Minco Silver Corporation

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2016 and 2015
(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 consolidated 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 consolidated interim financial statements of Minco Silver Corporation have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited condensed consolidated 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 Silver Corporation's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

Dr. Ken Cai
President and CEO

Larry Tsang, CPA, CA
Interim Chief Financial Officer

Vancouver, Canada

May 13, 2016

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Minco Silver Corporation

Condensed Consolidated Interim Statements of Financial Position

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

	March 31, 2016	December 31, 2015
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 3)	16,734,266	26,202,564
Short-term investments (note 4)	36,376,631	32,143,068
Receivables	640,521	517,359
Due from related parties (note 9)	539,197	177,330
Prepaid expenses and deposits	183,969	201,647
	54,474,584	59,241,968
Mineral interests (note 5)	60,465,577	63,676,055
Property, plant and equipment	389,246	434,999
	115,329,407	123,353,022
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	350,304	638,550
	350,304	638,550
Equity		
Equity attributable to owners of the parent		
Share capital (note 8)	106,660,627	106,630,256
Contributed surplus	23,162,150	22,977,633
Accumulated other comprehensive income	9,806,218	14,813,721
Deficit	(36,580,945)	(34,468,043)
	103,048,050	109,953,567
Non-controlling interest (note 6)	11,931,053	12,760,905
Total equity	114,979,103	122,714,472
Total liabilities and equity	115,329,407	123,353,022

Approved by the Board of Directors:

(signed) Maria Tang Director

(signed) George Lian Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Operations and Net Income (Loss)

For the three months ended March 31, 2016 and 2015

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

	2016 $	2015 $
Administrative expenses (recovery)		
Audit, legal and regulatory	60,633	50,750
Amortization	24,481	26,536
Consulting	17,246	36,753
Directors' fees	27,500	30,500
Field office expenses	158,462	163,162
Foreign exchange loss (gain)	1,555,432	(1,293,396)
Investor relations	61,818	6,810
Office administration expenses	88,101	45,292
Property investigation	-	31,331
Rent	134,533	95,275
Salaries and benefits	129,170	81,029
Share-based compensation (note 8(b))	73,166	27,217
Travel and transportation	14,244	4,116
	2,344,786	(694,625)
Operating income (loss)	(2,344,786)	694,625
Finance and other income (expenses)		
Gain on disposal of investment (note 7)	-	604,558
Interest income	176,727	250,560
Other expenses (note 9(a))	-	(262,644)
Net income (loss) before tax for the period	(2,168,059)	1,287,099
Deferred income tax recovery	-	250,838
Net income (loss) for the period	**(2,168,059)**	**1,537,937**
Net income (loss) attributable to:		
Shareholders of the Company	(2,112,902)	1,537,937
Non-controlling interest	(55,157)	-
	(2,168,059)	1,537,937
Income (loss) per share – basic and diluted	(0.05)	0.03
Weighted average number of common shares outstanding – basic and diluted	59,634,414	59,631,418

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the three months ended March 31, 2016 and 2015

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

	2016 $	2015 $
Net income (loss) for the period	(2,168,059)	1,537,937
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit or loss:		
Unrealized gain on investment, net of tax (note 7)	-	5,307,416
Realized gain reclassified to net loss on partial disposal of investment (note 7)	-	(604,558)
Exchange differences on translation from functional to presentation currency	(5,782,198)	4,800,060
Other comprehensive income (loss) for the period	(5,782,198)	9,502,918
Comprehensive income (loss) for the period	(7,950,257)	11,040,855
Comprehensive income (loss) attributable to:		
Shareholders of the Company	(7,120,405)	11,040,855
Non-controlling interest	(829,852)	-
	(7,950,257)	11,040,855

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the three months ended March 31, 2016 and 2015

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

	Changes in Shareholders' Equity							
	Number of Shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Deficit	Subtotal	Non-controlling interest	Total equity
		$	$	$	$	$		
Balance - January 1, 2015	59,328,085	106,140,836	21,950,949	3,723,746	(39,629,713)	92,185,818	-	92,185,818
Net income for the period	-	-	-	-	1,537,937	1,537,937	-	1,537,937
Other comprehensive income	-	-	-	9,502,918	-	9,502,918	-	9,502,918
Share-based compensation	-	-	82,720	-	-	82,720	-	82,720
Balance – March 31, 2015	59,631,418	106,630,256	22,698,479	13,697,178	(39,757,292)	103,268,621	-	103,268,621
Balance - January 1, 2016	59,631,418	106,630,256	22,977,633	14,813,721	(34,468,043)	109,953,567	12,760,905	122,714,472
Net loss for the period	-	-	-	-	(2,112,902)	(2,112,902)	(55,157)	(2,168,059)
Other comprehensive loss	-	-	-	(5,007,503)	-	(5,007,503)	(774,695)	(5,782,198)
Share-based compensation	-	-	195,988	-	-	195,988	-	195,988
Proceeds on issuance of shares from exercise of options	44,998	30,371	(11,471)	-	-	18,900	-	18,900
Balance – March 31, 2016	59,676,416	106,660,627	23,162,150	9,806,218	(36,580,945)	103,048,050	11,931,053	114,979,103

The accompanying notes are an integral part of these consolidated financial statements.

Minco Silver Corporation

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2016 and 2015

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

	2016	2015
	$	$
Operating activities		
Net income (loss) for the period	(2,168,059)	1,537,937
Adjustments for:		
Amortization	24,481	26,536
Foreign exchange loss (gain)	1,555,432	(1,293,396)
Share-based compensation (note 8(b))	73,166	27,217
Gain on partial disposal of investment	-	(604,558)
Deferred income tax recovery	-	(250,838)
Changes in items of working capital:		
Receivables	(150,471)	(295,996)
Prepaid expenses and deposits	13,014	(89,023)
Accounts payable and accrued liabilities	(269,968)	(293,911)
Due to related parties (note 9)	(371,276)	9,904
Net cash used in operating activities	(1,293,681)	(1,226,128)
Financing activities		
Proceeds from stock option exercises	18,900	-
Net cash generated from financing activities	18,900	-
Investing activities		
Development costs	(444,362)	(288,819)
Proceeds from disposal of investments (note 7)	-	3,064,606
Property, plant and equipment	(2,654)	-
Purchase of short-term investments	(7,502,266)	(8,684,571)
Redemption of short-term investments	1,047,101	800,000
Net cash used in investing activities	(6,902,181)	(5,108,784)
Effect of exchange rates on cash	(1,291,336)	814,204
Decrease in cash and cash equivalents	(9,468,298)	(5,520,708)
Cash and cash equivalents - Beginning of period	26,202,564	11,938,544
Cash and cash equivalents - End of period	16,734,266	6,417,836

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. General information and acquisition of assets

Minco Silver Corporation ("Minco Silver" or the "Company") is engaged in exploring, evaluating and developing precious metals mineral properties and projects. Minco Silver was incorporated on August 20, 2004 under the laws of British Columbia, Canada and its Common Shares are listed on the Toronto Stock Exchange ("TSX") and trades under the symbol "MSV". The Company's registered office is 2772 – 1055 West Georgia Street, Vancouver, British Columbia, Canada.

As at March 31, 2016, Minco Gold Corporation ("Minco Gold") owned a 18.43% (December 31, 2015 – 18.45%) equity interest in Minco Silver.

On May 22, 2015, the Company entered into a share purchase agreement (the "SPA") with Minco Gold and Minco HK. Pursuant to the SPA, the Company agreed to purchase all of the issued and outstanding shares of Minco Gold's wholly-owned subsidiary, Minco Resources, which holds Minco China. Minco China owns certain subsidiaries including legal ownership of Changfu Minco Mining Co. Ltd , formerly Foshan Minco Fuwan Mining Co. Ltd., ("Changfu Minco") and a 51% interest in Guangdong Mingzhong, which owns the Changkeng Gold Project. By acquiring control of Minco China, the Company obtained legal ownership of Changfu Minco and consequently no longer requires trust agreements related to the funding of the Fuwan Project (Note 9(a)). The acquisition closed on July 31, 2015.

This acquisition has been accounted for as an asset purchase, as Minco Resources and its subsidiaries did not meet the definition of a business as defined in IFRS 3 *Business Combinations.*

The following summarizes the consideration paid and estimates of fair value of assets acquired and liabilities assumed:

	$
Consideration	
Short-term investment	10,016,397
Settlement of loan payable from Minco Gold to Minco Silver	3,700,000
Transaction costs	69,627
Total consideration	13,786,024

Net assets acquired	**$**
Cash	1,249,209
Receivables	91,901
Prepaid expenses and deposits	126,035
Property, plan, and equipment	76,555
Mineral interest (Note 5(c))	25,312,695
Accounts payable and accrued liabilities	(195,595)
Due to related parties	(199,703)
Minority interest share of the assets acquired	(12,675,073)
	13,786,024

Majority of the consideration was paid in the form of a short-term investment and net cash inflow of $1,347,693 as result of the transaction mainly represented cash balances within the entities acquired.

2. Basis of preparation

These condensed consolidated interim financial statements include the accounts of Minco Silver Corporation and its wholly owned subsidiaries, Minco Yinyuan Co. ("Minco Yinyuan"), Minco Investment Holding HK Ltd ("Minco HK"), Changfu Minco, Zhongjia Jinggu Limited ("Zhongjia"), Minco Resource Limited ("Minco Resources"), Minco Mining (China) Corporation ("Minco China"), Yuanling Minco Mining Ltd. ("Yuanling Minco"), Tibet Miming Co. Ltd. ("Tibet Minco"), Huaihua Tiancheng Mining Ltd. ("Huaihua"), Beijing Minco International Resources Investment Services Ltd. ("Minco International Resources") and its 51% interest in Mingzhong Mining Co. Ltd. ("Mingzhong"). Changfu Minco is subject to a 10% net profit interest held by Guangdong Geological Bureau ("GGB"). The Company, indirectly through Changfu Minco owns 90% of Zhongjia.

Information about subsidiaries:

Name	Principal activities (ownership interest)	Country of Incorporation
Minco Yinyuan	Treasury company (100%)	China
Minco HK	Holding company (100%)	China
Changfu Minco	Exploring, evaluating and developing mineral properties (90%)	China
Zhongjia	Service company (90%)	China
Minco China (i)	Exploring and evaluating mineral properties (100%)	China
Yuanling Minco (i)	Exploring and evaluating mineral properties (100%)	China
Tibet Minco (i)	Exploring and evaluating mineral properties (100%)	China
Huaihua (i)	Exploring and evaluating mineral properties (100%)	China
Minco Resources (i)	Holding company (100%)	China
Mingzhong (i)	Exploring and evaluating mineral properties (51%)	China
Minco International Resources (i)	Investment and service company (100%)	China

(i) These subsidiaries were acquired by the Company on July 31, 2015 (Note 1). As a result, the operating results of these subsidiaries are not included in the comparative figures in these condensed consolidated interim financial statements for the three months ended March 31, 2015

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

2. Basis of preparation (continued)

These condensed consolidated 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 consolidated interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2015, which were prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated annual financial statements for the year ended December 31, 2015.

These condensed consolidated interim financial statements were approved by the board of directors for issue on May 11, 2016.

3. Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and guaranteed investment certificates with initial maturities of less than three months.

	As at March 31, 2016	As at December 31, 2015
	$	$
Cash	14,417,551	22,886,760
Term deposits	2,316,715	3,315,804
	16,734,266	26,202,564

As at March 31, 2016, cash and cash equivalents of $2,813,398 (RMB 13,987,596) (December 31, 2015 - $11,482,616 (RMB 53,728,309)) are in China. Under Chinese law, cash advanced to the Company's Chinese subsidiaries as registered share capital is maintained in the subsidiaries' registered capital bank account. Remittance of these funds back to Canada requires approvals by the relevant government authorities or designated banks in China or both.

4. Short-term investments

As at March 31, 2016, short-term investments consist of cashable guaranteed investment certificates with maturities ranged from six months to one year. The yields on these investments were between 1.22% and 3.30% as at March 31, 2016 and December 31, 2015. As at March 31, 2016, short-term investments of $27,924,260 (RMB 138,833,279) (December 31, 2015 - $22,079,638 (RMB 103,312,834)) were in China.

5. Mineral interests

	$
Fuwan Silver Deposit (a)	35,840,308
Changkeng Project (c)	24,625,269
Total mineral interests	60,465,577

(a) Fuwan Silver Deposit

Minco Silver has a 90% interest in Changfu Minco, the operating company and permit holder for the Fuwan project, subject to a 10% net profit interest held by GGB. There will be no distributions to or participation by GGB, until such time as Minco Silver's investment in the project is recovered. GGB is not required to fund any expenditures related to the Fuwan project. The Exploration Permit for the Fuwan project is the Luoke-Jilinggang exploration permit, which expires on July 20, 2017. The Mining Area Permit which defines the mining limits of the Fuwan Silver Deposit and restricts the use of this land to mining activities expires on April 10, 2018.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered agreements or transfers.

The following is a summary of project development costs capitalized to mineral interests from January 1, 2016 to March 31, 2016.

	2016 $
Opening Balance – January 1, 2016	**37,565,101**
Consulting fees	72,000
Salaries and benefits	58,684
Share-based compensation	122,822
Mining design costs	151,207
Mining license application	13,087
Travel	5,487
Other development costs	84,722
Foreign exchange	(2,232,802)
Ending Balance – March 31, 2016	**35,840,308**

5. Mineral interests (continued)

(b) Fuwan Silver Belt

In 2005, the Company acquired silver exploration permits on the Fuwan belt, referred to as the Hecun Property and the Guyegang-Sanyatang Property. The Guyegang-Sanyatang permit expires on March 17, 2017. The Company has submitted the renewal application for the Hecun permit that was originally set to expire on April 7, 2014. The renewal applications are currently being processed by the Ministry of Land and Resources.

(c) Changkeng Silver Mineralization

In 2015, the Company announced that it had completed the acquisition of Minco Gold's 51% interest in the Changkeng Gold Project, which is held by Mingzhong. The Changkeng Project immediately adjoins the Fuwan Silver Deposit.

Mingzhong signed an exploration permit transfer agreement with No. 757 Exploration Team of Guangdong Geological Bureau ("757 Exploration Team") and on January 5, 2008 Mingzhong received the Changkeng exploration permit (the "Changkeng Exploration Permit"). This exploration permit expires on September 10, 2017. Prior to the acquisition of Minco Gold's interest in Mingzhong, Minco Gold had assigned its right to earn a 51% interest in the Changkeng Silver Mineralization to Minco Silver.

The following is a summary of project development costs capitalized to mineral interest from January 1, 2016 to March 31, 2016:

	2016 **$**
Opening Balance – January 1, 2016	**26,110,954**
Consulting	18,102
Salaries and benefits	33,125
Other development costs	194
Foreign exchange	(1,537,106)
Ending Balance – March 31, 2016	**24,625,269**

6. Non-controlling interest

Below is summarized financial information for Mingzhong, the Company's 51% owned indirect subsidiary that was acquired in July 2015.

Summarized statement for financial position

	March 31, 2016	December 31, 2015
	$	$
NCI percentage	49%	49%
Current assets	692,386	977,783
Current liabilities	109,533	154,860
	582,853	822,923
Non-current asset	24,625,269	26,110,954
Net assets	25,208,122	26,933,877
Accumulated non-controlling interests	11,931,053	12,760,905

Summarized income statement

	Three months ended March 31, 2016	Three months ended March 31, 2015
	$	$
Net loss (49%)	55,157	-
Loss allocated to NCI	55,157	-

Summarized cash flows

	Three months ended March 31, 2016	Three months ended March 31, 2015
	$	$
Cash out flows from operating activities	152,855	-
Cash out flows from investing activities	53,652	-

7. Investments

During the three months ended March 31, 2015, the Company disposed of its investment in 8,451,967 common shares of Gold Road Resources Limited for net proceeds of $3,064,606. As a result, the Company recorded a gain on disposal of investment of $604,558 during the three months ended March 31, 2015. All of the Company's investments were disposed in 2015.

The Company did not have investments as at and during three months ended March 31, 2016.

8. Share capital

(a) Common Shares

Authorized: Unlimited number of common shares without par value.

(b) Long-term Incentive Plan

The Company may grant up to 15% of its issued and outstanding shares as options, restricted share units, performance share units and deferred share units, to its directors, officers, employees and consultants under its long-term incentive plan.

Stock Options

The Company's long-term incentive plan allows the board of directors to grant options for periods of up to ten years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on a date preceding the date the options are granted. These options are equity settled.

During the three months ended March 31, 2016, the Company did not grant any stock options

The Company recorded $112,785 of the option component of share-based compensation for the three months ended March 31, 2016 (2015 - $39,809). Share-based compensation expense of $68,896 (2015 - $24,980) was recorded in the statement of operations and net income (loss) and share-based compensation expense of $43,889 (2015 - $14,829) was capitalized to mineral interests.

8. Share capital (continued)

A summary of the options outstanding is as follows:

	Number outstanding	Weighted average exercise price $
Balance, January 1, 2015	6,477,835	2.58
Granted	1,690,000	0.42
Expired	(350,836)	3.03
Forfeited	(1,331,332)	1.72
Balance, December 31, 2015	6,485,667	2.16
Expired	(1,080,000)	5.37
Exercised	(44,998)	0.42
Balance, March 31, 2016	5,360,669	1.53

The weighted average share price at the day of exercise for options exercised during three months ended March 31, 2016 was $0.42 (Three months ended March 31, 2015 – no options exercised). As at March 31, 2016, there was $107,736 (March 31, 2015 - $186,241) of total unrecognized compensation cost relating to unvested options.

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 $
0.42 – 0.79	1,445,002	4.47	0.42	451,661	0.42
0.82 – 2.00	2,055,667	2.29	1.27	2,055,667	1.27
2.01 – 2.35	1,635,000	0.99	2.35	1,635,000	2.35
2.36 – 5.04	225,000	0.27	5.04	225,000	5.04
	5,360,669	2.40	1.53	4,367,328	1.78

8. Share capital (continued)

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.

A summary of the PSUs outstanding is as follows:

	Number outstanding	Weighted average fair value $
Balance, January 1, 2015	885,000	0.80
Forfeited	(150,000)	0.80
Balance, December 31, 2015 and March 31, 2016	735,000	0.80

During the year ended December 31, 2013, the Company granted 940,000 performance share units to employees of the Company whereby 50% vests upon the Company receiving the final approval from Guangdong Provincial Government for the EIA report for the Fuwan Silver Project and the remaining 50% vests upon the completion of the Company's obtaining the mining license issued by MOLAR in respect to the Fuwan Silver Project. The weighted average grant date fair value of the PSU's was $0.80 per unit. In valuing the PSUs, the Company used a forfeiture rate of 26% and an expected life of 3 years.

During the three months ended March 31, 2016, the Company recorded $83,202 (2015 - $42,911) of share-based compensation for PSUs. Share-based compensation of $4,270 (2015 - $2,237) was recorded in the statement of operations and net loss and share-based compensation expense of $78,933 (2015 - $40,674) was capitalized to mineral properties.

9. Related party transactions

(a) Funding of Changfu Minco

Up to July 31, 2015, the Company was not able to invest directly in Changfu Minco as Changfu Minco was legally owned by Minco Gold. All historical funding supplied by the Company for exploration of the Fuwan Project went through Minco China via Minco Gold and Minco Resources to comply with Chinese law. In the normal course of business the Company used trust agreements when providing cash, denominated in US dollars, to Minco China via Minco Gold and Minco Resources for the purpose of increasing the registered capital of Changfu Minco.

Upon completion of the acquisition of the Changkeng Gold Project in 2015, the requirement for the trust structure was eliminated.

9. Related party transactions (continued)

During the year ended December 31, 2013, the Company advanced US $20 million to Minco China via Minco Resources and Minco Gold in accordance with a trust agreement signed on April 30, 2013 in which Minco Silver agreed to advance US $20 million to Minco China to increase Changfu Minco's registered capital. Minco China was to exchange these US funds into RMB.

Minco China is required to exchange the US dollars into RMB, before the money can be used to increase the registered capital of Changfu Minco. The exchange of US dollars into RMB requires approval from the State Administration of Foreign Exchange ("SAFE"). In order to obtain SAFE approval to effect the foreign currency exchange, Minco China, on behalf of Minco Silver has previously engaged a third party consultant to enter into purchase and sales transaction to exchange US dollars into RMB.

Upon completion of the acquisition of the Changkeng Gold Project, the requirement for the trust structure was eliminated.

(b) Shared expenses

Minco Silver, Minco Base Metals Corporation ("MBM"), a company with which the Company's CEO has significant influence over, and Minco Gold share offices and certain administrative expenses in Vancouver and in Beijing.

Amounts due from Minco Gold as at March 31, 2016 were $214,638 (December 31, 2015 – $177,330), representing the administration and exploration expenditures of Minco Gold paid by the Company on behalf of Minco Gold in China.

Amounts due from Minco Base Metal as at March 31, 2016 were $324,559 (December 31, 2015 – $Nil), representing the shared office expenses and short-term advances from Minco Silver.

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

During the three months ended March 31, 2016, the Company reimbursed Minco Gold of $22,457 (March 31, 2015 – $25,908) in respect of rent and $106,304 (March 31, 2015 – $254,993) in respect of shared head office expenses and administration costs incurred in Vancouver.

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

(c) Key management compensation

During the three months ended March 31, 2016 and 2015, the following compensation was paid to key management. Key management includes the Company's directors and senior management. This compensation is included in development costs and administrative expenses.

	Three months ended March 31,	
	2016	**2015**
	$	$
Cash remuneration	176,702	195,974
Share-based compensation	120,384	54,419
	297,086	250,393

10. Geographical information

The Company's business of exploration and development of mineral interest is considered as operating in one segment. The geographical division of the Company's non-current assets is as follows:

Assets by geography

			March 31, 2016
	Canada	**China**	**Total**
	$	$	$
Current assets	29,974,729	24,499,855	54,474,584
Non-current assets	11,491	60,843,332	60,854,823

			December 31, 2015
	Canada	**China**	**Total**
	$	$	$
Current assets	32,679,357	26,562,611	59,241,968
Non-current assets	12,459	64,098,595	64,111,054

11. Fair value measurements

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).

Financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivables, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to their short term nature.

Due from related party amounts are unsecured, non-interest bearing and payable on demand (Note 9(b)). Minco Gold and Minco Based Metal are junior exploration companies.