

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(Unaudited)

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MINCO 明科金矿公司
GOLD CORPORATION

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Minco Gold Corporation have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in Canada, consistent with previous periods.

Minco Gold Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MINCO GOLD CORPORATION
(An exploration stage enterprise)
Interim Consolidated Balance Sheets
(in Canadian dollars)
(Unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,336,027	\$ 3,495,792
Short-term investments (Note 3)	6,482,705	2,475,936
Marketable securities (Note 4)	16,800	35,700
Receivables	932,208	370,686
Due from related parties (Note 10)	1,195,612	2,229,861
Prepaid expenses and deposits	193,217	85,718
Assets of discontinued operation (Note 8)	-	14,028
	<u>12,156,569</u>	<u>8,707,721</u>
Long-term deposit	51,552	51,764
Plant, property and equipment	302,719	289,306
Equity investment in Minco Silver (Note 6)	6,023,177	5,494,836
Assets of discontinued operation (Note 8)	-	51,939
	<u>\$ 18,534,017</u>	<u>\$ 14,595,566</u>

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities (Note 5(a))	\$ 6,049,906	\$ 5,202,341
Due to related party (Note 10)	2,154,164	-
Liabilities of discontinued operation (Note 8)	-	1,503
	<u>8,204,070</u>	<u>5,203,844</u>
Non-controlling interest (Note 7)	2,463,706	2,493,427

SHAREHOLDERS' EQUITY

Share capital (Note 9(a))	38,887,161	38,553,755
Contributed surplus (Note 9(a))	5,765,049	5,627,841
Deficit	(36,785,969)	(37,283,301)
	<u>7,866,241</u>	<u>6,898,295</u>
	<u>\$ 18,534,017</u>	<u>\$ 14,595,566</u>

Commitments (Note 11)

See accompanying notes to interim consolidated financial statements

On behalf of the Board

"Malcolm Clay"

Malcolm Clay
Director

"Robert Callander "

Robert Callander
Director

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Interim Consolidated Statements of Operations and Comprehensive Loss and Deficit

(in Canadian dollars)

(Unaudited)

	Three months period ended June 30,		Six months period ended June 30,	
	2010	2009	2010	2009
		(Restated)		(Restated)
Exploration costs, net of recoveries (Note 5)	\$ 367,524	\$ 289,053	\$ 580,647	\$ 862,353
Administrative expenses				
Accounting and audit	69,931	52,696	87,602	114,824
Amortization	18,879	31,519	44,461	60,158
Consulting	26,771	40,068	52,119	95,841
Directors' fees	12,500	13,000	23,500	26,000
Foreign exchange loss (gain)	(75,511)	82,231	31,565	14,890
Investor relations	51,247	37,515	99,328	91,015
Legal	3,593	624	8,628	624
Meals and entertainment	14,268	10,104	30,368	38,664
Office and miscellaneous	42,079	32,246	75,558	44,992
Property investigation	6,536	2,188	18,070	4,707
Regulatory and filing	35,677	31,636	47,668	45,110
Rent	65,972	68,613	144,349	142,857
Salaries and benefits	168,260	180,382	228,038	345,026
Stock-based compensation (Note 9(b))	103,165	298,979	276,952	452,917
Telephone	8,343	7,245	19,013	16,547
Travel and transportation	26,214	30,851	50,569	64,155
	577,924	919,897	1,237,788	1,558,327
Operating loss	(945,448)	(1,208,950)	(1,818,435)	(2,420,680)
Other income (loss)				
Unrecognized gain (loss) on marketable securities	(10,500)	2,100	(18,900)	6,300
Interest and other income	27,586	24,745	58,698	48,130
Loss for the period before discontinued operations, non-controlling interest, income (loss) from equity investment and dilution gain	(928,362)	(1,182,105)	(1,778,637)	(2,366,250)
Share of income (loss) from equity investment in Minco Silver (Note 6)	225,626	(506,188)	(232,659)	(639,011)
Dilution gain (Note 6)	739,000	116,881	761,000	116,881
Non-controlling interest (Note 7)	15,382	-	29,721	-
Income (loss) for the period from continuing operations	51,646	(1,571,412)	(1,220,575)	(2,888,380)
Earnings for the period from discontinued operations (Note 8)	1,717,907	572,883	1,717,907	572,883
Earnings (loss) and comprehensive loss for the period	1,769,553	(998,529)	497,332	(2,315,497)
Deficit, beginning of period	(38,555,522)	(38,399,369)	(37,283,301)	(37,082,401)
Deficit, end of period	\$ (36,785,969)	\$ (39,397,898)	\$ (36,785,969)	\$ (39,397,898)
Earnings (loss) per share from continuing operations – basic and diluted	\$ 0.00	\$ (0.04)	\$ (0.03)	\$ (0.07)
Earnings per share from discontinued operations – basic and diluted	\$ 0.04	\$ 0.01	\$ 0.04	\$ 0.01
Earnings (loss) per share – basic and diluted	\$ 0.04	\$ (0.02)	\$ 0.01	\$ (0.05)
Weighted average number of common shares outstanding– basic and diluted	48,436,115	43,005,551	48,379,089	42,992,059

See accompanying notes to interim consolidated financial statements

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Interim Consolidated Statements of Cash Flows

(in Canadian dollars)

(Unaudited)

	Three months period ended June 30,		Six months period ended June 30,	
	2010	2009	2010	2009
		(Restated)		(Restated)
Cash flows from operating activities				
Income (loss) for the period from continuing operations	\$ 51,646	\$ (1,571,412)	\$ (1,220,575)	\$ (2,888,380)
Adjustment for items not involving cash:				
- amortization	18,879	31,519	44,461	60,158
- equity (gain) loss on investment in Minco Silver	(225,626)	506,188	232,659	639,011
- dilution gain	(739,000)	(116,881)	(761,000)	(116,881)
- stock-based compensation (Note 9(b))	103,165	298,979	276,952	452,917
- non-controlling interest in loss	(15,382)	-	(29,721)	-
- unrecognized (gain) loss on marketable securities	10,500	(2,100)	18,900	(6,300)
Change in non-cash working capital items:				
- decrease (increase) in receivables	(105,284)	(213,431)	(70,850)	168,197
- decrease (increase) due from related parties	(788,804)	(78,525)	1,034,249	(333,850)
- decrease (increase) in prepaid expenses and deposits	(95,558)	(4,451)	(107,288)	36,274
- increase in accounts payable and accrued liabilities	1,206,315	136,218	890,340	31,510
Cash flow from operating activities of continuing operations	(579,149)	(1,013,896)	308,127	(1,957,344)
Cash flow from operating activities of discontinued operations (Note 8)	1,208,363	469,762	1,208,366	469,762
	629,214	(544,134)	1,516,493	(1,487,582)
Cash flows from financing activities				
Due to related party (Note 10(d))	2,154,164	-	2,154,164	-
Proceeds from exercise of stock options	4,125	(135,199)	215,350	13,755
	2,158,289	(135,199)	2,369,514	13,755
Cash flows from investing activities				
Acquisition of equipment	(60,745)	(9,774)	(57,874)	(78,003)
Decrease (increase) in short-term investments	(1,006,622)	299,999	(4,006,769)	549,999
Cash flow from investing activities of continuing operations	(1,067,367)	290,225	(4,064,643)	471,996
Cash flow from investing activities of discontinued operations (Note 8)	5,746	49,810	5,746	49,810
	(1,061,621)	340,035	(4,058,897)	521,806
Increase (decrease) in cash and cash equivalents	1,725,882	(339,298)	(172,890)	(952,021)
Cash and cash equivalents, beginning of period	1,610,145	1,991,688	3,508,917	2,604,411
Cash and cash equivalents, end of period	\$ 3,336,027	\$ 1,652,390	\$ 3,336,027	\$ 1,652,390
Cash and cash equivalents, ending – continuing operations	\$ 3,336,027	\$ 1,639,265	\$ 3,336,027	\$ 1,639,265
Cash and cash equivalents, ending – discontinued operations	-	13,125	-	13,125
	\$ 3,336,027	\$ 1,652,390	\$ 3,336,027	\$ 1,652,390

See accompanying notes to interim consolidated financial statements

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

1. Nature of Operations

Minco Gold Corporation (the “Minco Gold” or the “Company”) was incorporated in 1982 under the laws of British Columbia, Canada as Caprock Energy Ltd. Following a number of name changes the Company became Minco Gold in 2007. The principal business activities include the acquisition, exploration and development of gold properties.

Minco Gold is exploring and evaluating gold mineral properties and projects in the People’s Republic of China (“China”) with the aim of bringing these properties to production. The ability of the Company to meet its commitments as they become payable, the exploration and development of mineral properties and projects, and the underlying value of the mineral properties are entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the exploration and development of its properties, the receipt of necessary permits and upon achieving future profitable production or receiving proceeds from the disposition of the properties. The timing of such events occurring, if at all, is not yet determinable. The Company is considered to be an exploration stage enterprise as it has not yet generated any revenue from operations.

2. Basis of Presentation

These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) for interim financial information and follow the same accounting policies and methods of application as the most recent audited financial statements of the Company for the year ended December 31, 2009. These interim financial statements do not include all the information and note disclosures required by Canadian GAAP for annual financial statements and therefore should be read in conjunction with the Company’s audited financial statements and the notes thereto for the year ended December 31, 2009. In management’s opinion, all adjustments considered necessary for fair presentation have been included in these financial statements.

3. Short-term Investments

As at June 30, 2010, short-term investments consisted of \$6,482,705 of cashable guaranteed investment certificates with terms of greater than ninety days but not greater than one year (December 31, 2009 – \$2,475,936).

4. Marketable Securities

As at June 30, 2010 and December 31, 2009, the Company held 420,000 common shares of Nanika Resources Inc.

5. Mineral Interests

a) Guangdong – Changkeng

Minco China, Minco Gold’s wholly owned subsidiary, is the controlling shareholder in Guangzhou Mingzhong Mining Co., Ltd. (“Mingzhong”).

Mingzhong signed an exploration permit transfer agreement with No. 757 Exploration Team of Guangdong Geological Bureau (“757 Exploration Team”) and on January 5, 2008 Mingzhong received the Changkeng exploration permit, which expires in September 2011. The value of the exploration permit was RMB 48 million (approximately \$7.3 million).

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

5. Mineral Interests (continued)

The initial committed contribution to Mingzhong by the five partners was established at RMB 100 million (\$16.57 million). The contributions will be used to purchase the exploration permit for RMB 48 million (\$7.3 million) and to provide funds for exploration and development of RMB 52 million (\$9.27 million). Minco China is to contribute at a rate of 51% with the other shareholders contributing 49%, as and when funds are required for the purchase of the exploration permit and exploration activities. As at June 30, 2010, RMB 29 million (\$4.8 million) remained unpaid, of which 49% will be funded by the minority shareholders of Mingzhong.

Changkeng Silver Mineralization

Pursuant to the terms of an agreement with Minco Silver, the Company has assigned its right to earn a 51% interest in the Changkeng Silver Mineralization to Minco Silver. As a result, Minco Silver is responsible for 51% of the total costs in relation to the Changkeng Silver Mineralization.

In the year ended December 31, 2009, \$207,710 was recorded as an exploration cost recovery, which represents costs incurred on the Changkeng Silver Mineralization and paid on Minco Silver's behalf by the Company. Minco Silver paid this amount to the Company.

In 2009, the Company and Minco Silver entered into an agreement under the terms of which Minco Silver will pay 30% of the Company's 51% of the cost of the Changkeng permit. Accordingly, in the year ended December 31, 2009, the Company recorded an exploration permit cost recovery of \$1,205,298. During the six months ended June 30, 2010, such amount has been received by the Company.

b) Gansu – Longnan

Minco China holds twelve exploration permits in the Longnan region of south Gansu province in China. The Longnan region is within the southwest Qinling gold field.

The Longnan project has been divided into three sub-projects according to their geographic distribution, type and potential of mineralization:

- (1) Yangshan: including five exploration permits located in the northeast extension of the Yangshan gold belt and its adjacent area;
- (2) Yejiaba: including four exploration permits adjacent to the Guojiagou exploration permit;
- (3) Xicheng East: including three exploration permits to the east extension of the famous Xicheng Pb-Zn mineralization belt;

The Company has spent a cumulative total of \$5.4 million to June 30, 2010 (as of December 31, 2009 - \$4.1 million) on exploration costs.

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For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

5. Mineral Interests (continued)

c) Hunan – Gold Bull Mountain

Minco China's wholly owned subsidiary Yuanling Minco owns the Gold Bull Mountain Mining License.

The Company has determined that as part of its prioritization of its cash management, that the Gold Bull Mountain project will no longer be funded.

As at June 30, 2010, the Company has spent a cumulative total of \$2.2 million (December 31, 2009 - \$2.2 million) and earned a 65% (2008- 63%) project interest.

The following is a summary of exploration costs, net of recoveries, incurred by the Company:

	Three months ended June 30, 2010	Six months ended June 30, 2010	Cumulative to June 30, 2010	Six months ended June 30, 2009
Currently active properties:				
Gansu				
- Longnan	\$ 320,896	\$ 505,410	\$ 5,408,379	\$ 855,512
Guangdong				
- Changkeng	45,521	74,069	8,037,890	206,897
Hunan				
- Gold Bull Mountain	1,107	1,168	2,162,845	2,666
Total	367,524	580,647	15,609,114	1,065,075
Expensed exploration costs for sold project in current period	-	-	4,384,256	4,988
Exploration cost recoveries	-	-	(956,903)	(207,710)
Expensed mining license costs	-	-	(358,500)	-
Expensed exploration permits	-	-	(7,998,214)	-
Expensed exploration costs	(367,524)	(580,647)	(10,679,753)	(862,353)
Capitalized mining license costs	\$ -	\$ -	\$ -	\$ -

6. Equity investment in Minco Silver Corporation

As at June 30, 2010, the Company owns 13,000,000 common shares of Minco Silver (December 31, 2009 - 13,000,000 common shares) that were acquired in 2004 in exchange for the transfer of the Fuwan property and the silver interest in the Changkeng property.

The Company has not participated in the share offerings of Minco Silver and as a result of dilution and the sale of 1,000,000 shares of Minco Silver in 2007, its ownership interest has decreased to 30.11% (December 31, 2009 – 32.01%).

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

6. Equity investment in Minco Silver Corporation (continued)

The Company's equity accounts for its investment in Minco Silver.

Dilution gains and equity losses on the investment in Minco Silver are as follows:

	Three months ended June 30, 2010	Six months ended June 30, 2010
Dilution gain in Minco Silver	\$ 739,000	\$ 761,000
Equity loss of Minco Silver Corporation	225,626	(232,659)
Income (loss) from investment in Minco Silver	\$ 964,626	\$ 528,341

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

	June 30, 2010	December 31, 2009
Investment in Minco Silver Corporation on an equity basis	\$ 6,023,177	\$ 5,494,836
Market value of Minco Silver shares	\$ 39,260,000	\$24,050,000

As at June 30, 2010, Minco Silver had current assets of \$21,813,999, non-current assets of \$10,575,203 (including \$10,388,639 in capitalized mineral interests), current liabilities of \$1,188,768 and shareholders' equity of \$31,200,434. Minco Silver incurred exploration costs of \$Nil, administration costs of \$2,070,044 and a loss of \$754,010 during the six months ended June 30, 2010.

As at December 31, 2009, Minco Silver had current assets of \$11,526,006, non-current assets of \$17,494,393 (including \$9,000,902 in capitalized mineral interest costs), current liabilities of \$2,405,152 and shareholders' equity of \$26,615,247. Minco Silver recorded exploration costs of \$207,710, administration costs of \$1,410,956, and a loss of \$1,585,779 during the six months ended June 30, 2009.

7. Non-controlling Interest

The non-controlling interest represents the interest of minority shareholders in Mingzhong.

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

8. Discontinued Operations

a) Henan Zhongjia Co. Ltd (Zhongjia)

On April 26, 2009, the Company entered into a sale agreement to dispose of its interest in Zhongjia. After completion of all legal requirements and approvals, the Company relinquished all managerial involvement and control to the purchaser on June 30, 2009. Gross proceeds on disposal were RMB 2.46 million (approximately \$0.4 million).

b) Inner Mongolia Damo Mining Co. Ltd. (Damo)

On May 24 2010, the Company entered into a sale agreement to dispose of its interest in Damo and Damo's interests in the Gobi Gold project located in the Inner Mongolia Autonomous Region. After completion of all legal requirements and approvals, the Company relinquished all managerial involvement and control to the purchaser on June 30, 2010. Net proceeds on disposal were RMB 11.47 million (approximately \$1.78 million) which represents the difference between the gross proceeds of RMB 13.5 million (approximately \$2.09 million) and the commission of RMB 2.03 million (approximately \$0.31 million) paid to a third party, who provided the consulting service to the Company on such activities of negotiation of sales agreement, the title of ownership transfer and funds collection.

Operating Results for Discontinued Operations

The net earnings (loss) from discontinued operations summarized in the consolidated statements of operations comprised the following.

	Three months ended June 30, 2010	Six months ended June 30, 2010	Six months ended June 30, 2009
Loss from Zhongjia	\$ -	\$ -	\$ (309,003)
Gain on sale of Zhongjia	-	-	886,474
Loss from Damo	(37,747)	(37,747)	(4,588)
Gain on sale of Damo	1,755,654	1,755,654	-
Earnings from discontinued operations	\$ 1,717,907	\$ 1,717,907	\$ 572,883

Assets and Liabilities of Discontinued Operations

The assets and liabilities related to Zhongjia and Damo were included in the consolidated balance sheets of Minco Gold at December 31, 2009 and comprised the following:

	December 31, 2009
Cash	\$ 13,125
Receivables	890
Prepaid expenses and deposits	13
Plant, property and equipment	51,939
Accounts payable and accrued liabilities	(1,503)
Net assets of discontinued operations	\$ 64,464

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

8. Discontinued Operations (continued)

Cash flow of Discontinued Operations

The cash flows related to Zhongjia and Damo are included in the consolidated statements of cash flows of Minco Gold and comprise the following:

	Six Months Ended June 30,	
	2010	2009
Cash provided by operating activities of discontinued operations		
- Zhongjia	\$ -	\$ 319,502
- Damo	1,208,363	150,260
	1,208,363	469,762
Cash provided by investing activities of discontinued operations		
- Zhongjia	-	44,871
- Damo	5,746	4,939
	5,746	49,810
Increase in cash	\$ 1,214,109	\$ 519,572

9. Share Capital

(a) Common Stock

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

Issued:

	Shares Outstanding	Share Capital	Contributed Surplus
Balance - December 31, 2009	48,157,782	\$ 38,553,756	\$ 5,627,841
Stock-based compensation	-	-	276,952
Stock options exercised	278,333	355,093	(139,744)
16.67% proceeds from exercise of stock option to Minco Base Metals (spin-off transaction)	-	(16,875)	-
Share issue costs	-	(4,813)	-
Balance – June 30, 2010	48,436,115	\$ 38,887,161	\$ 5,765,049

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

9. Share Capital (continued)

(b) Stock Options

Minco Gold may grant options to its directors, officers, employees and consultants under its stock option plan. The Board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the option granted.

Stock option compensation is expensed over the vesting period of each option. For the six months ended June 30, 2010, the Company did not grant any stock options to its directors, employees and consultants.

Minco Gold recorded \$276,952 in stock based compensation expense in for the six months ended June 30, 2010 (June 30, 2009 - \$452,917).

Summary of the status of options granted by Minco Gold is as follows:

	Number	Weighted Average Exercise Price
Options outstanding - December 31, 2009	5,662,101	\$ 0.93
Exercised	(278,333)	\$ 0.77
Options outstanding - March 31, 2010	5,383,768	\$ 0.94
Granted	75,000	\$ 1.24
Expired	(66,667)	\$ 1.08
Options outstanding - June 30, 2010	5,392,101	\$ 0.94

Options Outstanding				Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (yr)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$0.00 - \$0.48	1,416,767	3.55	\$0.48	906,768	\$0.48
\$0.49 - \$1.06	2,533,334	2.55	\$0.85	2,316,667	\$0.84
\$1.07 - \$1.63	775,000	2.15	\$1.34	700,000	\$1.35
\$1.64 - \$2.54	567,000	0.75	\$1.67	567,000	\$1.67
\$2.55 - \$3.00	100,000	0.84	\$2.55	100,000	\$2.55
	5,392,101	2.52	\$0.94	4,590,435	\$0.98

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

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9. Share Capital (continued)

The Company used the Black-Scholes option pricing model to determine the fair value of the options with the following assumptions:

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

10. Related Party Transactions

- a. The Company earned rental income from corporations with common directors:

	Three months period ended June 30,		Six months period ended June 30,	
	2010	2009	2010	2009
Rental income	\$ -	\$ 18,091	\$ -	\$ 36,182

- b. As at June 30, 2010, the Company has \$107,014 (December 31, 2009 - \$120,576) due from Minco Base Metals in relation to expenditures on the White Silver Mountain project and shared office expenses. The amount due from Minco Base Metals is unsecured, non-interest bearing and repayable on demand. The Company is related to Minco Base Metals through two common directors and one common officer.
- c. As at June 30, 2010, Minco China has \$1,088,598 due from Foshan Minco, a wholly owned subsidiary of Minco Silver, (December 31, 2009 – \$713,731). It represents amounts due related to shared expenses and the loan to Foshan Minco's minority shareholders for the increase of registered share capital of Foshan Minco as prescribed by the Chinese authorities. The amount due from Foshan Minco is unsecured, non-interest bearing and repayable on demand.
- d. As at June 30, 2010, the Company has \$2,154,164 (US\$2,054,716) due to Minco Silver (December 31, 2009 – due from Minco Silver \$1,395,555). The funds were used to satisfy the increase of registered share capital of Minco China as prescribed by the Chinese authorities. The amount due to Minco Silver is unsecured, non-interest bearing and repayable on demand.

The above transactions were conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

MINCO GOLD CORPORATION

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Notes to Interim Consolidated Financial Statements

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(in Canadian dollars)

(Unaudited)

11. Commitments

The Company has commitments in respect of office leases requiring minimum payments of \$941,173 as follows:

2010	\$ 228,908
2011	163,063
2012	158,524
2013	165,453
2014	168,919
2015	56,306
	<u>\$ 941,173</u>

The Company has entered into sub-lease agreements for a portion of its leased premises.

12. Geographic Information

The Company's business is considered as operating in one segment, mineral exploration and development. The Company conducts operations only in Canada and in China; therefore segregates its financial results by geographical division. The Company's total assets, liabilities and operating loss are as follows:

	June 30, 2010	December 31, 2009
Current Assets		
Canada	\$ 672,328	\$ 5,199,706
China	11,484,241	3,508,015
	<u>\$ 12,156,569</u>	<u>\$ 8,707,721</u>
Long-term Assets		
Canada	\$ 6,075,636	\$ 5,508,346
China	301,812	379,499
	<u>\$ 6,377,448</u>	<u>\$ 5,887,845</u>
Current Liabilities		
Canada	\$ 2,389,275	\$ 165,494
China	5,814,795	5,038,350
	<u>\$ 8,204,070</u>	<u>\$ 5,203,844</u>

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Notes to Interim Consolidated Financial Statements

For the six months period ended June 30, 2010 and 2009

(in Canadian dollars)

(Unaudited)

12. Geographic Information (continued)

	Six months ended June 30, 2010	Six months ended June 30, 2009
Net income (loss) for the year		
Canada	\$ (315,029)	\$ (1,726,805)
China	812,361	(588,692)
	\$ 497,332	\$ (2,315,497)