MINCO GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012

This Management's Discussion and Analysis ("MD&A") of Minco Gold Corporation ("Minco Gold" or the "Company") has been prepared on the basis of available information up to November 08, 2012, should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes for the three and nine months ended September 30, 2012 and the audited consolidated financial statements and related notes for the year ended December 31, 2011. The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. All dollar amounts are expressed in the Canadian dollar unless otherwise indicated.

The Company's audit committee reviews the consolidated financial statements and MD&A, and recommends approval to the Company's board of directors.

Thomas Wayne Spilsbury, an independent director of Minco Silver, is a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy CP (Geo) and is a "qualified person", as defined in NI 43-101. Mr. Spilsbury has reviewed the disclosure of technical content in this MD&A.

Minco Gold (TSX: MMM/NYSE Amex: MGH/FSE: MI5) was incorporated in 1982 under the laws of British Columbia, Canada as Caprock Energy Ltd. Following a number of name changes the Company became Minco Gold in 2007. The principal business activities of the Company include the acquisition, exploration and development of gold properties.

The Company has wholly-owned and less than wholly-owned subsidiaries as follows:

Wholly-owned subsidiaries **-** Minco Mining (China) Co., Ltd. ("Minco China"), Yuanling Minco Mining Ltd. ("Yuanling Minco"), Huaihua Tiancheng Mining Ltd. ("Huaihua Tiancheng"), Minco Resource Limited, and Triple Eight Mineral Corporation ("Temco").

Less than wholly-owned subsidiaries **–** the Company through Minco China owns 51% of a joint venture company formed and known as Guangzhou Mingzhong Mining Co., Ltd. ("Mingzhong") - the holding company for the Changkeng Gold property and the Changkeng Exploration Permit.

The Company has Equity interests in Minco Silver Corporation ("Minco Silver") at 22.02% as at September 30, 2012 (December 31, 2011 - 22.15%).

As at the date of this MD&A, the Company had 50,348,215 common shares and 5,070,667 stock options outstanding, for a total of 55,418,882 fully diluted common shares outstanding.

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1. Highlights for the Quarter

During the quarter, the Company found a zone of significant silver and gold mineralization at the poly-metallic portion of the Shajinba Zone, Yejiaba sub-project.

The Company sold two exploration permits in Xicheng East for a total of RMB 2.8 million and recognized a gain of $0.4 million.

2. Projects and Equity Investment in Minco Silver

Over the past few years, the Company reviewed its portfolio of mineral properties and sold several projects, from which the Company made some profits after the recovery of the exploration costs.

The Company has interests in properties through direct and indirect ownership (through wholly-owned subsidiaries and through joint ventures and business combinations) as follows:

2.1 Longnan Projects

Minco China, the Company's wholly-owned subsidiary, presently holds ten exploration permits in the Longnan region in the south of Gansu Province in China. The Longnan region is within the southwest Qinling gold field. The Longnan project has been divided into three sub-projects according to their geographic distribution, type and potential of mineralization.

Yejiaba: includes four exploration permits along a regional structural belt parallel to the Yangshan gold belt. The potential in this area is for poly-metallic mineralization (gold-silver-iron-lead-zinc). The Company has commissioned a NI 43-101 compliant technical report on Yejiaba.

Yangshan: includes five exploration permits located in the northeast extension of the Yangshan gold belt and its adjacent area. The primary potential in this area is for gold.

Xicheng East: includes one exploration permit to the east extension of the famous Xicheng Pb-Zn mineralization belt. The potential in this area is for poly-metallic mineralization (gold-silver-lead-zinc).

Minco China entered into two agreements with Fengxian Xin Kun Mining Corporation ("FXKM") in September 2010 and March 2012 respectively; in which the Company agreed to sell two exploration permits in Xicheng East for a total of RMB 2.8 million. As at September 30, 2012, The Company received RMB 2.8 million ($443,514) and recognized a gain of $443,514 upon the receipt of approval from the Ministry of Land and Resources ("MOLAR") for transfer legal titles of the two exploration permits to FXKM.

2012 Exploration Activities

The Company is focusing on the exploration program in the Yejiaba area which includes surface exploration and sampling, about 3,000 meters of diamond drilling in eight holes, and 3,000 meters of underground tunneling.

During the first nine months, the Company made significant progress yielding good results in the Yejiaba area as follows:

A zone of significant silver and gold mineralization was found at the poly-metallic portion of the Shajinba Zone, Yejiaba sub-project. Mineralization is spatially associated with a dyke of granite with superimposed calcitization, pyritization and hematitization. Host rock is thin-bedded argillaceous limestone. The zone was traced with trenches over the length of 300 meters, and width of mineralization varies from 4.6m to 6.2m. Importantly the mineralization is very continuous with no breaks within the tested portion of the zone.

The following table provides the trenching results.

Trench YJB-12-11	0.48 g/t Au over 4.6m (five channel samples)
Trench YJB-12-12	0.42 g/t Au over 4.8m, including 0.45 g/t Au and 322.0 g/t Ag over 1.4m (four channel samples)
Trench YJB-12-19	1.05 g/t Au over 6.2m, including 1.14 g/t Au and 256.0 g/t Ag over 1.0m (six channel samples);
Trench YJB-12-25	276.0 g/t Ag over 1.0m (one channel sample)

Another important result in Yejiaba was discovery of a mineralized zone in the center part of the Shajinba-Baimashi Gold Trend. Four trenches completed in the area revealed mineralization of the same style which dominates at Baimashi and Shajinba zones: zones of shearing with superimposed pyrite and hematite near the contact between thin-bedded argillaceous limestone and massive limestone.

The following table provides the best results:

Trench YJB-12-15	1.6 g/t Au over 1.0m (one channel sample)
Trench YJB-12-16	1.05 g/t Au over 8.0m (six channel samples) including 5.17 g/t Au over 1.0m
Trench YJB-12-16	12.81 g/t Au over 0.8m (one channel sample)
Trench YJB-12-22	1.26 g/t Au over 1.0m (one channel sample)

Trenching in the area is in progress. The Company has proved that the Shajinba-Baimashi Gold Trend is continuous over the distance of 7.0 km.

At the Paziba Zone, Yejiaba sub-project, six trenches were completed to test the zone of highly hematitic mineralization with gold at the contact between metasediments and limestone. The best intersections averaged 2.66 g/t Au over 3.0m and 0.77 g/t Au over 7.8m.

In addition to the above results, drill hole SJB-008 at the Shajinba Gold Zone was completed to 350.0m downhole length. It was designed to test the mineralized zone between the surface intersection in trench YJB-10-14 which returned 0.75 g/t Au over 43.7m, including 5.58 g/t Au over 4.7m, and the drill intersection in hole SJB-003A which is located 300m in the downdip direction and returned 0.13 g/t Au over 43.6m, including 0.31 g/t Au over 4.6m. The drill hole intersected a 33.0 meter wide zone of granite dyking in carbonaceous calcareous phyllite with weak to moderate silicification and calcitization and moderate to strong pyritization. Pyrite content generally varies from 1% to 5% and reaches 15% in a single 2.0m wide interval. The best results averaged 0.83 g/t Au over 2.08m down hole length. Trenching at the Shajinba Zone was continued in the IP anomaly in the northern part of the area.

The following table provides the trenching results.

Trench YJB-12-03	0.22 g/t Au over 6.0m, a zone of calcitization and pyritization
Trench YJB-12-04	56.6% Fe, 2.06% Mn over 2.8m, a hematite vein
Trench YJB-12-05	0.46 g/t Au, 36.3 g/t Ag over 1.0m, a dyke of granite
Trench YJB-12-06	0.18 g/t Au over 12.0m, a zone of calcitization and pyritization
Trench YJB-12-07	2.08 g/t Au over 1.0m, a dyke of granite with weak limonitization

Traversing in the northern part of the Shajinba-Yangjiagou permit approximately 4.0km north from the Shajinba Zone resulted in findings of a continuous fault zone dividing silicic metasediments in the foot wall and thick-bedded to massive limestone in the hanging wall which contains discontinuous lenses of ferriferous gouge and veinlets of hematite.

A majority of the samples taken from the zone returned less than 0.1 g/t Au but two grab samples from massive hematite with superimposed silicification returned 18.9 g/t Au and 23.4 g/t Au. Width of the hematite veinlet is 0.3 meters. Another grab sample from decarbonized ferriferous breccia returned 39.5 g/t Au.

Drilling at the Shajinba Zone was re-commenced at the end of the third quarter. Two drill holes are in progress to test zones of silver and gold mineralization.

2011 Exploration Activities

Following the discovery of mineralization zones on the Yejiaba sub project in 2010, including poly-metallic and gold mineralization at the Shajinba zone, and gold mineralization at the Bailuyao and Baojia zones, the Company conducted an exploration program designed to further test for the gold mineralization zone in 2011. It was comprised of an initial drilling program at the Shajinba Gold Zone and a trenching program at the Baimashi Gold Zone located only 3.0km away within the same structural and metallogenic trend. The Company announced the drilling results of the Shajinba and Baimashi Gold Zones of Yejiaba property as follows:

A. Shajinba Zone

Drilling:

Drilling totaled 2,829.02 meters, covering an area of 1000m by 400m. Drill hole spacing ranged from 250m to 400m, depths ranged from 288.03m to 501.4m, targeting two zones trenched in 2009 and 2010. Targeted zones were gold mineralized, coinciding with surface trace of a thrust fault, gold-in-soil anomaly, and a poly-metallic mineralized zone. Drill results returned lower gold values than surface trenching, but provided verification of the structural interpretation based on surface work and geophysical surveys and discovery of several significant mineralized intersections at depth.

Drill hole SJB-003A: in an area with no surficial signs of mineralization, due to conglomerate cover, intersected a wide fault zone comprised of black carbonaceous phyllite and tectonic gouge with numerous dykes of porphyry granite to quartz diorite, a portion of which averaged 0.13g/t Au over 43.56 meters. Additional drilling in the vicinity may lead to a wide ore-grade zone of mineralization.

Drill hole SJB-005: within poly-metallic mineralization, intersected a pure hematite vein in massive limestone. Iron content averaged 61.5% over 2.29 m. The vein was traced on surface for 200 meters at similar grade and width. The drill intersection doubles its strike extension to 400 meters. The vein is open down-dip and along strike to the East.

The following table provides more details on results of drilling completed at the Shajinba Zone.

Hole-ID	Location, Azimuth And Dip	Down Hole Depth, M		Width, M	Average Grade			Alteration
		From	To		Au, g/t	Ag, g/t	Fe,%	
SJB-001	371933 18505408.00E Az163, Dip-65	No mineralized intersection			-	-	-	Brecciation in phyllitic limestone, calcareous phyllite
SJB-002	371929 18505088.00E Az171, Dip-65	No mineralized intersection			-	-	-	Brecciation in phyllitic limestone, calcareous phyllite
SJB-003A	371946 18505233.00E Az173, Dip-71.8	287.57	331.13	43.56	0.13	-	-	Granite dykes and phyllite with quartz-carbonate veinlets
SJB-004	371967 18504817.00E Az193, Dip-69	117.02	118.12	1.10	1.38	-	-	Brecciated and silicified dyke of granite
		348.7	350.7	2.0	0.40	-	-	Calcite with limonite in massive limestone
SJB-005	371971 185049.00E Az180, Dip-65	104.96	107.25	2.29	-	-	61.50	Massive hematite in massive limestone
		293.99	294.99	1.00	0.60	-	-	Brecciated and limonitized dyke of granite
		302.76	308.76	6.00	0.17	-	-	Thin bedded phyllitic limestone with hematite in rock matrix
SJB-006	371971 18504954.00E Az338, Dip-60	21.47	26.13	4.66	0.22	12.2	-	Quartz-carbonate veining with pyrite in brecciated granite and limestone
SJB-007	371976 18504634.00E Az183, Dip-55	118.35	119.57	1.22	0.66	-	-	Silicified dyke of granite
		125.57	126.87	1.30	0.57	-	-	

Induced polarization (IP):

Continuous and distinctive IP anomalies were tested within three trenches at the Shajinba Zone. Two 80m spaced trenches returned the following results:

> 0.59 g/t Au over 6.6 m;
> 0.20 g/t Au over 6.0 m.

The IP anomaly extends for a further 800 meters and remains untested.

B. Baimashi Zone

Trenching:

The Baimashi gold-antimony zone covers an area of 3km by 1 km, located 3.0 km west from the Shajinba zone. It possesses numerous occurrences of gold and antimony, clustered in four Zones, hosted in massive limestone and calcareous phyllite. Widely spaced grab samples returned gold values between 5.0 Au g/t to 50.0 Au g/t and antimony content was up to 15.0%. Mineralized intersections in the trenches were sampled with 5cm deep by 10cm wide and generally1m long channel samples.

Zone 1 Significant Values:

3.62 g/t Au over 6.4 m;

4.41 g/t Au over 2.0 m;

2.26 g/t Au over 1.2 m, and

0.53 g/t Au over 6.0 m.

The zone extends for 500 meters and has been tested with nine trenches.

Zone 2 Significant Values:

11.82 g/t Au over 3.5 m.

The zone is 1.0km long and was tested with 12 trenches but gold content in trenches is generally less than 1.0 g/t Au.

2.2 Changkeng Gold Project

Location

The Changkeng gold deposit is located approximately 45 km southwest of Guangzhou, the fourth largest city in China with 13 million people and the capital city of Guangdong Province. The project is adjacent to Minco Silver's Fuwan Silver Deposit and situated close to well-established water, power and transportation infrastructure.

Ownership

Mingzhong, a cooperative joint-venture established among Minco China, Guangdong Geological Bureau, Guangdong Gold Corporation, and two private Chinese companies to jointly explore and develop the Changkeng Property, signed a purchase agreement in January 2008 to buy a 100% interest in the Changkeng Exploration Permit on the Changkeng Project from the 757 Exploration of Team of Guandong Geological Bureau ("757 Exploration Team"). The transfer of the Changkeng Exploration Permit from 757 Exploration Team to Mingzhong was approved by the MOLAR in 2009. This exploration permit was renewed for a two-year period ending on September 10, 2013.The purchase price of the Changkeng Exploration Permit was set at RMB 48 million (approximately $7.3 million). As of December 31, 2008, the Company paid the first payment of RMB 19 million (approximately $2.9 million) for the Changkeng Exploration Permit to the 757 Exploration Team. In order to pay the remaining amount of the RMB 29 million (approximately $4.5 million), the shareholders of Mingzhong agreed to inject capital of RMB 32 million ($5.0 million). As of September 30, 2012, Minco China paid RMB 16.3 million ($2.5 million) and the five minority shareholders paid RMB 15.7 million ($2.4 million) to Mingzhong. Two of the minority shareholders of Mingzhong are state-owned entities, which require approval from the Guangdong provincial government's Minister of Finance for increasing their share of registered capital. The process to increase Mingzhong's registered capital is in progress. The funds received from the five minority shareholders are classified as a current liability as at September 30, 2012, pending approval of the capital injection.As at September 30, 2012, the Company has total liabilities of approximately $7.5 million, including the $2.4 million advanced by the minority shareholders of Mingzhong to be converted to equity once Mingzhong obtains approval to increase its registered capital, and $4.5 million to be paid to the 757 Exploration Team for the Changkeng exploration permit, which was classified as a current liability.

The Geology

The Changkeng Project is located at the northwest margin of a triangular Upper Paleozoic fault basin, at the margin with the northeast trending Shizhou fault to the northwest, the east-west trending Dashi fault to the south and the northwest trending Xijiang fault to the northeast. Precious and base metal occurrences and deposits are known to occur predominantly along the margins of the 550 km² basin.

The major structural control at Changkeng is an upright, open syncline with its axis trending northeast. The syncline is composed of Lower Carboniferous limestone and Triassic siliciclastic rocks. A low-angle fault zone is developed along the contact between the Lower Carboniferous unit and the Upper Triassic unit. The fault zone is from several meters to tens of meters in width and is occupied by lenticular, brecciated and silicified rocks, brecciated limestone, and silicified sandy conglomerate. The fault zone may have acted as both a feeder conduit and as a host structure for the gold and silver mineralization in the area. A set of second-order faults parallel to the major fault were developed in the limestone at the footwall, and silver mineralization is known to occur in the second-order faults on the Fuwan Property to the south.

Gold was discovered at Changkeng in early 1990 by systematic follow up of stream sediment and soil geochemical anomalies identified from surveys completed by the Guangdong Provincial government. Illegal, small scale mining began in 1991 and removed most of the oxidized, near surface mineralization. Based on 13 surface trenches and 81 diamond drill holes, P&E Mining Consultants Inc. ("P&E") of Brampton, Ontario, prepared an initial NI 43-101 compliant resource estimate on the deposit in March of 2008 with a resource update in March 2009 (collectively, the "Technical Reports") The Technical Reports can be found on SEDAR and are incorporated by reference herein. The detailed resource estimates are provided below.

The Changkeng Project is comprised of three mineralized zones, termed the CK1, CK2 and CK3 Zones. The overall strike length of the deposit, incorporating these zones, is approximately 1200 meters in a N065° direction, with a cross-strike width of between 110 to 380 meters. The deposit outcrops on surface and the deepest zone of mineralization intersected by drilling to date is approximately 280 meters below surface. The average width of a mineralized intersection is 10.4 meters (apparent thickness).

The Changkeng Project falls into the broad category of sediment hosted epithermal deposits. Gold mineralization occurs as lenticular bodies in the brecciated Triassic classic rocks at the upper portion of the synform zone. The gold zone tends to pinch out toward the hinge of the syncline where it is replaced by silver mineralization at the Fuwan Silver Deposit.

Drilling program

The Company completed a comprehensive exploration program on the Changkeng Project during late 2007 to the end of 2008. The exploration program consisted of drilling of 66 diamond holes and extensive hydrological study as well as geotechnical survey. The drilling program was designed to expand the known resources through step-out drilling, as well as increase the indicated resources through in-fill drilling, with the first 22 holes mainly testing the wider spaced drill targets throughout the entire property. Drilling was conducted on approximate 40 meter section spacing with holes on section between 20 meters to 80 meters apart.

At the completion of the 2008 drilling program, the known gold mineralization at the Changkeng Project was extended by approximately 400 meters along strike to the east-northeast; from just less than 900 meters to approximately 1200 meters in length. Mineralization was also extended down dip in localized areas along the eastern end of the known mineralization.

Resource estimates

A resource estimate was made by P&E Mining Consultants Inc. for the Changkeng Project by utilizing diamond drill data from a total of 127 drill holes and 13 surface trenches. On March 25, 2009, the Company reported an updated NI 43-101 resource estimate for the Changkeng project, including the calculations of the distinct and separate gold dominant and silver dominant zones.

The following is a summary of the updated resource calculation prepared for the Changkeng Project. The definitions of Indicated and Inferred Resources are in compliance with the CIM Definitions and Standards on Mineral Resources and Mineral Reserves, December 11, 2005.

Minco Gold has 51% ownership of the Changkeng Project which has 2 distinct and separate mineralized zones (a gold ("Au") dominant zone and a silver ("Ag") dominant zone). The gold portion of the resource estimate has been expanded and upgraded to contain indicated resources of 4.0 million tonnes @ 4.89 g/t Au for a total of 623,100 oz Au. This represents a 65% increase in gold ounces for the indicated resource category. The estimate also contains inferred resources of 4.0 million tonnes @ 3.01 g/t Au for a total of 386,800 oz Au.

March 2009 P&E Gold Dominant Portion of Resource Estimate @ 1.2 g/t AuEq Cut-Off

Classification	Tonnes	Au (g/t)	Au (oz)	Ag (g/t)	Ag (oz)	AuEq ** (g/t)	AuEq ** (oz)
Indicated	3,961,000	4.89	623,100	11.2	1,423,000	5.08	646,800
Inferred	4,001,000	3.01	386,800	9.5	1,218,000	3.16	407,000

**The AuEq grade was calculated from Au US$800/oz and Ag US$14/oz with respective recoveries of 95% and 90%. The calculated Au:Ag ratio was 60:1 Pb and Zn values were too low to be of economic interest for resource reporting purposes.

1. *Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
2. *The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.*

The Changkeng Gold Project also contains a portion of a second distinct deposit which is silver dominant. Minco Gold assigned its 51% ownership in these resources to Minco Silver Corporation pursuant to the assignment agreement dated August 20, 2004. The Changkeng Silver Mineralization contains indicated resources of 5.6 million tonnes @ 170 g/t Ag for a total of 30,708,000 oz Ag and inferred resources of 1.1 million tonnes @ 220 g/t Ag for a total of 7,517,000 oz Ag.

March 2009 P&E Silver Dominant Portion of Resource Estimate @ 35 g/t Ag Cut-Off

Classification	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Pb (%)	Zn (%)
Indicated	5,622,000	170	30,708,000	0.33	0.35	1.02
Inferred	1,063,000	220	7,517,000	0.24	0.61	1.36

1. *Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
2. *The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.*

The resource estimate prepared on the Changkeng Silver Project also includes minor amounts of lead (Pb) and zinc (Zn).

During the three and nine months ended September 30, 2012, the Company did not conduct any exploration activities, except for maintaining the Changkeng exploration permit.

2.3 Equity Investment in Minco Silver Corporation

As at September 30, 2012, the Company owns 13,000,000 common shares of Minco Silver (December 31, 2011 - 13,000,000 common shares) that were acquired in 2004 in exchange for the transfer of the Fuwan property and the silver interest in the Changkeng property.

The Company did not participate in the Public Offering of 7,600,000 common shares at $5.95 per share concluded by Minco Silver on March 3, 2011. As a result, the Company's ownership in Minco Silver decreased to 22.02% as at September 30, 2012.

Current developments on the Fuwan Silver Project

Following the official approval granted by Gaoming County for the development of the Fuwan Silver Project in December 2008, Minco Silver has been in the development stage and focused on the permitting process in order to apply for a mining license on the Fuwan Silver Project.

The pivotal aspect of applying for the mining license is to complete the Environmental Impact Assessment Report ("EIA") for which Minco Silver engaged Guangdong Nuclear Design Institute ("GNDI") to complete the Chinese Regulatory EIA report. A technical panel appointed by the Department of Environmental Protection Administration of Guangdong Province reviewed and approved the regulatory EIA report compiled by GNDI in principle on March 7, 2010 with certain comments. Minco Silver submitted the revised report to the Department in December 2010 after addressing the comments received from the panel.

The Company engaged General Station for Geo-Environmental Monitoring of Guangdong Province ("GSGEM") for a water monitoring study to comply with the new water regulations issued by the Ministry of Environmental Protection of China effective on June 1, 2011, which all applicants for EIA are subject to. GSGEM carried out the required monitoring study, and prepared all reports required for compliance with the new National Water Guidelines. Minco Silver successfully completed the field work in January 2012 and received the comprehensive water monitoring report from GSGEM in April 2012. The report concluded Minco Silver is in compliance with the requirements of the new National Water Guidelines. Minco Silver has submitted the report to GNDI for revision of the original EIA report. The revised EIA report will be submitted to the Chinese environmental protection authority for approval. Upon approval of the EIA report, Minco Silver will utilize data from the EIA report to finalize the preliminary mine design.

Minco Silver has made significant progress in permitting on the Fuwan Silver Deposit other than the EIA regulatory report. The progress is summarized as follows:

- The Chinese Preliminary Feasibility Study was completed by Changsha Non-Ferrous Mine Design Institute and approved by an expert panel.
- The Mining Area Permit covers approximately 0.79 square kilometers, defines the mining limits of the Fuwan Silver deposit and restricts the use of this land to mining activities, was approved by MOLAR and renewed subsequently to the original approved in October 2009. The renewed permit will expire on April 10, 2014.
- The Soil and Water Conservation Plan was completed and approved.
- The Land Usage Permit was approved by Gaoming County, Foshan City, and Guangdong provincial governments. It was since renewed until December 31, 2012.
- The Geological Hazard Assessment was completed and approved in September 2009.
- The Mine Geological Environment Treatment Plan was reviewed and approved by the Environment Committee of China Geology Association.
- The preliminary Safety Assessment draft report was completed in December 2011 and submitted to the Safety Bureau of Guangdong Province for approval.

Comprehensive income (loss) on the investment in Minco Silver is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	$	$	$	$
Dilution gain (loss) in Minco Silver	(272)	2,000	(8,312)	8,679,000
Equity income (loss) of Minco Silver	(502,705)	52,355	(927,718)	(1,100,959)
Cumulated translation adjustment	(160,254)	312,497	(113,988)	314,570
Comprehensive income (loss) from investment in Minco Silver	(663,231)	366,852	(1,050,018)	7,892,611

The carrying value and market value of the Minco Silver shares held by the Company and accounted for using the equity basis, are as follow:

	September 30, 2012	December 31, 2011
	$	$
Carrying value of investment in Minco Silver	13,438,998	14,489,016
Market value of Minco Silver shares	26,000,000	25,870,000

As at September 30, 2012 the closing share price for Minco Silver's shares on the Toronto Stock Exchange was $1.46 (December 31, 2011 - $1.99 per share).

The following selected financial information is derived from Minco Silver's Statements of Financial Position.

	September 30, 2012	December 31, 2011
	$	$
Current assets	67,661,080	71,012,927
Mineral interests	19,543,387	17,811,322
Property, plant and equipment	601,229	751,463
Current liability	102,844	968,690
Shareholders' equity	87,702,852	88,607,022

The following selected financial information is derived from Minco Silver's Statements of operations and net income (loss) and Statements of Comprehensive Income (Loss).

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
	$	$	$	$
Administrative expenses	2,196,503	13,471	4,889,312	5,045,700
Net income (loss) for the period	(2,277,968)	215,533	(4,200,668)	(4,548,140)
Other comprehensive income (loss) for the period	(725,442)	1,000,781	(516,130)	1,024,454
Comprehensive income (loss) for the period	(3,003,410)	1,216,314	(4,716,798)	(3,523,686)

2.4 Tugurige Gold project

Minco China, entered into a Joint Venture Agreement in December 2010 (the "JV Agreement") with the 208 Exploration Team (the "208 Team"), a subsidiary of China National Nuclear Corporation (the "CNNC"), to acquire a 51% equity interest in the Tugurige Gold Project located in Inner Mongolia, China. Under the terms of the JV Agreement, the 208 Team should set up a new entity (the "JV Co") and transfer its 100% interest in the Tugurige Gold Project into the JV Co, Minco China has the right to contribute a total of RMB 250 million (approximately $37 million) (the "Earn-In Amount") to earn a 51% equity interest in the JV Co, with RMB 180 million (approximately $27 million) to be contributed upon conclusion of the JV agreement. The Earn-In Amount is subject to an independent evaluation of the value of the Tugurige Project.

The 208 Team did not comply with certain of its obligations under the JV agreement, including its obligation to set up a new entity (the "JV Co") and the transfer of its 100% interest in the Tugurige Gold Project to the JV Co. As a result, Minco China engaged a law firm in Beijing to take a legal action seeking compensation for breach of the JV agreement by the 208 Team on March 14, 2012. The 208 Team also took a legal action to countersue the Company in order to have the case dismissed. The ultimate outcome is uncertain.

3. Results of Operations

3.1 Exploration Costs

The following is a summary of exploration costs incurred by each project.

	Three months ended September 30,		Nine months ended September 30,		Cumulative to September 30,
	2012	**2011**	**2012**	**2011**	**2012**
	$	$	$	$	$
Longnan projects	324,958	757,478	880,941	1,368,515	8,985,140
Changkeng gold project	30,123	18,764	51,705	47,800	8,217,775
Gold Bull Mountain	3,970	-	16,509	-	2,206,221
Sihui	409	-	1,607	-	1,607
	359,460	776,242	950,762	1,416,315	19,410,743

During the three and nine months ended September 30, 2012, the Company did not conduct any exploration activities on Gold Bull Mountain and Sihui, except for maintaining the exploration permits.

3.2 Administrative Expenses

The Company's administrative expenses include overhead associated with administering and financing the Company's exploration activities.

For the three months ended September 30, 2012, the Company incurred a total of $643,730 of administrative expenses (2011 - $852,340).

For the nine months ended September 30, 2012, the Company incurred a total of $2,169,905 of administrative expenses (2011 - $3,590,817).

Significant changes in expenses are as follows:

Accounting and auditing:

For the three months ended September 30, 2012, the Company incurred $30,256 accounting and auditing expenses compared to the expenses of $46,728 for the comparative period in 2011. The decrease was due to the Company not engaging its external auditor for IFRS compliance and quarterly review in 2012.

For the nine months ended September 30, 2012, the Company incurred $135,897 accounting and auditing expenses compared to the expenses of $222,549 for the comparative period in 2011. The decrease was due to the same reason described above.

Consulting fees:

For the three months ended September 30, 2012, the Company incurred $1,333 consulting fees compared to the costs of $25,500 for the comparative period in 2011.The decrease was due to the resignation of the Company's former CFO in 2012.

For the nine months ended September 30, 2012, the Company incurred $58,257 consulting fees compared to the costs of $77,667 for the comparative period in 2011. The decrease was due to the same reasons described above.

Investor relations:

For the three months ended September 30, 2012, investor relations expenses increased to $43,099 from $30,721 for the comparative period in 2011.This was mainly due to the increase of investor road touring during the period.

For the nine months ended September 30, 2012, investor relations expenses decreased to $134,790 from $301,625 for the comparative period in 2011.The decrease was mainly due to the reduced use of external consultants providing investor relations services during the period. In addition, investor road touring for the nine months ended September 30, 2012 was reduced compared to the comparative period in 2011.

Legal and regulatory:

For the three months ended September 30, 2012, legal and regulatory were $25,607 compared to $32,456 for the comparative period in 2011. There was an additional filing fee incurred for a new option plan filed for the three months ended September 30, 2011.

For the nine months ended September 30, 2012, legal and regulatory were $251,912 compared to $116,690 for the comparative period in 2011. The increase was due to the Company engaging an external legal counsel to assist with regulatory compliance matters in 2012. In addition, Minco China engaged a law firm in Beijing to take a legal action against the 208 Team for non-performance of certain terms and obligations under the Joint Venture Agreement on January 13, 2011.

Share-based compensation:

For the three months ended September 30, 2012, share-based compensation decreased to $279,175 from $401,249 for the comparative period in 2011. The decrease was due to the reduced value for stock options granted in 2012 versus 2011.

For the nine months ended September 30, 2012, share-based compensation decreased to $806,260 from $2,042,040 for the comparative period in 2011. The decrease was due to the same reason described above.

To date the Company has been in the exploration stage and has not earned revenue from operations. Income earned has been interest, rental and sundry income.

4. Summary of Quarterly Results

Period ended	Net income (loss)	Earnings (loss) per share Basic	Diluted
	$	$	$
09-30-2012	(1,020,380)	(0.02)	(0.02)
06-30-2012	(1,166,632)	(0.02)	(0.02)
03-31-2012	(1,290,325)	(0.03)	(0.03)
12-31-2011	(1,558,260)	(0.03)	(0.03)
09-30-2011	(1,423,134)	(0.03)	(0.03)
06-30-2011	(2,275,785)	(0.05)	(0.05)
03-31-2011(*)	6,119,625	0.12	0.12
12-31-2010	195,574	0.00	0.00

Variations in quarterly performance over the eight quarters can be primarily attributed to changes in dilution gains and losses and equity gains and losses resulting from the Company's investment in Minco Silver. Another contributing factor is changes in the amount of share-based compensation recognized in each period.

(*) Net income of $6.1 million for the period ended March 31, 2011 was mainly due to the Company not participating in Minco Silver's Public Offering. As a result, the Company recorded an $8.4 million dilution gain.

5. Liquidity and Capital Resource

5.1 Cash Flows

	Nine months ended September 30, 2012	2011
	$	$
Operating activities	(1,716,466)	(2,859,553)
Investing activities	(4,644,329)	9,401,189
Financing activities	-	(5,231,186)

Operating activities

For the nine months ended September 30, 2012, the Company used $1,716,466 cash in operating activities compared to $2,859,553 cash used in the comparative period of 2011. The decrease is primarily due to the reduced cash payments for the exploration activities and investor relations during the period.

Investing activities

Investing activities for the nine months ended September 30, 2012 included the purchase of short term investment of $5,074,979, which was offset by a gain of $443,514 from the sale of two exploration permits.

Investing activities for the nine months ended September 30, 2011 included the repayment of the loan by Tugurige Gold Mine of $9,122,284, and short-term investment of $293,770.

Financing activities

For the nine months ended September 30, 2012, the Company did not use or generate any cash from financing activities compared to cash used of $5,231,186 in the comparative period of 2011.

Financing activities for the nine months ended September 30, 2011 included the loan repayment to Minco Base Metal ("MBM") of $7,601,904, which was offset by the proceeds of $775,016 received from the exercise of options, and $1,595,702 advance payments received from Mingzhong's five minority shareholders to arrive at the cash used of $5,231,186.

5.2 Capital Resources

As at September 30, 2012, the Company has $5.2 million in cash and cash equivalents and short-term investments, which include $4.5 million in Mingzhong to be used for the final payment for the acquisition of the Changkeng exploration permit. The remaining cash and short-term investments balance available to fund exploration and general corporate requirements is $0.7 million, and is held in the Company's Chinese subsidiaries. The Company may face delays repatriating funds held in China if at any time the Company needs additional resources to enable it to undertake projects elsewhere in the world.

The Company plans on meeting any additional short-term cash requirements through funds advanced from Minco Silver or to raise funds through the sale of its portion of equity investment in Minco Silver when necessary.

5.3 Contractual Obligations

The Company has $5.2 million in contractual obligations, including $4.7 million to be used for the final payment of Changkeng exploration permit, and $0.5 million for other obligations.

There have been no material changes in the Company's contractual obligations for the nine months ended September 30, 2012 compared to the year-end December 31, 2011. Please refer to the Company's 2011 MD&A dated March 30, 2012, available on SEDAR.

6. Off -Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

7. Transactions with Related Parties

Shared expenses

a) Minco Silver and Minco Gold share offices and certain administrative expenses in Beijing and Minco Silver, Minco Base Metals ("MBM") and Minco Gold share offices and certain administrative expenses in Vancouver.

At September 30, 2012, the Company has $297,704 due to Minco Silver (December 31, 2011 – due from Minco Silver of $429,114) and consists of the following:

Amount due from Foshan Minco Fuwan Mining Co. Ltd. ("Foshan Minco") as at September 30, 2012 of $1,655,483 (December 31, 2011 - $1,167,282), representing the expenditures incurred by Minco China on behalf of Foshan Minco and shared office expenses.

Amount due to Minco Silver as at September 30, 2012 was $1,953,187 (December 31, 2011 – $738,168) representing funds advanced from Minco Silver to Minco Gold to support its operating activities in Canada net of shared head office expenses.

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

The above two amounts will be net settled and accordingly have been presented as a net balance on the consolidated financial statements.

b) At September 30, 2012, the Company has $4,924 due from MBM (December 31, 2011 - $20,774), in relation to shared office expenses. The Company is related to MBM through one common director and common management.

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

Funding of Foshan Minco

Minco Silver cannot invest directly in Foshan Minco as Foshan Minco is legally owned by Minco China. All funding supplied by Minco Silver for exploration of the Fuwan Project must first go through Minco China via the Company to comply with the Chinese Law. In the normal course of business Minco Silver uses trust agreements when providing cash, denominated in US dollars, to Minco China via the Company for the purpose of increasing the registered capital of Foshan Minco. Minco China is a registered entity in China however it is classified as being a wholly foreign owned entity and therefore can receive foreign investment. Foshan Minco is a Chinese company with registered capital denominated in RMB and therefore can only receive domestic investment from Minco China. Increase to the registered capital of Foshan Minco must be denominated in RMB.

On September 9, 2011, Minco Silver advanced US$10 million to the Company, the ultimate legal shareholder of Foshan Minco. During 2011, the Company received government approvals to increase the registered capital of its wholly-owned subsidiary, Minco China. Minco China has undertaken the exchange of the US$10 million into RMB and will then invest the funds, on behalf of Minco Silver, to increase the registered capital of Foshan Minco.

In August, 2011, the Company, Minco Silver and Minco China entered into a trust agreement in which the Company and Minco China, confirmed they have received the US$10 million, and Minco China is required to exchange these US funds into RMB in order to increase Foshan Minco's registered share capital. Once all the funds are transferred from Minco China to Foshan Minco, the trust agreement is effectively settled and no repayment is expected by Minco Silver from Minco China.

As at the nine months ended September 30, 2012, Minco China held US$0.4 million and RMB 58.9 million in trust for Minco Silver.

Key management compensation

Key management includes the Company's directors and senior management. This compensation is included in exploration costs, and administrative expenses.

In the three months and nine months ended September 30, 2012 and 2011, the following compensation was paid to key management.

	Three months ended September 30,		Nine months ended September 30,	
	2012	**2011**	**2012**	**2011**
	$	$	$	$
Cash remuneration	61,405	105,625	230,622	339,737
Share-based compensation	172,486	326,710	503,120	1,237,335
Total	233,891	432,335	733,742	1,577,072

The above transactions were conducted in the normal course of business.

8. Critical Accounting Estimates

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements:

Equity investment in Minco Silver

The Company reviews its equity investment in Minco Silver when there is any indication that the investment might be impaired. Management has assessed impairment indicators on this equity investment and has concluded that no impairment indicator existed as of September 30, 2012.

9. Accounting Standards Issued but Not Yet Applied

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and amendments or determined whether it will adopt them early.

IFRS 9 Financial instruments

IFRS 9 was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments: Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This new standard is effective for annual periods beginning on or after January 1, 2015 with earlier application permitted.

IFRS 10 Consolidated financial statements

IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard: (i) requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements; (ii) defines the principle of control, and establishes control as the basis for consolidation; (iii) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and (iv) sets out the accounting requirements for the preparation of consolidated financial statements. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation - Special Purpose Entities*.

IFRS 12 Disclosure of interests in other entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. IFRS 11 supersedes IAS 27, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*.

IFRS 13 Fair value measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

10. Risks Factors and Uncertainties

The business of exploration and development for minerals and mining involves a high degree of risk. Few exploration properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labor are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with advice from consultants and others as required. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

The Company owned a 22.02% equity investment in Minco Silver as at September 30, 2012. There is a risk to the Company which is the equity investment may become impaired if Minco Silver's market price will decrease to below its carrying value going forward. The Company will assess this impairment indictor together with other elements of Minco Silver, such as progress on permitting.

There have been no significant changes in the risk and uncertainties which the Company faces as at this MD&A date compared to the year end of 2011. For a comprehensive discussion of risk factors, readers are referred to the Company's 2011 annual information form ("AIF") and the MD&A dated March 30, 2012, available on SEDAR.

11. Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2012 and has concluded, based on its evaluation, that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and reported as required.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The control framework used to design the Company's internal control over financial reporting is the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management has evaluated the effectiveness of design and operation of the Company's internal controls over financial reporting as at September 30, 2012. Based on the result of this assessment, management has concluded that the Company's internal controls over financial reporting are effective.

During the nine months ended September 30, 2012, there have been no material changes in the Company's internal controls over financial reporting.

12. Cautionary Statement on Forward Looking Information

This MD&A, which contains certain forward-looking statements, is intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "target", "plan", "intends", "continue", "estimate", "may", "will", and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, Chinese RMB and U.S. dollar, fluctuations in the prices of gold and other commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, or China or other countries in which the company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, quantities or grades of reserves, failure of plant, equipment or processes to operate as anticipated as well as any factors discussed in the section entitled "Risk and Uncertainties" in this MD&A. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company.

Forward-looking statements included or incorporated by reference in this MD&A are based on a number of assumptions including:

- The continued ability of the Company to attract and retain key management personnel.
- The content of the Company's plans for future exploration program to be focused on the Yejiaba area of Longnan Project.

Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws.

Additional information, including the above mentioned audited consolidated financial statements for the year ended December 31, 2011 and the MD&A and AIF for the same period, which contain extensive disclosure of the history and properties of the Company, are available on SEDAR.