds in a timely manner. During the three months ended March 31, 2021, there was no change in management’s assessment and this investment remains impaired.

During the three months ended March 31, 2021, the Company acquired common shares of public companies for a total cost of \$330,251 (2019 - \$134,972) and disposed common shares of public companies for proceeds of \$175,119 (2019 - \$667,051) resulting a realized gain of \$23,465 (2019 - \$11,903).

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

	Three months ended March 31,	
	2021	2020
	\$	\$
Proceeds from disposition of investments	175,119	667,051
Adjusted cost base	(94,274)	(477,683)
Net realized gain on investments	80,845	189,368
Reversal of unrealized gain previously recorded	(57,380)	(177,465)
Realized gain	23,465	11,903
Change in unrealized (loss) /gain on investments	(673,759)	(3,762,781)
Net loss from investments	(650,294)	(3,750,878)

#### 6. Leases

The Company has a shared office lease in Vancouver, British Columbia with other companies related to it by virtue of certain directors and management in common. The right-of-use asset and lease obligation were measured at the present value of the lease payments and discounted using an incremental borrowing rate of 8%.

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 6. Leases (continued)

##### a) Right-of-use assets

During the three months ended March 31, 2021 and the year ended December 31, 2020, there was a change to the cost attributable to the Company, which is reflected in the table below as change to lease term.

The continuity of the right-of-use assets for the three months ended March 31, 2021 and the year ended December 31, 2020 is as follows:

	March 31, 2021	December 31, 2020
	\$	\$
Right-of-use asset, beginning of the period	69,588	118,568
Change to lease term	(1,038)	(19,157)
Amortization	(7,345)	(29,823)
Right-of-use asset, end of the period	61,205	69,588

##### b) Lease obligation

The continuity of the lease obligation for the three months ended March 31, 2021 and the year ended December 31, 2020 is as follows:

	March 31, 2021	December 31, 2020
	\$	\$
Lease obligation recognized, beginning of the period	82,125	131,066
Change to lease term	(1,038)	(19,157)
Interest accretion	1,508	7,633
Lease payments	(9,287)	(37,417)
Lease obligation, end of the period	73,308	82,125
Current lease obligation	33,331	32,934
Non-current lease obligation	39,977	49,191
Lease obligation, end of the period	73,308	82,125

The maturity analysis of the Company's contractual undiscounted lease liabilities as at March 31, 2021 is as follows:

	< = 1 year	1 to 2 years	> 3 years	Total
Lease liabilities (Undiscounted - Lease payments)	37,741	38,389	3,204	79,334

##### c) Amounts recognized in Statement of Loss

	Three months ended March 31,	
	2021	2020
	\$	\$
Interest on lease obligation	1,508	2,129
Expenses relating to low-value leases	328	569
Amortization	7,345	7,456

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 7. Share capital

##### (a) Common shares

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

During 2020, the Company renewed the normal course issuer bid (the “NCIB”) for a term of one year ended February 9, 2021. Under the renewed NCIB program, the Company may acquire up to 2,427,844 shares or 5% of the Company’s issued and outstanding shares.

During 2020, the Company cancelled 1,182,000 shares held in treasury stock. Also, the Company acquired and cancelled 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.

During the three months ended March 31, 2021, the Company acquired and cancelled 285,000 common shares of the Company with an original cost of \$235,901 for a total payment of \$22,038. \$213,863 of the difference between the purchase price paid and the original cost was recorded as a credit to retained earnings.

During the three months ended March 31, 2021, the Company renewed the NCIB for a term of one year ending March 31, 2022. Under the renewed NCIB program, the Company may repurchase for cancellation up to 2,388,594 or 5% of the Company’s issued and outstanding common shares.

##### (b) Stock options

The Company has implemented a fixed stock option plan whereby it has reserved 10,152,976 shares for issuance. The Company’s board of directors may grants 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.

During 2020, the Company 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.

During the three months ended March 31, 2021, the Company did not grant stock options.

The Company uses the Black-Scholes option pricing model to determine the fair value of the options. Option pricing models require the use of subjective estimates and assumptions including the expected stock price volatility. The stock price volatility is calculated based on the Company’s historical volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

The Company’s outstanding option’s continuity is as follow:

	<b>Number outstanding</b>	<b>Weighted average exercise price</b>
	#	\$
Balance, January 1, 2020	6,928,334	0.20
Granted	3,600,000	0.12
Expired	(753,334)	0.24
Forfeited	(3,135,000)	0.18
Balance, December 31, 2020 and March 31, 2021	6,640,000	0.16

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 7. Share capital (continued)

##### (b) Stock options (continued)

The Company recorded \$30,167 (2020 - \$Nil) of share-based compensation for the three months ended March 31, 2021. As at March 31, 2021, there was \$28,073 (2020 - \$Nil) of unrecognized compensation cost relating to unvested stock options.

A summary of the Company's outstanding options as at March 31, 2021 is as follows:

Options outstanding			Options exercisable		
Range of exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$	#		\$	#	\$
0.12 – 0.16	2,700,000	4.08	0.12	899,997	0.12
0.17 – 0.19	2,630,000	1.81	0.17	2,630,000	0.17
0.20 – 0.24	1,310,000	0.85	0.24	1,310,000	0.24
	6,640,000	2.54	0.16	4,839,997	0.18

#### 8. Related party transactions

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

##### a) Key management compensation

Key management includes the Company's directors and senior management. The compensation is included in operating expenses. For the three months ended March 31, 2021 and 2020, compensations to the key management are as follows:

	2021	2020
	\$	\$
Senior management remuneration	24,290	74,511
Directors' fees	5,000	10,667
Share-based compensation	21,340	-
Total	50,630	85,178

##### b) Investment

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

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 8. Related party transactions (continued)

##### c) Other transactions with related parties

The Company, Minco Silver and Hempnova Lifetech Corporation (“Hempnova”) have certain directors and management in common. These three companies shared certain office rental and administration expenditures. During the year ended December 31, 2020, Minco Base Metals Corporation (“MBM”) shared certain expenses as well and the Company’s CEO has a control interest in MBM.

As at March 31, 2021, the Company’s due to / from related parties consists of:

- \$Nil due from Minco Silver (December 31, 2020 – \$1,317), in relation to shared office expenses reimbursement.
- \$Nil due to MBM (December 31, 2020 - \$346), in relation to shared office expenses reimbursement.
- \$44,004 due from Hempnova (December 31, 2020 - \$32,879), in relation to shared office expenses reimbursement.
- \$562 due to a company controlled by the Company’s CEO (December 31, 2020 –\$729), 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 at March 31, 2021 and December 31, 2020:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
	\$	\$
<b>Fair value through profit and loss:</b>		
Investments at fair value	8,226,848	8,722,010
<b>Amortized cost:</b>		
Cash and cash equivalents	2,226,793	2,501,687
Short-term investment	20,000	20,000
Receivables	6,196	2,726
Due from related parties	44,004	34,196
Accounts payable and accrued liabilities	64,976	54,411
Due to related parties	562	729
Lease obligations	73,308	82,125

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three months ended March 31, 2021 and 2020

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

#### 9. Financial instruments and fair value (continued)

##### Fair value measurement

As at March 31, 2021 and December 31, 2020, financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investment, receivables, due from related parties, account payable and accrued liabilities. The fair values of these financial instruments approximate the carrying value due to their short-term nature.

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).

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

March 31, 2021	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	7,968,861	257,987	-

  

December 31, 2020	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	8,489,378	232,632	-

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

	December 31, 2020	Additions/ dispositions	Unrealized gains (losses) recognized in profit or loss	March 31, 2021
	\$	\$	\$	\$
Share purchase warrants:	44,400	-	(13,300)	31,100
Convertible debenture:	75,000	-	10,000	85,000
Trust units:	113,232	-	28,655	141,887
	232,632	-	25,355	257,987

# Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

**For the three months ended March 31, 2021 and 2020**

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

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## 9. Financial instruments and fair value (continued)

	December 31, 2019	Additions/ dispositions	Unrealized losses recognized in profit or loss	December 31, 2020
	\$	\$	\$	\$
Share purchase warrants:	53,800	25,500	(34,900)	44,400
Convertible debenture:	95,137	-	(20,137)	75,000
Trust units:	-	134,972	(21,740)	113,232
	148,937	160,472	(76,777)	232,632

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

## 10. Subsequent event

Subsequent to the period ended March 31, 2021, the Company acquired additional equity of public companies for a total cost of \$641,948 and disposed of certain investments for a total proceed of \$42,575.