MINCO SILVER CORPORATIONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016

This Management's Discussion and Analysis ("MD&A") of Minco Silver Corporation ("Minco Silver" or the "Company") has been prepared on the basis of available information up to November 9, 2016 and 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, 2016 and the audited consolidated financial statements and related notes for the year ended December 31, 2015. 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 Canadian dollars 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.

Additional information, including the above mentioned audited financial statements for the year ended December 31, 2015 and the MD&A and Annual Information Form ("AIF") for the same year, which contain extensive disclosure of the history and properties of the Company, are available on SEDAR.

Minco Silver (TSX: MSV) was incorporated under the laws of British Columbia, Canada on August 20, 2004. Minco Silver is engaged in the acquisition, exploration and development of precious metals mineral properties and projects.

The Company indirectly through its wholly owned subsidiary Minco Investment Holding HK Limited ("Minco HK") owns a 90% beneficial interest in the shares of Changfu Minco Mining Co. Ltd. ("Changfu Minco"), formerly Foshan Minco Mining Co., Ltd. , subject to a 10% net profit interest held by the Guangdong Geological Bureau ("GGB") which owns the Fuwan Silver Project, situated along the northeast margin of the Fuwan Silver Belt in Guangdong Province, People's Republic of China ("China").

On July 31, 2015, the Company, through Minco HK, acquired Minco Resources Limited ("Minco Resources") and its subsidiaries, which owns a 51% interest in the Changekeng Gold Project (the "Minco Gold Transaction") from Minco Gold Corp. ("Minco Gold"). Minco Gold owns 18.27% and 18.45% of the Company's outstanding common shares as at September 30, 2016 and December 31, 2015 and is considering having significant influence on the Company.

As at December 31, 2015, and September 30, 2016 the Company had the following Chinese subsidiaries: Minco Yinyuan Co. (Minco Yinyuan), Minco HK, Changfu Minco (90% ownership), Zhongjia Jinggu Limited ("Zhongjia") (90% ownership), Minco Mining (China) Corporation ("Minco China"), Yuanling Minco Mining Ltd. ("Yuanling Minco"), Tibet Mining Co. Ltd. ("Tibet Minco"), Huaihua Tiancheng Mining Ltd. ("Huaihua"), Minco Resources Limited ("Minco Resources), Guangdong Mingzhong Mining Co. Ltd. ("Mingzhong") (51% ownership), Minco International Resources Investment Services Ltd. ("International Resources").

As at September 30, 2016, the Company had 60,217,746 common shares, 735,000 performance share units, and 4,324,339 stock options for a total of 65,277,085 fully diluted common shares outstanding.

At the date of this MD&A, the Company has 60,246,413common shares, nil performance share units and 4,295,672stock options, for a total of 64,542,085 fully diluted common shares outstanding.

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1. Exploration and Project Development Activities

1.1 Disclosure of Technical Information

Disclosure of technical information or scientific nature for the Fuwan Silver Project has been disclosed in two Technical Reports, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or on the Company's website at www.mincosilver.com. They are as follows:

The National Instrument 43-101 ("NI 43-101") compliant technical report entitled "Technical Report and Updated Resource Estimate on the Fuwan Property Guangdong Province, China", dated January 25, 2008, prepared by Eugene Puritch, P. Eng. Ontario, Tracy Armstrong, P. Geo Ontario, and Antoine Yassa, P.Geo. Québec, all of P&E Mining Consultants Inc. ("P&E"). This technical report includes relevant information regarding the data, data validation and the assumptions, parameters and methods of the mineral resource estimates on the Fuwan Silver Project.

Minco Silver Corporation issued a News Release dated May 12, 2008 entitled "Minco Silver Announces a 31% increase in the Indicated Resource on its Fuwan Silver Project".

The NI 43-101 compliant technical report entitled "Fuwan Silver Project Feasibility Study Technical Report" effective date September 1, 2009 (the "Feasibility Study") prepared by John Huang, P.Eng., S. Byron V. Stewart, P.Eng., Aleksandar Živković, P.Eng. and Scott Cowie, B.Eng, MAusIMM, all of Wardrop Engineering Inc. ("Wardrop"), and Eugene Puritch, P.Eng. of P&E and all qualified persons for NI 43-101. This technical report includes relevant information regarding the data, data validation and the assumptions, parameters and methods used in determining the ore reserves on the Fuwan Silver Project.

All other disclosure of a scientific or technical nature in this MD&A was reviewed and approved by Thomas Wayne Spilsbury, an independent director of Minco Silver, a Member of the Association of Professional Engineers and Geoscientists of BC (P Geo), a Member of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy CP (Geo) and a "qualified person", as defined in NI 43-101.

1.2 Fuwan Silver Project

The Fuwan Silver Project located in Gaoming County approximately 45 km southwest of Guangzhou, the fourth largest city in China with more than 13 million people and the capital city of Guangdong Province.

As of September 30, 2016, the Company, through Changfu Minco, has three reconnaissance survey exploration permits on the Fuwan Silver Project (Luoke-Jilinggang Permit, Hecun Permit, and the Guyegang-Sanyatang Property), having a total area of 125.74 sq. km, covering a major part of the northeast-trending Fuwan silver belt which hosts the known gold and silver occurrences in the Sanzhou basin, including the Fuwan Silver Project and the Changkeng Gold Project in which the Company now owns a 51% interest.

1.2.1 Current Developments on the Fuwan Silver Project

With the acquisition of the interest in the Changkeng Gold Project (in 2015) that is adjacent to the Fuwan Silver Project. The Company plans to optimize the combined mining footprint of the Fuwan and Changkeng Gold Project with the objective of developing the Fuwan Silver/Changkeng Gold Project together and to commence commercial mining operations on these properties.

During the nine months ended September 30, 2016, the Company continued its focus on the finalization of the environmental impact assessment ("EIA") report and the permitting process in order to apply for a mining license for the Fuwan Silver Project.

During 2014 and 2013, the Company made efforts to regain the support of local communities and had productive discussions with Zhaoqian District government and Gaoyao County government to develop the Fuwan Silver Project before the submission of the revised EIA report to Guangdong EPA department. In 2013, the Company conducted a new survey among local communities concerning the development of the Fuwan Silver Project and obtained very strong support from the locals. On May 26, 2013, Gaoyao County government issued an official approval of the development of the Fuwan Silver Project to the Company.

In 2010 the Company engaged Guangdong Nuclear Design Institute ("GNDI") to complete the Chinese Regulatory EIA report. The EIA report was reviewed and approved by a technical panel appointed by the Department of Environmental Protection Administration of Guangdong Province in principle on March 7, 2010 with certain comments. The Company 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. GSGEM carried out the required monitoring study and prepared all reports required for compliance with the new National Water Guidelines. The Company successfully completed the field work in January 2012 and received the comprehensive water monitoring report from GSGEM in April 2012. The report concluded that the Company is in compliance with the requirements of the National Water Guidelines.

Revision of the EIA report has been completed incorporating the results from the water monitoring survey report. The revised EIA will be submitted to the Guangdong Environment Protection Administration ("EPA") as soon as they are accepting new EIA reports.

The preliminary mine design was completed in 2013 by China Nerin Engineering Co. Ltd ("NERIN").

Following is the significant progress in connection with the permitting and approval:

- The Chinese Preliminary Feasibility Study was completed by Changsha Non-Ferrous Mine Design Institute and approved by an expert panel.
- The Mining Area Permit, which covers approximately 0.79 sq. km, defines the mining limits of the Fuwan Silver Project and restricts the use of this land to mining activities was approved by MOLAR. The renewed permit expired on April 10, 2016. The Company has applied for the renewal of this permit.
- The Soil and Water Conservation Plan was completed and approved.
- 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.

1.2.2 Feasibility Study, Resource Estimates, and Exploration Program

As the Company intends to combine and develop the Changkeng Gold Project and the Fuwan Silver Project as one project (the Fuwan-Changkeng Project"), a new feasibility study for the combined Fuwan-Changkeng Project has been prepared by CHALIECO, a Chinese design engineering institute based in Changsha, Hunan, China during 2015. This feasibility study ("Feasibility Study") has been prepared only for the Company's internal use and some of the information within may not be in compliance to the national instrument 43-101 standards.

The Company will take reference from the Feasibility Study in planning the next step of development of the Fuwan-Changkeng Project as sensitivity analysis conducted on metal prices, operating cost and capital cost undertaken as part of the Feasibility Study are within the conditions that currently exist.

A comprehensive discussion of the Resource Estimate and Exploration Program are included in the Company's AIF for the year ended December 31, 2015 that is available on SEDAR at www.sedar.com.

1.3 Changkeng Gold Project

The Company's Changkeng Gold Project was acquired from Minco Gold on July 31, 2015.

Technical Information respecting the Changkeng Gold Project is primarily derived from the NI 43-101 technical report prepared for Minco Gold entitled "Technical Report and Updated Resource Estimate on the Changkeng Gold Project Guangdong Province, China", dated effective February 21, 2009 and prepared by Tracy Armstrong, P. Geo Ontario, Eugene Puritch, P. Eng. Ontario and Antoine Yassa, P.Geo. Québec, all of P&E Mining Consultants Inc., and all qualified persons for the purposes of NI 43-101. This technical report includes relevant information regarding the data, data validation and the assumptions, parameters and methods of the mineral resource estimates on the Changkeng Gold Project.

1.3.1 Location

The Changkeng Gold Projects is immediately adjoined to the Fuwan Silver Project and situated close to well-established water, power and transportation infrastructure.

1.3.2 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 Gold Project from 757 Exploration Team. The transfer of the Changkeng Exploration Permit from 757 Exploration Team to Mingzhong was approved by the MOLAR in 2009. The Changkeng Exploration Permit has been recently renewed to September 10, 2017.

1.3.3 Geology, Drilling Program and Resources Estimate

There have been no significant changes in the geology, drilling program and resource estimate during the nine months ended September 30, 2016.

During the nine months September 30, 2016, the Company did not conduct any exploration activities, except for the maintenance of the Changkeng exploration permit.

As discussed in the section for Fuwan Silver Project, the Company is reviewing the information provided by the Feasibility Study for the future exploration and development of the combined Fuwan-Changkeng Project.

1.4 Exploration Cost

As at September 30, 2016, the accumulated costs incurred in connection with the Company's mineral interest are as follows:

	December 31, 2015	**Addition-exploration**	**Effect of change in foreign exchange rate**	**Cumulative to September 30, 2016**
	$	**$**	**$**	**$**
Fuwan Silver Project	37,565,101	876,736	(2,950,249)	35,491,588
Changkeng Gold Project	26,110,954	165,816	(2,035,866)	24,240,904
Total	63,676,055	1,042,552	(4,986,115)	59,732,492

1.4.1 Fuwan Silver Project

Following is a summary of costs incurred for the Fuwan Silver Project during the three and nine months ended September 30, 2016 and 2015.

	Three months ended September 30,		Nine months ended September 30		Cumulative to September 30,
	2016	**2015**	**2016**	**2015**	**2016**
	$	**$**	**$**	**$**	**$**
Consulting fees	73,008	172,902	218,016	384,199	5,851,259
Drilling	-	-	-	-	1,859,018
Salaries and benefits (ii)	72,106	32,365	225,233	111,182	2,732,853
Feasibility study (iii)	-	221,626	-	221,626	1,991,340
Share-based compensation (i)	(431,801)	67,678	(217,071)	187,241	7,014,071
Mining design and license application	106,898	4,371	330,254	18,826	4,938,674
Environment impact assessment	4,206	9,720	68,612	85,601	1,105,071
Travel	19,264	4,379	30,222	35,079	618,907
Site office rent and related costs	68,917	38,306	221,470	180,801	2,708,447
Subtotal	(87,402)	551,347	876,736	1,224,555	28,819,640
Effect of changes in foreign exchange	375,821	1,408,811	(2,950,249)	3,774,434	6,671,948
Total	288,419	1,960,158	(2,073,513)	4,998,989	35,491,588

During the three months ended September 30, 2016 ("2016 Q3" or the "Current Quarter"), the Company had a recovery of $87,402 on development for the Fuwan Silver Project compared to $551,347 additional, for three months ended September 30, 2015 ("2015 Q3'). Details are as follows:

(i) Capitalized share based compensation comprised of the expenses in connection with the vesting of the share purchase options and performance share units ("PSU"). Share-based compensation capitalized during 2016 Q3 was a reversal of $431,801 compared to an addition of $67,678 for 2015 Q3.

As the performance criteria were not fulfilled before the end of the performance cycle (October 10, 2016) of the PSU, all of the 735,000 outstanding PSU have been forfeited on October 10, 2016. Consequently, management has revised the forfeiture rate as of September 30, 2016 to 100% and the share-based compensation ($453,625 capitalized to mineral interest and $60,104 charged to the statements of operations, totaling $513,729) previously recorded in connection with the PSU have been reversed. During the three months ended September 30, 2016, the Company recorded a share-based compensation reversal of $431,801 which comprised of a reversal of $453,625 to account for the PSU forfeiture and an addition of $21,824 to account for option vested during this period.

(ii) Salaries and benefits expense was $72,106 for 2016 Q3 compared to $32,365 for 2015 Q3. The Company had more employees after acquiring Changkeng Gold Project on July 31, 2015.

(iii) The Company incurred $Nil feasibility study expenditure during 2016 Q3 compared to $221,626 during the same quarter in 2015. The Company engaged CHALIECO, a Chinese design engineering institute based in China to conduct a Chinese feasibility study in 2015. There was no similar study conducted in the Current Quarter

(iv) Mining design and license application was $106,898 in the Current Quarter compared to $4,371 for the same quarter in 2015. The Company has engaged additional consultants for the application of the mining licenses during the Current Quarter.

During 2016 Q3, RMB, the functional currency of the Company's Chinese subsidiaries, appreciated approximately 1 % against the Canadian dollar, the reporting currency of the Company. As a result, the accumulated development cost increased by $375,821 (2015 Q3 – $1,408,811) after translated to Canadian dollars.

During the nine months ended September 30, 2016 ("2016 Nine Months"), the Company incurred $876,736 on exploration costs for the Fuwan Silver Project compared to $1,224,555 for the nine months ended September 30, 2015 ("2015 Nine Months"). The increase in exploration costs was mainly due to the same reasons or factors discussed in the above regarding 2016 Q3.

During 2016 Nine Months, RMB depreciated approximately 8 % against Canadian dollar. As a result, the accumulated development cost decreased by $2,950,249 (2015 Nine Months – an increase of $3,774,434) after translating to Canadian dollars.

1.4.2 Changkeng Gold Project

The Company acquired Changkeng Gold Project on July 31, 2015. Following is a summary of exploration costs capitalized for the Changkeng Gold Project as at September 30, 2016:

	2016 Q3	**2016 Nine Months**	**Cumulative to September 30, 2016**
	$	**$**	**$**
Acquisition costs	-	-	25,312,695
Consulting fees	-	18,102	18,102
Drilling	-	-	142,863
Mining design and license application	-	48,749	48,749
Feasibility study	-	-	112,201
Salary and benefits	28,256	97,737	188,430
Site office rent and related costs	1,034	1,228	1,674
Subtotal	29,560	165,816	25,824,714
Effect of foreign exchange	247,283	(2,035,866)	(1,583,810)
Total	276,843	(1,870,050)	24,240,904

2. Results of Operations

2.1 Results of 2016 Nine Months compared to the 2015 Nine Months

Net loss for 2016 Nine Months was $2,555,364 or $0.04 loss per share, compared to earnings of $6,969,090 or $0.12 earnings per share, for 2015 Nine Months. Details are as follows:

Nine months ended September 30,	**2016**	**2015**	**2016-2015**
	$	**$**	**$**
Operating income (loss)	(2,995,597)	1,803,881	(4,799,478)
Other income	440,233	5,165,209	(4,724,976)
Net income (loss)	(2,555,364)	6,969,090	(9,524,454)

2.1.1 Administrative Expenses

Following is a summary of the Company's administrative expenses (recovery):

Nine months ended September 30,	**ref**	**2016**	**2015**	**2016-2015**
		$	**$**	**$**
Audit, legal and regulatory	e	205,562	194,679	10,883
Amortization		73,487	76,625	(3,138)
Consulting		70,935	88,468	(17,533)
Directors' fees		74,250	87,750	(13,500)
Field office expenses	b	344,705	583,689	(238,984)
Investor relations		65,782	9,448	56,334
Office administration expenses		220,638	165,193	55,445
Property investigation		-	31,331	(31,331)
Rent	c	319,946	279,354	40,592
Salaries and benefits	d	403,781	281,793	121,988
Share-based compensation	f	123,358	63,749	59,609
Travel and transportation		55,539	26,542	28,997
Subtotal		1,957,983	1,888,621	69,362
Foreign exchange loss (gain)	a	1,037,614	(3,692,502)	4,730,116
Total		**2,995,597**	**(1,803,881)**	**4,799,478**

The Company's administrative expenses includes overhead associated with the administration of the Company's operating activities. The Company maintains a field office and an administration office in China, and a head office in Canada. Significant components of the expenses are as follows:

a) Foreign exchange gains and losses **-** The foreign exchange loss was $1,037,614 for the 2016 Nine Months compared to a gain of $3,692,502 for the same period in 2015. The Company maintained significant amount of cash and short term investment in US dollar throughout these two periods.

For the US$ maintained in areas other than China, the Company will have foreign exchange gain (loss) if US$ appreciates (depreciates) against C$. During the nine months ended September 30, 2016, US dollar depreciated by approximated 6% against Canadian dollar, thus resulted in a foreign exchange loss.

For the US$ maintained in China, the Company will have foreign exchange gain (loss) if US$ appreciates (depreciates) against Chinese Yuan (RMB) as RMB is the functional currency of the Company's Chinese subsidiaries. During the nine months ended September 30, 2016, US dollar appreciated by about 1.5% against RMB, thus resulted in a small foreign exchange gain.

The combined result of the change in foreign exchange rate between US$ against C$ and RMB during the nine months ended September 30, 2016 was an exchange loss of $1,037,614.

b) Field office expenses – Field office expenses decreased by $238,984. The Company focused in the application of the mining licenses for Fuwan Silver and Changkeng Gold Project during the current period. As a result, field office expenses that are not directly related to these efforts decreased.

c) Rent – Rent expense for the 2016 Nine Months was $319,946 compared to $279,354 for the comparative period of 2015. The Company had more Chinese subsidiaries since July 31, 2015, thus rental expense increased.

d) Salaries and benefits - Salaries and benefits during 2016 Nine Months was $121,988 higher compared to the same period of 2015. The Company had more Chinese subsidiaries since July 31, 2015, thus salaries and benefits increased.

e) Audit, legal and regulatory – Audit, legal and regulatory expenses in the 2016 Nine Months had a small increase of $10,883 compared to the same period in 2015. The change is not significant as there was no significant changes in regulatory environment.

f) Share-based compensation – Share based compensation comprised of the expenses in connection with the vesting of the share purchase options and PSU. The Company recorded share-based compensation of $123,358 during this period that comprised of the following:

- Share-based compensation of $163,324 to account for option vested during this period.
- Share-based compensation of $20,138 to account for PUS vested during the six months ended June 30, 2016.
- A reversal of $60,104 to account for PSU forfeiture discussed in the section 1.4.1.

2.1.2 Finance and Other Income (Expenses)

To date the Company has not earned any revenue from operations other than interest income earned on short-term investments. Details of the Company's other income (loss) are as follows:

Nine months ended September 30,	**2016**	**2015**	**2016-2015**
Finance and other income (expenses)	**$**	**$**	**$**
Gain on disposal of investment	-	4,792,888	(4,792,888)
Interest income	412,874	638,751	(225,877)
Other income (expenses)	27,359	(266,430)	293,789
Total	440,233	5,165,209	(4,724,976)

Gain on disposal of investment - During 2015 Nine Months, the Company recorded a gain of $4,792,888 from the disposition of the Company's investment in common shares of Gold Road Resources Limited. There was no similar transaction in 2016 Nine Months.

Interest income - Interest income for 2016 Nine Months decreased. Interest rates offered by financial institutions were generally lower compared to the prior period.

Other income (loss) - The exchange of US dollars into RMB funds in China requires approval from the State Administration of Foreign Exchange ("SAFE"). the Company engaged a third party consultant to enter into purchase and sales transaction to exchange US dollars into RMB during 2015 Nine Months. There was no similar transaction in 2016 Nine Months. As a result, other expenses in 2015 Nine Months was higher.

2.2. Results of 2016 Q3 compared to 2015 Q3

Net loss for 2016 Q3 was $102,824 or $0.00 loss per share, compared to income of $1,772,617 or $0.06 earnings per share, for 2015 Q3. Details are as follows:

Three months ended September 30,	**2016**	**2015**	**2016-2015**
	$	**$**	**$**
Operating income (loss)	(171,425)	1,668,640	(1,840,065)
Other income	68,601	103,977	(35,376)
Net income (loss)	(102,824)	1,772,617	(1,875,441)

2.2.1 Administrative Expenses

The following table is a summary of the Company's administrative expenses (recovery):

Three months ended September 30,	**2016**	**2015**	**2016-2015**
	$	**$**	**$**
Administrative expenses (recovery)			
Audit, legal and regulatory	55,850	70,038	(14,188)
Amortization	22,460	26,589	(4,129)
Consulting	23,387	35,483	(12,096)
Directors' fees	24,500	27,500	(3,000)
Field office expenses	94,564	193,202	(98,638)
Investor relations	794	432	362
Office administration expenses	74,132	75,205	(1,073)
Rent	86,656	133,004	(46,348)
Salaries and benefits	121,922	101,456	20,466
Share-based compensation	(17,212)	26,186	(43,398)
Travel and transportation	22,452	18,373	4,079
	509,505	707,468	(197,963)
Foreign exchange loss (gain)	(338,080)	(2,376,108)	2,038,028
	171,425	(1,668,640)	1,840,065

Significant components of the expenses are as follows:

Foreign exchange gains and losses **–** As discussed in the above, the Company will have foreign exchange gain (loss) when the exchange rate of US$ changes against RMB and C$.

Field office expenses –The Company focused in the application of the mining licenses for Fuwan Silver and Changkeng Gold Project during 2016 Q3. As a result, field office expenses that are not directly related to these efforts decreased.

Rent, salaries and benefits, office administration expenses – These expenditures increased as the Company acquired various Chinese subsidiaries since July 31, 2015.

Audit, legal and regulatory – Audit, legal and regulatory expenses in 2016 Q3 was not significantly changed from the same quarter in 2015 as there was no significant changes of the regulatory environment.

Share-based compensation – As discussed in the above, the Company recorded a reversal of share-based compensation during the Current Quarter to account for the PSU's forfeiture. As a result, the Company recorded a recovery of $17,212 during the Current Quarter.

2.2.2 Finance and Other Income (Expenses)

Details of the Company's other income (loss) are as follows:

Three months ended September 30,	**2016**	**2015**	**2016-2015**
Finance and other income (loss)	**$**	**$**	**$**
Gain on disposal of investment	-		
Interest income	50,600	108,429	(57,829)
Other income (loss)	18,001	(4,452)	22,453
Total	68,601	103,977	(35,376)

The Company earned less interest income during 2016 Q3 as the interest rates offered by financial institutions were generally lower during the Current Quarter.

3. Summary of Quarterly Results

Period ended	Net income (loss) attributable to shareholders of the Company	Net income (loss) per share Basic	Net income (loss) per share Diluted
	$	$	$
09-30-2016	(50,138)	(0.00)	(0.00)
06-30-2016	(257,565)	(0.00)	(0.00)
03-31-2016	(2,112,902)	(0.04)	(0.04)
12-31-2015	(162,465)	(0.00)	(0.00)
09-30-2015	1,793,178	0.03	0.03
06-30-2015	3,658,536	0.06	0.06
03-31-2015	1,537,937	0.03	0.03
12-31-2014	(255,428)	(0.01)	(0.01)

Variations in quarterly performance over the eight quarters were primarily due to changes in foreign exchange rates and share-based compensation. Appreciation or depreciation of the US dollar can result in significant foreign exchange gains and losses due to the significantly amount of US dollar funds and short term investment held by the Company.

The Company had a net income of $1.5 million for the period ended March 31, 2015 which was mainly a result of earning a foreign exchange gain of $1.3 million and an incidental gain of $604,558 from the partial disposition of its investment in common shares of Gold Road Resources Limited.

Net income for the period ended June 30, 2015 was $3.7 million which was mainly a result of earning an incidental gain of $4.2 million on the disposition of its investment in common shares of Gold Road Resources Limited.

Net income for the period ended September 30, 2015 was $1.8 million which was mainly a result of earning a $1.56 million foreign exchange gain during that period.

Net loss for the period ended March 31, 2016 was $2.1 million which was mainly a result of earning a foreign exchange loss of $1.6 million during that period.

4. Liquidity and Capital Resources

4.1 Cash Flows

	Nine months ended September 30, 2016	Nine months ended September 30, 2015
	$	$
Operating activities	(1,525,584)	(2,260,836)
Financing activities	351,391	-
Investing activities	(2,507,973)	22,235,328

Operating activities

Cash used in operating activities were not significantly different during the nine months ended 2016 and 2015 as there the Company's operating activities were consistent in these two periods.

Financing activities

During 2016 Nine Months, the Company received $351,391 from shares issuance for stock options exercised. There were no similar option exercise during 2015 Nine Months.

Investing activities

For the 2016 Nine Months, the Company used $2,507,973 of cash in investing activities compared to $22,235,328 cash provided by investing activities in the 2015 Nine Months – a difference of $24,743,301 The difference was mainly a combined result of :

- The Company received $18,682,204 from the disposition of investment in common shares of Gold Road Resources Limited in the 2015 Nine Months. There was no similar transaction in 2016.
- During 2016 Nine Months, net proceeds used in the acquisition of short-term investment was 1,221,257 compared to the net proceeds of $2,959,284 provided by redemption of short-term investment during the same period in 2015, a difference of $3,192,409.
- The Company received $1,452,910 upon the completion of the Minco Gold Transaction. There was no similar transaction in 2016.

4.2 Capital Resources

The Company uses the following key financial measurements to assess its financial condition and liquidity:

	September 30, 2016	December 31 2015
	$	$
Working capital	52,679,984	58,603,418
Cash and cash equivalents	21,038,670	26,202,564
Short-term investment	31,227,779	32,143,068

The Company's decrease in working capital was mainly a combined result of using its resources to finance the Company's operation and the depreciation of the RMB and US dollar against Canadian dollar. The Company does not generate revenues and relies on equity and debt financing to fund exploration, development, permitting and administrative activities. As at September 30, 2016, the Company believes there is sufficient working capital available to meet its current operational and development obligations.

For the cash denominated in RMB that is maintained in China, the remittance of funds to jurisdictions outside China is subject to government rules and regulations on foreign currency controls. Such remittance requires approval by the relevant government authorities or designated banks in China or both.

All of the Company's China operating subsidiaries had accumulated losses. However, if these Chinese subsidiaries become profitable in the future and have extra cash that can be paid to the parent companies outside China, the repatriations of profits out of China are subject to restrictions. In order to repatriate profits from China, the Company must comply with Chinese regulations pertaining to repatriations. Minco China must provide the following documents to its Chinese bank: (i) a board resolution authorizing the distribution; (ii) a capital verification report and an audit report; (iii) a tax certificate, which shows that Minco China has paid the related tax in compliance with Chinese laws; and (iv) a foreign exchange registration certificate.

4.3 Contractual Obligations

The Company`s contractual obligations are related to a cost sharing agreement between the Company, Minco Gold and Minco Base Metals Corporation ("MBM"), related parties domiciled in Canada. The shared expenses incurred by these three companies include consulting and rental expenses. The cost sharing agreement is renegotiated or amended by the parties annually.

The Company entered into multiple agreements with consultants in connection with the application of mining license and maintenance of exploration permits of the mineral properties. The Company does not have other obligation at this time.

There were no significant changes to the Company's contractual obligations since its recent year ended December 31, 2015. Please refer to the Company's 2015 MD&A dated March 30, 2016 that is available on www.sedar.com for more details.

4.4 Use of Proceeds from Public Offering

By the way of short form prospectus, the Company closed a public offering of 7,600,000 common shares at a price of $5.95 per share for gross proceeds of $45,220,000 on March 3, 2011. The Company intends to use the funds towards its ongoing efforts to complete the permitting process for the Fuwan Silver Project and for general corporate purposes. In the event that the Company receives all permits and licenses required to construct and operate the mine on the Fuwan Silver Project, a portion of the funds will be used to partially fund the pre-production capital costs of the mine. The total pre-production capital costs of the Fuwan Silver Project are estimated to be US$73,060,000 based on the Feasibility Study Technical Report published by the Company effective September 1, 2009. This report is available on the Company's website and on SEDAR.

During 2015, the Company acquired the Changkeng project by the acquisition of all the outstanding shares of Minco Resource for $13,786,024

The planned use of proceeds from the public offering has not significantly changed.

Use of the proceeds in funding the pre-production capital costs of the Fuwan Silver Project will not occur until the permitting process that allows the Company to construct and operate the Fuwan Silver Project mine is completed.

5. Off-Balance Sheet Arrangements

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

6. Transactions with Related Parties

Funding of Changfu Minco

Until the completion of the Minco Gold Transaction on 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, the trust structure was eliminated.

Shared expenses

Minco Silver and MBM, a company of which the Company's CEO has significant influence over, share offices and certain administrative expenses in Vancouver and in Beijing.

Minco Silver and Minco Gold share offices and certain administrative expenses in Vancouver and in Beijing (up to July 31, 2015).

Amounts due from MBM as at September 30, 2016 were $120,240 (December 31, 2015 – $Nil), representing the shared office expenses to be reimbursed.

Amounts due from (to) Minco Gold are as follows:

	September 30, 2016	December 31, 2015
	$	$
Reimbursement of expenses incurred in China (i)	359,421	214,727
Payable to Minco Gold (ii)	(534,081)	-
Payable – share expenses	(30,968)	(37,397)
Amount due from (to) Minco Gold	(205,628)	177,330
Due from Minco Base Metal (iii)	120,240	-

(i) This receivable represents the administrative and mineral resource maintenance expenditures paid by the Company on behalf of Minco Gold that is to be reimbursed.

(ii) This represents the collection of a receivable by the Company on behalf of Minco Gold in July 2016.

(iii) This is the administrative and shared office expenditures paid by the Company on behalf of Minco Base Metal that is to be reimbursed.

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

During the three months ended September 30, 2016, the Company reimbursed Minco Gold of $26,307 (2015 – $26,154) in respect of rent and $66,560 (2015 – $115,784) in respect of shared head office expenses and administration costs incurred.

During the nine months ended September 30, 2016, the Company reimbursed Minco Gold of$75,070 (2015 – $75,538) in respect of rent and $240,951 (2015 – $474,888) in respect of shared head office expenses and administration costs incurred.

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

Key management compensation

During the three and nine months ended September 30, 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 September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
	$	$	$	$
Cash remuneration	159,032	188,689	485,463	562,006
Share-based compensation	103,505	57,500	369,907	167,043
	262,537	246,189	855,370	729,049

7. Critical Accounting Estimates and Judgments

The preparation of the Company's consolidated financial statements requires management to use judgment in applying its accounting policies, 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:

Impairment

Mineral Interests

In accordance with the Company's accounting policy, the Company's mineral interest is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, silver prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

Management has assessed for impairment indicators on the Company's mineral interest to determine whether the mineral interest might be impaired. Management has concluded that despite negative sentiments in the precious metals sector which contributed to the Company's carrying amount of net assets exceeding its market capitalization, the Company plans to continue with its objective of developing its mineral resources projects.

8. Accounting Standards Issued but Not Yet Applied

IFRS 9 *Financial Instruments*

IFRS 9 is a c*omprehensive standard to replace IAS 39, Financial Instruments:* Recognition and Measurement. It includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. An early adoption of this standard is permitted; however, the mandatory adoption date is for annual periods beginning on or after January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16 *Leases and Related Interpretations*

IFRS 16 replaces the previous leases standard IAS 17, *Leases and Related Interpretations*, and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (lessee) and the supplier (lessor). Effective January 1, 2019, an entity can choose to apply IFRS 16, but only if it also applies IFRS 15, Revenue from Contracts with Customers. The Company will evaluate the impact of the change to the consolidated financial statements based on the characteristics of leases outstanding at the time of adoption.

9. Financial Instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of operations or comprehensive loss. Those categories are: fair value through profit or loss. Loans and receivables, available-for-sale and amortized cost for liabilities.

The following table shows the carrying values of assets and liabilities for each of these categories at September 30, 2016 and December 31, 2015.

	September 30, 2016	**December 31, 2015**
Loans and receivables:	**$**	**$**
Cash and cash equivalents	21,038,670	26,202,564
Short-term investments	31,227,779	32,143,068
Receivables	575,976	517,359
Due from related parties	120,240	177,330

Other financial liabilities:		
Accounts payable and accrued liabilities	233,390	638,550
Due to related parties	205,628	-

Financial instruments that are not measured at fair value include cash and cash equivalent, short-term investments, receivable, accounts payable and accrued liabilities, and due from (to) related parties. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. Risk management activities are carried out by management, who identifies and evaluates the financial risks.

Foreign exchange risk

The functional currency of the Company is the Canadian dollar and the functional currency of its Chinese subsidiaries is RMB. Most of the foreign currency risk is related to US dollar funds held by the Company and its Chinese subsidiaries. Therefore, the Company's net earnings are impacted by fluctuations in the valuation of the US dollar in relation to the Canadian dollar and RMB.

The Company does not hedge its exposure to currency fluctuations. The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company. As at September 30, 2016, the Company had $25.34 million cash and cash equivalent and short-term investment that were denominated in the US dollars. A change of +/- 10% in US$ foreign exchange rate against Canadian dollar would have a -/+ $2.53 million impact on the Company's net income (losses) for the nine months ended September 30, 2016.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are cash and cash equivalents and short-term investments.

A change in interest rate would have an impact to the interest revenue earned by the Company as the Company holds short-term investments such as guaranteed investment certificates and other interest bearing instruments. A sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a -/+ $0.39 million impact on net income/losses for the nine months ended September 30, 2016.

10. Risks Factor and Uncertainties

There were no material changes of the risk factors in connection with the Company since its recent year ended December 31, 2015. A comprehensive discussion of risk factors is included in the Company's AIF for the year ended December 31, 2015 available on SEDAR at www.sedar.com. Management believes there is not material change of the risk factors since then.

11. Disclosure Controls and Procedure 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 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, 2016 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 (2013) 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, 2016. Based on the result of this assessment, management has concluded that the Company's internal controls over financial reporting are effective.

There have been no material changes in the Company's internal control over financial reporting since its recent year ended December 31, 2015.

12. Cautionary Statement of Forward Looking Information

Except for statements of historical fact, this MD&A contains certain "forward looking information" and "forward looking statements" within the meaning of applicable securities laws, which reflect management's current expectations regarding, among other things and without limitation, the Company's future growth, results of operations, performance and business prospects, opportunities, future price of minerals and the effects thereof, the estimation of mineral reserves and resources, the timing and amount of estimated capital expenditures, the realization of mineral reserves estimates, costs and timing of proposed activities, plans and budgets for and expected results of exploration activities, exploration and permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation obligations and expenses, the availability of future acquisition opportunities and use of the proceeds of from financing. Generally, forward looking statements and information can be identified by the use of forward looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Forward looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company operates, including the price of silver, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, silver price volatility, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of mineral exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property.

Although the Company has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward looking statements, there may be other factors that cause events or results not be as anticipated, estimated or intended.

Such forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by statements containing forward looking information. Such factors include, among others: results of exploration and development activities, management's historical experience with development-stage mining operations, regulatory changes, possible variations in reserves, grades or recovery rates, availability of material and equipment, timeliness of governmental approvals, changes in commodity prices (particularly silver prices), general economic, market and business conditions, unanticipated environmental impacts on operations, the availability of capital of acceptable terms, and the other factors discussed in the section entitled "Risk and Uncertainties" in this MD&A.

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

- The Company being able to successfully complete the Mining License Application process and begin construction of the Fuwan Silver mine.
- The approval of the Company's revised EIA by Chinese authorities.
- The continued availability of equity and debt financing to fund the completion of the Fuwan Silver Project mine and other exploration and development activities.
- Intended use of proceeds from the Company's previous public offering.
- The continued ability of the Company to attract and retain key management personnel.
- The ability of the Company to evaluate precious metals project outside China for potential acquisition.
- The ability of the Company to pursue an alternative strategy in finding a large mining group in China as a business partner.
- The Company is able to withdraw money from China when needed (e.g. to finance acquisition of new mineral properties at areas other than China).

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward looking information.

The Company undertakes no obligation to update forward looking information if circumstances or management's estimates or opinions should change except as required by law. Users of this MD&A are cautioned not to place undue reliance on forward looking statements.