MINCO GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016

This Management's Discussion and Analysis ("MD&A") of Minco Gold Corporation ("we", "our", "us", "Minco Gold" or the "Company") has been prepared on the basis of available information up to March 31, 2017, should be read in conjunction with the audited consolidated financial statements and notes thereto prepared by management for the years ended December 31, 2016 and 2015. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Except as noted, all financial amounts are expressed in Canadian dollars. All references to "$" and "dollars" are to Canadian dollars, all references to "US$" are United States dollars and all references to "RMB" are to Chinese Renminbi. Refer to Note 3 of the December 31, 2016 audited consolidated financial statements for disclosure of the Company's significant accounting policies.

Additional information, including the audited consolidated financial statements for the year ended December 31, 2016, and the MD&A and annual report on Form 20-F for the same period, is available under the Company's profile on SEDAR at www.sedar.com. The Company's audit committee reviews the consolidated financial statements and MD&A, and recommends approval to the Company's board of directors.

Minco Gold was incorporated in 1982 under the laws of British Columbia, Canada as Caprock Energy Ltd. The Company changed its name to Minco Gold in 2007. The Company's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "MMM", the NYSE MKT under the symbol "MGH" (before January 31, 2017), and ceased trading on the NYSE MKT and commenced trading on the OTC Market in the USA ("OTCQX") under the symbol MGHCF commencing January 31, 2017.

Until July 31, 2015, the Company had the following six subsidiaries:

	Place of incorporation	ownership
Minco Resource Limited ("Minco Resources") (i)	Hong Kong	100%
Minco Mining (China) Co., Ltd. ("Minco China") (ii)	China	100%
Yuanling Minco Mining Ltd ("Yuanling Minco")	China	100%
Huaihua Tiancheng Mining Ltd. ("Huaihua Tiancheng)	China	100%
Tibet Minco Mining Co. Ltd. ("Tibet Minco")	China	100%
Guangzhou Mingzhong Mining Co., Ltd. ("Mingzhong") (iii)	China	51%

(i) The Company owned 100% of Minco Resources and Minco Resources owned 100% of Minco China

(ii)Minco China owned 100% of Yuanling Minco, 100% of Huaihua Tiancheng, 100% Tibet Minco and 51% Mingzhong directly and indirectly.

(iii) Mingzhong held the Changkeng Gold Property and the Changkeng Exploration Permit located in Guangdong Province, China

On July 31, 2015, the Company sold the issued and outstanding shares of Minco Resources to Minco Investment Holding HK Ltd. ("Minco Investment"), a wholly owned subsidiary of Minco Silver Corporation ("Minco Silver"). This sale ("SPA") effectively eliminated the Company's interest in the six subsidiaries shown above. The operating results and financial position of the Company presented in this MD&A for fiscal 2014 and 2015 have included the accounts for these former subsidiaries until the date of disposal.

As at December 31, 2016, the Company had 50,733,381 common shares and 5,243,334 stock options outstanding, for a total of 55,976,715 common shares outstanding, on a fully diluted basis.

As at the date of this MD&A, the Company had 50,733,381 common shares and 5,998,334stock options outstanding, for a total of 56,727,715 common shares outstanding, on a fully diluted basis.

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1. Highlights for the Year

Change of business

The Company was previously an exploration stage enterprise engaged in exploration and evaluation of gold-dominant mineral properties and projects. The Company's principal business has changed during the year to making portfolio investments, primarily in publicly traded and privately held corporations. Types of investments include common shares, preferred shares, warrants, royalties, convertible debentures, bridge loans, and other investment vehicles selected to create value and return for the shareholders. During the year, the Company submitted an application to the stock exchange to undertake a change-of-business ("COB") to an investment issuer under the policies of the TSX Venture Exchange (the "TSX-V").

The Company has received a conditional approval from the TSX-V on February 16, 2017. Final acceptance are conditional upon the approval of a revised stock option plan that is in compliance with TSX-V policy; submission of the exchange listing agreement form 2D; and completion of the delisting from the TSX.

There are no expected changes to the Board of Directors or management of the Company following completion of the COB. In conjunction with the new business strategy, the Company has begun the process of divesting all remaining mineral property interests held in China. See discussion in the section 2 of this MD&A.

The Company has approximately $7.60 million cash, cash equivalent and short-term investment, net of current liabilities as at December 31, 2016. The Company intends to utilize a significant portion of it to acquire new investments. The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

More details of the Company's C OB are disclosed in the filing statement available at www.sedar.com under the Company's profile. The filing statement includes an investment policy, which has been adopted by the Company to govern its investment activities. The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

Change of listing stock exchange

As part of the COB discussed as above, the Company submitted an application to the TSX on November 11, 2016 for voluntarily delisting from the TSX and listing on the TSX-V as a Tier 1 Investment Issuer. A switch to the TSX-V was chosen since the TSX does not have an investment issuer category. As an investment issuer on the TSX-V, the Company is not required to own mineral exploration properties or hold direct interests in mining assets to maintain its listing.

Subsequent to the year ended December 31, 2016, the Company has filed a Form 25 ("Notification of Removal from Listing and/or Registration under Section 12(b) of the Securities Exchange Act of 1934") with the Securities and Exchange Commission (the "SEC") to initiate a voluntary delisting from the NYSE Mkt of the Company's outstanding common shares and the deregistration of the common shares under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company decided to delist its common shares in light of its proposed change of business focus from mineral exploration to an investment company strategy. The Company's common shares will continue to be registered with the SEC under Section 12(g) of the Exchange Act and, therefore, the Company will continue to be subject to the SEC reporting requirements pursuant to Sections 13(a) and 15(d) of the Exchange Act until such time as all applicable deregistration conditions are satisfied. The delisting was in effect after the close of the market on January 27, 2017 and the Company's common shares has begun quotation on OTC market of the USA ("OTCQX") under the symbol MGHCF commencing January 31, 2017.

2. Investments at Fair Value and Mineral Properties Update

2.1 Investments at Fair Value

Following are investments at fair value at the years ended December 31, 2016 and 2015:

	2016	2015
	$	$
Current:		
Investment in Minco Silver	11,770,000	-
Non-current:		
Investment in EI Olivar Imperial SAC	537,860	-
Total	12,307,860	-

Investment in Minco Silver:

The Company owned 11,000,000 common shares of Minco Silver as at December 31, 2016 (18.26%), and November 11, 2016 (18.26%), and December 31, 2015 (18.45%). Minco Silver's common shares are traded on the TSX under the symbol "MSV". The Company determined that it continued to hold significant influence over Minco Silver despite the Company owning less than 20% of the voting rights of Minco Silver. The Company has the ability to influence Minco Silver through the Company's representation on Minco Silver's board, a common CEO and other shared management. The Company applied the equity method to account for this investment until November 11, 2016, which corresponds to the date that the Company submitted its application to the TSX to voluntarily delist from the TSX and list with the TSX-V. The Company considers this date upon which it became an investment entity in accordance with IFRS 10 *Consolidated financial statements.* Commencing November 11, 2016, the Company accounted for this investment at its fair value in accordance with IAS 39 *Financial Instruments: recognition and measurement* ("IAS 39").

The Company considers the closing share price of Minco Silver at each reporting date as its fair value.

Following is a continuity of the Company's investment in Minco Silver:

	2016	2015	2014
Carrying value, as at January 1,	$ 6,631,094	$ 6,820,000	$ 13,368,836
Dilution loss	(98,899)	-	(78,177)
Share of Minco Silver's income (loss)	(408,225)	1,259,391	(321,972)
Share of Minco Silver's other comprehensive income	(1,345,417)	1,958,940	115,462
Partial disposition		-	(2,058,333)
Unrealized gain on disposition of Minco Resources	-	(3,407,237)	-
Impairment	-	-	(4,205,816)
Difference of the carrying value ($4,778,533) and the fair value ($12,760,000) on November 11, 2016	7,981,447	N/A	N/A
Unrealized loss from November 11, 2016 to December 31, 2016	(990,000)	N/A	N/A
Carrying value, as at December 31,	$ 11,770,000	$ 6,631,094	$ 6,820,000
Number of shares owned, December 31	11,000,000	11,000,000	11,000,000
Percentage of ownership, December 31,	18.26%	18.45%	18.45%

Investment in EI Olivar:

On December 22, 2016, the Company acquired 5.9% or 400,000 Units of El Olivar Imperial SAC ("El Olivar"), a privately held Peruvian corporation, at US$1.00 per Unit through a private placement.

Each Unit consists of one Class A voting share and 1.5 Class A share purchase warrants, with each full warrant entitling the holder to purchase one additional Class A voting share for a period of six months from closing at a price of US$1.00 per share. In addition to the equity stake, Minco Gold shall receive an annual cash dividend in U.S. dollars equal to 6% of the invested amount, calculated from the initial date of investment and payable starting on the date that is 18 months from the closing date.

The Class A Shares may be converted at any time into common shares of El Olivar at the option of the holder. After a period of 10 years from the commencement of commercial production from the processing plant, Class A shareholders will have the option to either convert their Class A Shares to common shares or redeem the shares for cash at face value. The conversion rate will initially be 1:1, subject to customary adjustments.

One director of the Company is also a director, an officer, and a controlling shareholder of EI Olivar.

The cost of the acquisition was $537,860 (US$400,000) which approximated the fair value as at December 31, 2016 due to the short time between the time of acquisition and December 31, 2016.

El Olivar's principal asset is the wholly owned Planta Sol de Oro gold tailings and processing project located near Nasca, Peru, 445 kilometers south of Lima.

Investment made after the year end:

The Company acquired non-controlling interest in two arm's length public companies in February and March of 2017 for a total of $834,000:

- February 17, 2017 – Investment of $750,000 in Hudson Resources Inc., a Canadian public company with shares traded on TSX-V under symbol HUD, through a private placement of 2,142,285 units at a price of $0.35 per unit. Each unit comprised one common share and one-half of a transferable share purchase warrant. Each warrant is exercisable into one additional common share until February 16, 2020, at $0.50 per share.

- March 2, 2017 - Investment of $84,000 in Barkerville Gold Mines Ltd., a Canadian public company with shares traded on TSX-V under symbol BGM through the purchase of 200,000 common shares at $0.42 per share in the open market.

2.2 Mineral Properties Update

Following the COB, the Company commenced the process to divest all remaining mineral property interests held in China. During the year ended December 31, 2016, the Company did not conduct exploration activities on its mineral properties except for the maintenance of the exploration permits. As at December 31, 2016 and 2015, the carrying values of all mineral properties were $Nil.

Longnan Projects:

Minco China, a former subsidiary of the Company, holds nine exploration permits in trust for the Company in the Longnan region of south Gansu province in China. The Longnan region is within the southwest Qinling gold field. The Longnan region consists of three projects according to their geographic distribution, type, and potential of mineralization:

i) Yangshan: including four exploration permits located in the northeast extension of the Yangshan gold belt and its adjacent area;

ii) Yejiaba: including four exploration permits adjacent to the Guojiagou exploration permit; and

iii) Xicheng East: including one exploration permit to the east extension of the Xicheng Pb-Zn mineralization belt.

On April 8, 2016, the Company sold two exploration permits in the Yangshan and Xicheng east area to Longnan Kingstone Mining Limited for total RMB 800,000. Minco China received RMB 100,000 ($19,365) as at December 31, 2016 and the remaining RMB 700,000 ($140,137) was received in January 2017. A gain of $159,502 has been recognized in the year ended December 31, 2016.

Hunan - Gold Bull Mountain:

Gold Bull Mountain project is consisted of an exploration permit covering an area approximately 17 km^2 in Hunan, China. The Company, through Yuanling Minco, a former subsidiary, holds the Gold Bull Mountain exploration permit in trust for the Company.

The following is a summary of exploration costs, net of recoveries of all the properties held by the Company held from 2014 through to 2016:

	December 31, 2016	December 31, 2015	December 31, 2014	Cumulative to December 31, 2016
	$	$	$	$
Gansu - Longnan	195,248	626,815	894,646	12,527,397
Guangdong- Changkeng	-	122,652	244,784	8,285,703
Hunan - Gold Bull Mountain	21,862	43,508	36,862	2,338,473
Guangdong - Sihui	-	106	1,525	6,099
Total	217,110	793,081	1,177,817	23,157,672

The Company is looking for buyers for the exploration permits on hands and will not renew when they are expired.

2.3 Legal Settlement

On December 16, 2010, Minco China, the former subsidiary of the Company, entered into an agreement with the 208 Team, a subsidiary of China National Nuclear Corporation, to acquire a 51% equity interest in the Tugurige Gold Project located in Inner Mongolia, China (the "Agreement"). The Company was in the view that the 208 Team was in default of the Agreement.

On May 6, 2015, Minco China reached an agreement to settle its claim against the 208 Team for an amount of RMB 5.5 million ($1,138,472). The payments were to be received in following manner:

i) On the signing date of the agreement- RMB 500,000 ($98,940) (received on May 7, 2015)
ii) On or before June 17, 2015- RMB 2,000,000 ($405,894)
iii) On or before August 7, 2015- RMB 3,000,000 ($608,840)

Upon the completion of the SPA on July 31, 2015, the Company continued to hold the interest of the outstanding receivable (RMB 5,000,000) through a trust agreement with Minco China, a current subsidiary of Minco Silver.

The Company, through Minco China, engaged a Chinese law firm to recover the remaining RMB 5 million unpaid balance on a contingent fee basis whereby the Company would pay the Chinese law firm 50% of the net amount recovered. The remaining RMB 5,000,000 was received, by the Minco China on the Company's behalf, on July 27, 2016 and the Company recognized a gain of $530,789 which was the settlement payment received net of related legal expenditures

3. Results of Operations

3.1 Selected Annual Information

The following table summarizes selected financial information for the three most recently completed financial years:

Selected information for fiscal 2016, 2015 and 2014 is as follows:

Year ended December 31,	**2016**	**2015**	**2014**
	$	**$**	**$**
Net income (loss) attributable to shareholders	7,217,068	14,361,342	(7,354,162)
Net income (loss) for the year	7,217,068	14,320,556	(7,497,794)
Income (loss) per share attributable to shareholders – basic	0.14	0.28	(0.15)
Income (loss) per share attributable to shareholders –diluted	0.14	0.28	(0.15)
Income (loss) per share – basic	0.14	0.28	(0.15)
Income (loss) per share – diluted	0.14	0.28	(0.15)
Investment in an associate	-	6,631,094	6,820,000
Investments at fair value, current and non-current	12,307,860	-	-
Total assets	20,758,471	16,521,288	9,405,439

For the year ended December 31, 2016 and 2015

Year ended December 31,	2016	2015	Change year over year 2016
	$	$	$
Unrealized Loss from investments at fair value	(990,000)	-	(990,000)
Operating expenses	(595,106)	(2,273,317)	1,678,211
Other income	8,802,174	16,593,873	(7,791,699)
Net income for the year	7,217,068	14,320,556	(7,103,488)

The Company incurred less operating expenditures in 2016 as the Company disposed significantly all its mineral interests on July 31, 2015. The changes in other income related to incidental events which are discussed in the section 3.5

As discussed in the section 2.1, the Company commenced accounting for its investment in Minco Silver at fair value on November 11, 2016. Thus, the Company recorded a loss from investments at fair value of $990,000 in 2016 to account for the change of fair value of its investment in Minco Silver from November 11 to December 31, 2016.

For the year ended December 31, 2015 and 2014

Year ended December 31,	2015	2014	Change year over year
	$	$	$
Operating expenses	(2,273,317)	(2,484,102)	210,785
Other income (loss)	16,593,873	(5,013,692)	21,607,565
Net income (loss) for the year	14,320,556	(7,497,794)	21,818,350

The Company incurred less operating expenditures in 2015 as the Company disposed significantly all its mineral interest on July 31, 2015. More details of the year to year movements of the Company's operating expenses and other income (loss) are disclosed in the section 3.3 and 3.4 respectively.

3.2 Fourth Quarter

For the three months ended December 31, 2016 and 2015

Quarter ended December 31,	**2016**	**2015**
	$	$
Loss from investments at fair value(ii)	(990,000)	-
Operating expenses (iv)	(199,526)	(481,725)
Operating loss	(1,189,526)	(481,725)
Recovery of investment in Minco Silver (iii)	-	2,205,638
Foreign exchange gain	100,473	179,570
Gain on becoming an investment entity (i)	9,399,970	-
Others	46,045	(68,399)
Net income	8,356,962	1,835,084

Net income for the three months ended December 31, 2016 was $8,356,962 compared to a net income of $1,835,084 for the comparative period of 2015.

The net income of $8,356,962 mainly comprised of the following main components:

(i) Gain recognized upon change from investment in associate to investment at FVTPL, upon changing to investment entity of $9,399,970 (section 2.1). This is a one-time gain which is comprised of the following:

- The difference of the carrying value and the fair value of investment in Minco Silver on November 11, 2016 - $7,981,447;
- Reclassification from other comprehensive income upon changes to an investment entity on November 11, 2016 to income statement - $1,418,523.

(ii) The Company has an unrealized loss in fair value on its investment in Minco Silver of $990,000 in the fourth quarter of 2016. See discussion in the section 3.1.

(iii) As at December 31, 2015, management evaluated its equity investment in Minco Silver for indications that the impairment loss that had been recognized in previous periods either no longer existed or had decreased. The Company concluded that due to the positive developments in Minco Silver, which included the acquisition of Minco Resources and the related activities associated with the Changkeng project, accompanied by a corresponding increase in the market value of Minco Silver's share price, that there were indicators that impairment loss had reversed. Thus, management estimated the recoverable amount and reversed the previously recognized impairment of $2.2 million in the fourth quarter of 2015. There was no similar transaction in the same quarter in 2016.

(iv) Operating expenses – see details at section 3.3.2

3.3 Operating Expenses

3.3.1 Operating Expenses for the year ended December 31, 2016, 2015 and 2014

The following table is a summary of the Company's operating expenses for the years ended December 31, 2016, 2015 and 2014:

	ref	2016	2015	2014	Year to year change 2016 - 2015	Year to year change 2015 - 2014
		$	$	$	$	$
Accounting and audit	a	99,959	152,777	105,423	(52,818)	47,354
Amortization		3,362	34,781	67,180	(31,419)	(32,399)
Consulting	b	61,537	78,267	11,633	(16,730)	66,634
Directors' fees		59,138	73,124	54,188	(13,986)	18,936
Exploration cost	c	217,110	793,081	1,177,817	(575,971)	(384,736)
Gain on legal settlement	d	(530,789)	(51,745)	(148,739)	(479,044)	96,994
Gain on sale of exploration permit	d	(159,502)	-	(376,937)	(159,502)	376,937
Investor relations		12,048	37,051	24,726	(25,003)	12,325
Legal and regulatory	e	183,497	144,844	140,727	38,653	4,117
Office administration expenses	f	236,626	384,804	366,836	(148,178)	17,968
Property investigation	g	179,453	81,407	74,948	98,046	6,459
Salaries and benefit	h	116,227	388,887	618,926	(272,660)	(230,039)
Share-based compensation	i	100,693	80,248	297,588	20,445	(217,340)
Travel		15,747	75,791	69,786	(60,044)	6,005
		595,106	2,273,317	2,484,102	(1,678,211)	(210,785)

Significant year to year changes are as follows:

(a). Accounting and auditing expenses decreased in 2016 from 2015 by $52,818. The Company disposed all of its subsidiaries in China in 2015 and the Company incurred higher professional fees to account for this transaction. There were no similar complex transactions in 2016 and 2014. As a result, the accounting and audit fees in 2015 was higher than those in 2014 and 2016.

(b). The Company engaged a consultant in 2015 and 2016 to render services in the capacity of chief financial officer ("CFO"). In 2014, the interim CFO of the Company was an employee instead of an independent contractor. As a result, the Company had more consulting fees in 2016 and 2015 compared to 2014.

(c) The following is a summary of exploration costs incurred by each project for the periods indicated.

		Year Ended December 31,		Accumulative to
	2016	**2015**	**2014**	**2016**
	$	$	$	$
Longnan property(ii)	195,248	626,815	894,646	12,527,397
Changkeng Property (i) (ii)	-	122,652	244,784	8,285,703
Gold Bull Mountain (ii)	21,862	43,508	36,862	2,338,473
Miscellaneous (iii)	-	106	1,525	6,099
	217,110	793,081	1,177,817	23,157,672

i. The Changkeng gold property was sold to Minco Silver on July 31, 2015. The amount presented in 2015 represents the amount incurred up to July 31, 2015.

ii During the year ended December 31, 2016, the Company did not conduct exploration activities on these properties, except for maintenance of the exploration permits.

iii Miscellaneous exploration costs incurred for grass-root projects which are not significant to the Company.

(d) Gain on legal settlement and sale of exploration permit- The Company recorded gain on legal settlement in 2014, 2015, and 2016. The gain recorded in 2016 and 2015 was related to the Retained Assets as discussed in the section 7.

(e). Legal and regulatory was slightly higher in 2016 as the Company incurred additional cost in connection with the COB

(f). Office and administration was lower in 2016 as the Company disposed all of its operating subsidiaries in the third quarter of 2015.

(g). The Company engaged a new consultant in late 2015 to look for new properties and investment opportunities. As a result, property investigation expenses were higher in 2016 compared to 2015 and 2014.

(h). Salaries and benefit gradually decreased from 2014 to 2016. Salaries of 2015 were lower than 2014 as the Company had operating subsidiaries only up to July 31, 2015. Salaries of 2016 was lower than 2015 as the Company did not have employees in China in 2016.

(i). Share-based compensation fluctuate from year to year depends on the timing and fair value of options' vested in each year.

3.3.2 Operating Expenses for the Three months ended December 31, 2016, and 2015.

The following table is a summary of the Company's operating expenses for the three months ended December 31, 2016, 2015:

	ref	2016	2015	Fourth quarter changes 2016 - 2015
		$	$	$
Accounting and audit		32,736	36,019	(3,283)
Amortization		873	1,013	(140)
Exploration cost		47,554	194,428	(146,874)
Consulting	a	23,908	34,180	(10,272)
Directors' fees		20,500	26,000	(5,500)
Gain on legal settlement		(3,132)	-	(3,132)
Gain on sale of exploration permit	e	(159,502)	-	(159,502)
Investor relations		635	453	182
Legal and regulatory	b	76,624	(13,757)	90,381
Administration expenses		53,939	61,875	(7,936)
Property investigation	c	67,607	30,840	36,767
Salaries and benefit	d	25,409	66,461	(41,052)
Share-based compensation		11,368	42,357	(30,989)
Travel		1,007	1,856	(849)
		199,526	481,725	(282,199)

(a). Consulting fees in the fourth quarter of 2014 was the lowest. See discussion at 3.3.1. The consulting fees in 2015 was higher than that in 2016 as the Company paid additional expenditures to the CFO departed in that year.

(b) During the fourth quarter of 2015, the Company reclassified $54,000 of legal fees in connection with the disposition of the Chinese subsidiaries that had been expensed during the nine months ended September 30, 2015 to the cost of the disposition. Before this reclassification, the legal fees incurred in 2015 fourth quarter were $40,243 which was consistent with $53,839 expenditure incurred in the comparing quarter of 2014.

The Company incurred additional legal and regulatory fees in the fourth quarter of 2016 in connection with the Company's COB initiated in this quarter. Thus, the legal and regulatory fees were higher in the fourth quarter of 2016.

(c). Property investigation expenses – see discussion in the section 3.3.1

(d). Salaries and benefit expense – see discussion in the section 3.3.1

(e) The Company sold two mineral permits in the fourth quarter of 2016. There was no similar transaction in 2015 fourth quarter

3.4 Finance and Other Income (Expense)

The following table is a summary of the Company's other income (expenses) for the year ended December 31, 2016, 2015 and 2014:

				Year over year changes	
	2016	2015	2014	2016-2015	2015-2014
	$	$	$	$	$
Share of gain (loss) from equity investment in Minco Silver *(i)*	(408,225)	1,259,391	(321,972)	(1,667,616)	1,581,363
Impairment of equity investment in Minco Silver	-	-	(4,205,816)	-	4,205,816
Gain on investment at fair value *(ii)*	9,399,970	-	-	9,399,970	-
Finance income	62,394	64,819	17,570	(2,425)	47,249
Gain on sale of Minco Resources (iv)	-	15,060,170	-	(15,060,170)	15,060,170
Loss on partial disposal of investment in an associate	-	-	(399,536)	-	399,536
Foreign exchange gain (loss) *(iii)*	(153,066)	209,493	(16,977)	(362,559)	226,470
Impairment of property, plant, and equipment	-	-	(8,784)	-	8,784
Dilution loss	(98,899)	-	(78,177)	(98,899)	78,177
Total other income (loss)	8,802,174	16,593,873	(5,013,692)	(7,791,699)	21,607,565

(i) During 2014 and 2015 and for the period from January 1 to November 11, 2016, the Company accounted for its investment in Minco Silver using the equity method. Thus, Minco Gold shared part of Minco Silver's after tax income (based on the Company's percentage ownership of Minco Silver). This amount of income (loss) shared was ($408,225), $1,259,391, and ($321,972) in the year 2016, 2015, 2014 respectively. The Company ceased to apply equity method since November 11, 2016 and the Company's other income will not subject to Minco Silver's operating results in the future.

(ii) As discussed in the above, the Company started to measure its investment in Minco Silver at fair value on November 11, 2016. As a result, the Company recognized a gain of $9,399,970 which is mainly the difference between the fair value of this investment at the year end and the carrying value of this investment on November 11, 2016. The Company did not have similar re-measurement in 2015 and 2014.

(iii) The Company had foreign exchange gain (loss) in 2014, 2015, and 2016. The Company held cash and cash equivalent, and short-term investment in US dollar. Appreciation/depreciation of US dollar against Canadian dollar resulted in foreign exchange gain (loss). The Company expects there will be foreign exchange gain (loss) in the future unless the Company ceases to have financial assets denominated in the US dollar.

(iv) The Company sold all its subsidiaries in 2015 and recorded a gain of $15,060,170 in 2015. There was no similar disposition in 2014 and 2016.

4. Summary of Quarterly Results

Period ended	Net loss attributable to shareholders	Loss per share Basic	Loss per share Diluted
12-31-2016 (v)	8,356,962	0.16	0.16
09-30-2016	(214,168)	0.00	0.00
06-30-2016	154,995	0.00	0.00
03-31-2016 (iv)	(1,080,721)	(0.02)	(0.02)
12-31-2015 (iii)	1,835,084	0.04	(0.00)
09-30-2015(ii)	16,057,984	0.32	0.32
06-30-2015	278,997	0.01	0.01
03-31-2015(i)	(3,810,723)	(0.08)	(0.08)

Variations in quarterly performance over the past eight quarters were generally attributed to changes resulting from the Company's investment in Minco Silver. Another contributing factor is the amount of share-based compensation recognized in each period.

(i) The Company had a net loss of $3.8 million for the period ended March 31, 2015. The Company had recorded a $3.5 million impairment charge on its investment in Minco Silver.

(ii) Net income of $16.0 million for the period ended September 30, 2015 was mainly due to a $15.1 million gain from sale of Minco Resources and its subsidiaries.

(iii) Net income of $1.8 million for the period ended December 31, 2015 was mainly due to a $2.2 million recovery of impairment previously charged to the investment in Minco Silver.

(iv) The Company had a loss of $1.08 million during the period ended March 31, 2016. The increase of loss was mainly a result of having foreign exchange change and a higher than average share of loss from Minco Silver.

(v) The Company earned a net income of $8.3 million for the period ended December 31, 2016 which was mainly a result of recording a net $8.4 million gain on the investment in Minco Silver. See discussion at the section 3.2.

5. Liquidity and Capital Resources

5.1 Cash Flows

	Year ended December 31, 2016	2015
	$	$
Operating activities	(1,419,468)	(1,751,341)
Investing activities	530,000	4,822,688
Financing activities	38,787	17,290

Operating activities

The Company used slightly less cash in the operating activities which is a combined result of the following:

- The Company did not have operating subsidiaries in China and incurred less operating expenditures in 2016.
- More cash was provided by the changes in working capital in 2016, which was offset by the use of $537,860 of cash in the acquisition of an investment.

Investing activities

The Company had higher cash from investing activities in 2015 as the Company received more cash from net redemption of its short-term investments and disposition of the Company's Chinese subsidiaries.

Financing activities

The Company did not have significant financing activities in either of years.

5.2 Capital Resources and Liquidity Risk

As at December 31, 2016, the Company's working capital was $19,950,841 compared to $9,261,637 working capital at 2015 year end. Working capital increased as the Company has included its investment in Minco Silver as a current asset (classified as a non-current asset in 2015). As an investment entity, management will consider disposition of its investments in accordance with the Company's investment policy.

The Company does not generate revenues and relies on equity financing for its working capital requirements to fund investing, and administrative activities. As at December 31, 2016, the Company believes there is sufficient working capital available to meet its current operational requirements.

5.3 Contractual Obligations

The Company's contractual obligations are related to rental expenses for an office in Canada.

Contractual obligations	Total	Within 1 year	1 to 2 years
	$	$	$
Operating leases (1)	283,396	212,547	70,849

(1) Office lease – Canada. The Company shares an office in Canada with Minco Silver and Minco Base Metal Corporation ("MBM"), which are related to the Company, for office rent and operating expenses. More details about this sharing arrangement are discussed in the "Transaction with Related Parties" section. The Company has a contract to recover 70% of the operating lease from these two related parties. The cost sharing agreement is re-negotiated or amended as needed.

6. Off -Balance Sheet Arrangements

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

7. Transactions with Related Parties

Investments

Refer to the section 2.1 for description of the Company's relationship and transaction with its investee, El Olivar.

Funding of Changfu Minco

Up to July 31, 2015, Minco Silver could not invest directly in Changfu Minco as Changfu Minco is legally owned by Minco China. All historical funding supplied by Minco Silver for exploration of the Fuwan Project must first go through the Company's former subsidiary, Minco China, via the Company and Minco Resources to comply with Chinese Law. In the normal course of business Minco Silver used trust agreements when providing cash, denominated in US dollars, to Minco China via the Company and Minco Resources for the purpose of increasing the registered capital of Changfu Minco. Upon completion of the disposal of Minco Resources, the requirement for the trust structure was eliminated.

Trust agreement with Minco China

When the Company disposed its Chinese subsidiaries on July 31, 2015, the Company ceased to have subsidiaries in China. As a result, the Company entered into a trust agreement with Minco China, a subsidiary of Minco Silver, to hold the interest of the Retained Assets (section 2.2 and 2.3) on behalf of the Company.

Shared office expenses

Minco Silver and Minco Gold share offices and certain operating expenses in Beijing up to July 31, 2015. Minco Silver, Minco Base Metals Corporation, a company with which the Company's CEO has significant influence over, and Minco Gold share offices and certain operating expenses in Vancouver.

Due from related parties

As at December 31, 2016, the Company had the following amounts due from related parties:

- $205,145 due from Minco Silver (December 31, 2015 – a payable of $177,330) which is a combined result of the following:

  -During the year ended December 31, 2016, Minco China, a subsidiary of Minco Silver, collected $544,164 on behalf of the Company from the partial settlement of the Retained Assets.

  -Minco Gold also recorded a net payable of $339,019 to Minco Silver to account for the exploration expenses Minco Silver paid on behalf of Minco Gold for the Retained Assets net of the operating and shared expenses paid by Minco Gold on behalf of Minco Silver.

- $18,527 due from MBM (December 31, 2015 - $12,387), in relation to shared office expenses

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

Key management compensation

Key management includes the Company's directors and senior management. This compensation has been included in exploration costs and operating expenses.

For the years ended December 31, 2016, 2015 and 2014, the following compensation was paid and accrued for compensation to key management:

	2016	2015	2014
	$	$	$
Cash remuneration	313,016	333,729	270,693
Share-based compensation	80,702	67,405	215,202
Total	393,717	401,134	485,895

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 in the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements:

Significant Influence of Minco Silver

Management has assessed the level of influence that the Company has on Minco Silver and determined that it has significant influence even though its shareholding has been below 20% since April 22, 2014. This is because of the representation on Minco Silver's board, common CEO and other shared management.

The status of an investment entity

When the Company submitted its application to the TSX-V for a change of business Management on November 11, 2016, management considered all the available facts and concluded that the Company has met all the three criteria set forth in IFRS 10.27 and became an investment entity as defined in IFRS 10:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In addition, management considers the Company has all of the typical characteristics of an investment entity set forth in IFRS 10.28:

- it has more than one investment (On November 11, 2016, the Company had one investment in Minco Silver and was in the process of acquiring its investment in EI Olivar Imperial SAC, which was completed before the year ended December 31, 2016);
- it has more than one investor ;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity.

Impairment of investment in associates

At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired or if previously recorded impairment should be reversed. This determination requires significant judgment. In making this judgment, management evaluates among other factors, the movements in the trading share price of Minco Silver and other commercial activities impacting Minco Silver.

If impairment is determined to exist, the amount of the impairment is recognized in the statement of income (loss). The amount of impairment is calculated as the difference between the recoverable amount of the investment in the associate and its carrying value. If objective evidence of reversal exists, the reversal is recognized in net income in the period the reversal occurs, and is limited by the carrying value that would have been determined, from the application of equity accounting method, had no impairment charge been recognized in prior periods.

As at December 31, 2015, management evaluated its equity investment in Minco Silver for indications that the impairment loss that had been recognized in the first quarter of fiscal 2015 either no longer existed or had decreased. The company concluded that due to the positive developments in Minco Silver, which included the acquisition of Minco Resources and the related activities associated with the Changkeng project, accompanied by a corresponding increase in the market value of Minco Silver's share price, that there were indicators that impairment loss had reversed. As a result, management estimated the recoverable amount and reversed the previously recognized impairment.

As at November 11, 2016, the date the Company ceased to apply equity method to account for its investment on Minco Silver, the Company reviewed the corporate developments of Minco Silver, including the activities post acquisition of the Changkeng project, and an increase in the market value of Minco Silver's share price since year ended December 31, 2015. Based on this review, management determined no indicators of impairment or indicators of reversal were present.

Fair value of investments measured at FVTPL

The Company's investments are recorded in the Consolidated Statements of Financial Position at fair value. Management uses their judgment to select a variety of methods and make assumptions that are not always supported by quantifiable market prices or rates. Judgment is required in order to determine the appropriate valuation methodology under this standard and subsequently in determining the inputs into the valuation model used. These judgments include assessing the future earnings potential of investee companies, appropriate earnings multiples to apply, adjustments to comparable multiples, liquidity and net assets. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistently and there are no known trends, commitments, events or uncertainties that the Company believes will materially affect the methodology or assumptions utilized in making these estimates in these Financial Statements. Accordingly, actual values realized in future market transactions may differ from the estimates presented in these Financial Statements and the differences may be material. The use of different market assumptions and/or valuation methodologies may have a material effect on the estimated fair values of various assets and liabilities.

The fair values of financial instruments with quoted bid and ask prices are based on the price within the bid-ask spread that are most representative of fair value and may include closing prices in exchange markets. The fair value of the other financial instruments is determined using the valuation techniques considered appropriate.

9. Accounting Standards Issued but Not Yet Applied

IFRS 9, Financial Instruments, 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 are largely carried forward from the 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. The effective date of this new standard will be for periods beginning on or after January 1, 2018 with early adoption permitted. We are currently evaluating the impact of IFRS 9 on our financial statements and expect to adopt the new standard when it comes to effective.

IFRS 16, Leases, 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. We do not expect there are significant impacts of the adoption of IFRS 16.

10. 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 income or comprehensive income. Those categories are: loans and receivables, other financial liabilities and financial assets measured at fair value through profit or loss.

Following is a summary of the Company's financial assets and liabilities as at December 31, 2016 and 2015:

December 31,	**2016**	**2015**
	$	**$**
Fair value through profit and loss:		
Investments at fair value, current and non-current	12,307,860	-
Loans and receivables:		
Cash	4,575,119	5,593,669
Short-term investment	3,352,062	4,048,341
Receivables	169,380	11,122
Due from related parties	223,672	12,387
Other Financial Liabilities		
Accounts payables	211,424	405,550
Due to related party	-	177,330

Fair value measurement

Financial assets and liabilities that are recognized on the balance sheet at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at December 31, 2016 and 2015, financial instruments that are not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivable, due from related parties, account payable and accrued liabilities, and due to related parties. The fair values of these financial instruments approximate their carrying value due to their short-term nature.

As at December 31, 2016, the Company's financial assets measured at fair values through profit or loss are classified as follows:

	Level 1	Level 2	Level 3
	$	$	$
Investments at fair value, current	11,700,000	-	-
Investments at fair value, non-current	-	-	537,860 (i)

(i) The measurement of the fair value of investment in EI Olivar Imperial SAC was classified as level 3 as the fair value was estimated based on the latest market transaction value of this investment. The fair value of investment not traded in active market is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other appropriate valuation models.

Financial risk factors

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, foreign exchange risk, currency risk, interest rate risk, and price risk. Management reviews these risks monthly and when material, they are reviewed and monitored by the Board of Directors.

Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if the counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by these counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and includes the fair value contracts with individual counterparties which are recorded in the consolidated financial statements. The Company considers the following financial assets to be exposed to credit risk:

- Cash and cash equivalents– To manage credit and liquidity risk the Company places its cash with major financial institutions in two major banks in Canada (subject to deposit insurance up to $100,000). As at December 31, 2016, total cash of $4,575,119 was placed with two institutions.
- Short-term investment – The Company places its short-term investment with a major financial institution in a major bank in Canada. As at December 31, 2016, total short-term investment was $3,352,062 (December 31, 2015 - $4,048,341).

Foreign exchange risk

The Company's functional currency is the Canadian dollar in Canada. The foreign currency risk is related to the Company's cash and cash equivalent, marketable securities and investments that may be denominated in US dollar. The following tables present the impacts to the Company's operating results due to a change in relevant foreign currency exchange rate.

The Company has US dollar investment of $537,860 (US$400,000) and cash and cash equivalent approximately $4.4 million (US$ 3.3 million) as at December 31, 2016. A 10% change in the currency exchange rate (US$ to C$) will affect the Company's net loss in a given period by approximately $0.49 million. The Company does not have currency hedge for its foreign exchange exposure.

Interest rate risk

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

The Company holds short-term investments such as guaranteed investment certificates at fixed interest rates. As a result, the Company is not exposed to significant interest rate risk.

A comprehensive discussion of risk factors is included in the Company's annual report on Form 20-F for the year ended December 31, 2016, dated March 31, 2017, available on SEDAR at www.sedar.com.

Price Risk

Price risk is the risk that the fair value of an investment measured at FVTPL will fluctuate because of changes in market prices (other than those arising from foreign currency risk or interest rate risk). The Company is subject to price risk through its public equity investments.

The Company's private market investments are also subject to price risk as they are impacted by many general and specific market variables.

A 10% increase/decrease in the value of all public equity and private market investments would result in an approximate increase/decrease in the value of public and private market exposure and unrealized gain/loss in the amount of approximately $1.23 million.

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

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has established disclosure controls and procedures. Management has evaluated the effectiveness of the Company's disclosure controls and procedures for the period covered by this report and has concluded, based on its evaluation, that these controls and procedures were effective to ensure that information required to be disclosed by the Company under the US and Canadian securities legislation is (i) recorded, processed, summarized and reported within the time periods specified in those rules and forms and (ii) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure..

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, and effected by the Company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Furthermore, an assessment that internal control over financial reporting was effective for any completed period does not mean that internal control over financial reporting will be assessed as effective for any future period as processes and procedures may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate, among other reasons..

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Management conducted an assessment of the Company's internal control over financial reporting based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Based upon such assessment, management concluded that, as of December 31, 2016, the Company's internal control over financial reporting was effective.

<u>Material weakness identified in 2015 and its remediation</u>

During 2015, management evaluated the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting as at December 31, 2015 and identified a material weakness related to the lack of financial management oversight of accounting processes around the application of IFRS as it related specifically to the calculation of the gain on sale of its subsidiary to an associate in 2015. This material weakness led to a material post-closing adjustment of $3.4 million which was appropriately corrected in the consolidated financial statements for the year ended December 31, 2015.

To remediate the material weakness described above, management strengthened the control procedures relating to accounting for complex transactions. The Company appointed a new Chief Financial Officer in early 2016 who has developed and implemented more robust review and oversight processes when there are non-routine and more complex accounting issues. Management has evaluated the remediation of such material weakness and concluded that as of December 31, 2016, this material weakness in disclosure controls and procedures and internal control over financial reporting has been remediated.

Other than the remediation of the material weakness mentioned above, during the year ended December 31, 2016, there were no other changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

13. Cautionary Statement on Forward-Looking Information

Except for statements of historical fact, this MD&A contains certain “forward looking information” and “forward looking statements” within the meaning of applicable securities laws, which reflect management’s current expectations, assumptions, and beliefs of the Company as of the date of such information or statements. Generally, forward looking statements and information can be identified by the use of forward looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

All such forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. These statements are, however, subject to known and unknown risks and uncertainties and other factors. As a result, actual results, performance, or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These risks, uncertainties and other factors include, among others: but are not limited to, statements with respect to: the Company’s future growth, results of operations, performance and business prospects, opportunities, the Company’s investment strategy, investment process, and competitive advantage, growth expectation and opportunities, the availability of future acquisition opportunities and use of the proceeds from financing.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward looking information. All the forward-looking information and statements contained in this document are expressly qualified, in their entirety, by this cautionary statement. The various risks to which we are exposed are described in additional detail under the section entitled "*Item 3: Key Information – D. Risk Factors*" in the Company's annual report on Form 20-F available on SEDAR at www.sedar.com. The forward-looking information and statements are made as of the date of this document, and we assume no obligation to update or revise them except as required pursuant to applicable securities laws.