

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Consolidated Financial Statements
(Expressed in Canadian dollars)

March 31, 2009

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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)

Consolidated Balance Sheets

(Expressed in Canadian Dollars)**[See Nature of Operations and Going Concern Uncertainty – Note 1]**March 31,
2009December 31,
2008**ASSETS****Current assets**

Cash and cash equivalents	1,991,688	2,604,411
Short-term investments (Note 2)	672,559	922,559
Receivables	515,103	896,731
Due from Minco Silver (Note 10(b))	1,460,787	1,246,282
Due from Minco Base Metals (Note 10(b))	547,389	506,569
Prepaid expenses and deposits	88,347	129,113

Total current assets	5,275,873	6,305,665
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Long-term rental deposit

51,564	51,523
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Long-term marketable securities (Note 3)

16,800	12,600
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Plant, property and equipment (Note 5)

553,111	513,521
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Equity investment in Minco Silver (Note 6)

3,542,293	3,675,116
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Total assets	9,439,641	10,558,425
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LIABILITIES**Current liabilities**

Accounts payable and accrued liabilities (Note 6(i))	5,566,726	5,671,434
Loan payable (Note 8)	3,030,191	2,881,237
Tax payable	136,136	136,136

Total current liabilities	8,733,053	8,688,807
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*Commitments and contingencies (Notes 6(i) and 11)***SHAREHOLDERS' EQUITY**

Share capital (Note 9(a))	34,021,922	34,021,922
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Contributed surplus (Note 9(c))	5,084,035	4,930,097
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Deficit	(38,399,369)	(37,082,401)
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Total shareholders' equity	706,588	1,869,618
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Total liabilities and shareholders' equity	9,439,641	10,558,425
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*See Subsequent Events Note 14**See accompanying notes to consolidated financial statements***On behalf of the Board**"Malcolm Clay"Malcolm Clay
Director"Robert Callander "Robert Callander
Director

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Consolidated Statements of Operations and Comprehensive Loss and Deficit

(Expressed in Canadian Dollars)

	Three months ended March 31, 2009	Three months ended March 31, 2008
Exploration Permit	\$ -	\$ 6,611,918
Exploration costs , net of recovery (Note 4)	573,302	399,651
	573,302	7,011,569
Administrative expenses (Note 10)		
Accounting and audit	62,128	4,583
Amortization	28,639	21,006
Consulting	55,773	54,922
Directors' fees	13,000	9,500
Foreign exchange loss	(67,341)	48,870
Investor relations	53,500	147,742
Legal	-	32,098
Regulatory and filing	13,474	5,566
Meals and entertainment	28,560	11,744
Office and miscellaneous	9,935	44,580
Property investigation	2,519	36,905
Rent	74,244	63,522
Salaries and benefits	164,644	119,377
Stock-based compensation (Note 9(d))	153,938	418,890
Telephone	9,302	4,066
Interest expense	2,811	51,231
Travel and transportation	33,304	22,572
	638,430	1,097,174
Operating loss	(1,211,732)	(8,108,743)
Other income (loss)		
Share of loss from equity investment in Minco Silver (Note 6)	(132,823)	(470,396)
Dilution gain (Note 6)	-	168,850
Write up (down) of marketable securities	4,200	3,294
Rental income	18,091	17,777
Interest income	5,296	43,335
Loss for the period before non-controlling interest and	(1,316,968)	(8,345,883)
Non-controlling interest	-	62,121
Loss for the period from continuing operations	(1,316,968)	(8,283,762)
Loss and comprehensive loss for the period	(1,316,968)	(8,283,762)
Deficit, beginning of year	(37,082,401)	(23,818,096)
Deficit, end of period	\$ (38,399,369)	\$ (32,101,858)
Loss per share from continuing operations -basic		
Loss per share - basic and diluted	(0.03)	(0.08)
Weighted average number of common shares outstanding - basic and diluted	42,989,051	42,928,385

See accompanying notes to consolidated financial statements

MINCO GOLD CORPORATION

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Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	Three months ended March 31, 2009	Three months ended March 31, 2008
Cash flows (used in) operating activities		
Net loss from continuing operations for the year	(1,316,968)	(8,283,762)
Adjustment to reconcile net loss from continuing operations to cash provided by (used in) operating activities:		
- amortization of equipment	28,639	21,006
- equity loss on investment in Minco Silver	132,823	470,396
- dilution gain	-	(168,850)
- stock-based compensation	153,938	418,890
-foreign exchange (gain) loss	(67,341)	48,870
- non-controlling interest in loss	-	(62,121)
- write down of marketable securities	(4,200)	(3,294)
- write down of mineral interests	-	358,500
- decrease in receivables	381,628	(47,128)
- due from Minco Base Metals	(40,820)	(64,339)
- decrease (increase) in prepaid expenses and deposits	40,725	(61,784)
- (decrease) increase in accounts payable and accrued liabilities	(104,708)	4,785,863
Cash used for operating activities of continuing operations	(796,284)	(2,587,753)
Cash flows from (used in) financing activities		
Movement in loan payable	148,954	205,661
Cash flows from financing activities	148,954	205,661
Cash from (used) in investing activities of continuing operations		
Acquisition of equipment	(68,229)	(5,535)
Decrease in short-term investments	250,000	3,593,120
(Increase) decrease in Due from Minco Silver (Notes 10)	(214,505)	1,610,752
Cash from(used) investing activities of continuing operations	(32,734)	5,198,337
Cash from investing activities of discontinuing operations	-	4,461
Effect of exchange rate changes on cash and cash equivalents	67,341	(62,830)
(Decrease) Increase in cash and cash equivalents	(612,723)	2,757,876
Cash and cash equivalents, beginning of period	2,604,411	1,302,483
Cash and cash equivalents, end of period	1,991,688	4,060,359
<i>Interest income received during the year</i>	<i>5,296</i>	<i>43,335</i>

See accompanying notes to consolidated financial statements

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Notes to Consolidated Financial Statements

March 31, 2009

(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern Uncertainty

Minco Gold Corporation (the “Minco Gold” and 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.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company does not generate revenues and has accumulated losses since inception, and as at December 31, 2008 had an accumulated deficit of \$38,403,807 and is unlikely to generate earnings in the immediate future. The continuation of the Company as a going concern is dependant upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to achieve its operating and developing objectives, confirmation of the Company’s interests in the underlying properties and the attainment of profitable operations. Management will continue, as appropriate, to seek other sources of financing on favourable terms; however, there are no assurances that any such financing can be obtained on favourable terms, if at all. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and balance sheet classifications that would be necessary were the going concern assumption not appropriate.

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2. Short-term Investments

As at March 31, 2009, short-term investments consisted of \$617,704 of cashable guaranteed investment certificates with terms of greater than ninety days but not greater than one year (December 31, 2008 – \$2,488,658) and \$ 54,855 in commercial notes (December 31, 2008 – \$70,560).

3. Marketable Securities

As at March 31, 2009, the Company held 420,000 common shares of Nanika Resources Inc. The market value of the shares was \$16,800 (December 31, 2008 - \$12,600). Management assessed the Company's marketable security holdings and determined to reclassify the shares of Nanika as long-term for consistency with management's intentions.

4. Mineral Interests

Acquisition, Exploration and Development of Mineral Interests

Mineral property and mineral rights acquisition costs are capitalized until the viability of the mineral interest is determined. If a mineral ore body is discovered, capitalized costs will be amortized over their estimated useful lives following the commencement of production. Otherwise, capitalized acquisition costs are expensed when it is determined that the mineral property has no future economic value. Capitalized amounts (including capitalized development costs) are written down if future cash flows, including potential sales proceeds, related to the mineral property are estimated to be less than the property's total carrying value. Management of the Company reviews the carrying value of each mineral property periodically, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Reductions in the carrying value of a property would be recorded to the extent that the total carrying value of the mineral property exceeds its estimated fair value.

Exploration permits and other exploration costs are expensed as incurred. When it is determined that a mining deposit can be economically and legally extracted or produced based on established proven and probable reserves, further exploration costs and development costs incurred after such determination will be capitalized. The establishment of proven and probable reserves is based on results of final feasibility studies which indicate whether a property is economically feasible. Upon commencement of commercial production, capitalized costs will be transferred to the appropriate asset categories and amortized over their estimated useful lives. Capitalized costs, net of salvage values, relating to a deposit which is abandoned or considered uneconomic for the foreseeable future will be written off.

The Company follows the practice of expensing all exploration costs until mineral reserves have been established. The following is a summary of exploration costs incurred by the Company:

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Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars)

4. Mineral Interests (continued)

Changkeng Silver Mineralization

Pursuant to the terms of the agreement on Changkeng Silver Mineralization, the Company has assigned its right to earn 51% interest on Changkeng Silver Mineralization to Minco Silver. As a result of the assignment, Minco Silver is responsible for 51% of the costs in relation to the Changkeng Silver Mineralization. As at March 31, 2009, \$207,710 was recorded as an exploration cost recovery, which represents incurred costs on Changkeng Silver Mineralization and paid on Minco Silver's behalf by the Company. Minco Silver will reimburse this amount to the Company.

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

	Costs Incurred January 1 to March 31, 2008	Costs Incurred January 1 to March 31, 2009	Cumulative Costs Incurred to March 31, 2009
Currently active properties:			
Gansu			
- Longnan	\$ 114,327	\$ 533,146	\$ 3,331,033
Inner Mongolia			
- Gobi Gold	32,083	14,212	1,997,754
Guangdong			
- Changkeng	6,655,443	124,505	9,179,307
Hunan			
- Gold Bull Mountain	30,750	1,189	2,158,729
Henan Zhongjia			
- Xiaoshan	173,359	107,960	1,650,141
Expensed exploration cost for ceased project	2,344	-	768,998
Expensed exploration cost for sold project	3,263	-	869,535
Total	7,011,569	781,012	19,955,497
Expensed exploration costs for sold and ceased projects	(5,607)	-	(1,638,533)
Exploration cost recoveries	-	(207,710)	(1,164,613)
Expensed mining license costs	-	-	(358,500)
Expensed exploration permits	(6,611,918)	-	(9,203,512)
Expensed exploration costs	(394,044)	(573,302)	(7,017,037)
Capitalized (write off) mining license costs	\$ -	\$ -	\$ -

The Company ceased being the majority shareholder of Minco Silver Corporation on November 17, 2006, and no longer consolidates its property costs after that date. Prior to November 17, 2006, Minco Silver had incurred, and the Company had consolidated \$3,034,498 in exploration and permit costs on the Fuwan property.

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5. Plant, Property and Equipment

	March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 239,399	\$ 163,001	\$ 76,398
Leasehold improvements	66,044	48,993	17,051
Mining equipment	367,996	217,806	150,190
Motor vehicles	443,675	159,181	284,494
Office equipment and furniture	134,650	109,671	24,979
	<u>\$1,251,763</u>	<u>\$ 698,652</u>	<u>\$ 553,112</u>

	December 31, 2008		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 235,885	\$ 152,958	\$ 82,927
Leasehold improvements	66,044	46,916	19,128
Mining equipment	358,909	213,067	145,842
Motor vehicles	386,859	148,409	238,450
Office equipment and furniture	134,597	107,423	27,174
	<u>\$1,182,294</u>	<u>\$ 668,773</u>	<u>\$ 513,521</u>

6. Equity Investment in Minco Silver Corporation

As at March 31, 2009 the Company owns 13,000,000 common shares of Minco Silver (2008 – 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 from Minco Gold to Minco Silver.

During 2008, the Company's ownership decreased to 40.48% due to the exercise of options by Minco Silver option holders. As at March 31, 2009, the Company's ownership remained the same of 40.48%.

The Company is exposed to the transactions undertaken by Minco Silver through its equity accounting for the Company's investment in Minco Silver.

Following the dilution of Minco Gold's shareholding interest in Minco Silver, Minco Gold recognized a dilution gain and equity loss on investment in Minco Silver as follows:

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6. Equity Investment in Minco Silver Corporation (continued)

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Dilution gain in Minco Silver	\$ -	168,850
Equity loss of Minco Silver Corporation	\$ (132,823)	(470,396)
Income (loss) from investment in Minco Silver	\$ (132,823)	(301,546)

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:

	<u>March 31, 2009</u>	<u>December 31, 2008</u>
Investment in Minco Silver Corporation on an equity basis	<u>\$3,542,293</u>	<u>\$3,675,116</u>
Market value of Minco Silver shares	<u>\$15,600,000</u>	<u>\$18,460,000</u>

As at March 31, 2009 the closing share price for Minco Silver's shares on the Toronto Stock Exchange was \$1.20 (December 31, 2008 - \$1.42)

As of March 31, 2009, Minco Silver had current assets of \$4,026,321, non-current assets \$13,672,416 (including \$6,217,458 in capitalized mineral interest costs), current liabilities of \$2,011,823 and shareholders equity of \$15,686,914. Minco Silver incurred exploration costs of \$207,710, administration costs of \$309,487 and a loss of \$328,119 during the three months ended March 31, 2009.

On July 22, 2008, Minco Silver announced the potential acquisition of 100% of the issued and outstanding common shares of Sterling Mining Company ("Sterling"). Among the terms of the deal is that Minco Silver has offered 0.51 of a Minco Silver share for each one of Sterling's share. The Company extended a line of credit in the amount of US\$15.0 million ("the facility") to be advanced from time to time to meet general working capital and other operating expenses to carry on Sterling's business, of which US\$5.0 million was advanced on July 30, 2008; bearing 10% simple interest plus fees and expenses.

On August 27, 2008 the Company terminated the obligation to acquire 100% of the outstanding common shares of Sterling and the obligation to advance the additional US\$10.0 million under the line of credit, as provided in the facility.

On February 18, 2009 Minco Silver filed in the District Court of the First Judicial District of the State of Idaho, in and for the County of Shoshone an action commencing a foreclosure proceeding to foreclose on Sterling and appoint a receiver. On March 3, 2009 Minco Silver's foreclosure action was stayed in favor of Sterling's filing a voluntary petition under Chapter 11 bankruptcy code in the Bankruptcy Court for the District of Idaho.

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6. Equity Investment in Minco Silver Corporation (continued)

Under the new policy Minco Silver has capitalized \$6.2 million since March 2008, compared to \$5.3 million capitalized development costs as at December 31, 2008. Minco Gold's equity share of this amount is \$2.5 million as at March 31, 2009.

7. Discontinued Operations

Pursuant to CICA Handbook Section 3475 "Disposal of Long-Lived Assets and Discontinued Operations", the consolidated financial statements of the Company have been reclassified to reflect discontinued operations of Minco Base Metals Corporation ("Minco Base Metals") and of Inner Mongolia HuaYu-Minco Mining Co., Ltd. (HYMK). Accordingly, exploration costs and administrative expenses, assets and liabilities and cash flows of discontinued operations have been segregated in the Consolidated Statements of Operations and Comprehensive Loss and Deficit and Consolidated Balance Sheets. The net operating results, net assets and net cash flows have been reported as "Discontinued Operations".

On July 18, 2008, the Company entered into a sale agreement to dispose of its interest in HYMK. After completion of all legal requirements and approvals, the Company relinquished all managerial involvement and controls to the purchaser on October 31, 2008. Gross proceeds on disposal were RMB 7.0 million (approximately \$1.2 million).

The table below indicates the assets associated with Inner Mongolia Huayu-Minco Mining, Co., Ltd. and a discontinued operation:

Inner Mongolia Huayu-Minco Mining Co., Ltd Balance Sheets

(Expressed in Canadian Dollars)

	March 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash	\$ -	\$ -
Receivables	-	-
Prepaid	-	-
Current assets of discontinued operations	-	-
Plant, property and equipment	-	-
Total assets of discontinued operations	-	-
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	-	-
Total liabilities of discontinued operations	-	-
Net assets of Huayu-Minco disposed	\$ -	\$ -

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(Expressed in Canadian Dollars)

7. Discontinued Operations (continued)

Inner Mongolia Huayu-Minco Mining Co., Ltd

Statements of Operations and Comprehensive Loss and Deficit

(Expressed in Canadian Dollars)

	Three months ended March 31, 2009	Period from January 1, 2008 to October 31, 2008
Exploration costs	\$ -	\$ 6,875
Administration expenses	-	24,077
Loss from discontinued operations	-	(30,952)
Gain on disposition (net of tax -\$35,268)	-	1,195,682
Earnings from discontinued operations	-	1,164,730
Earnings (loss) for the year from discontinued operations	\$ -	\$ 1,164,730

Inner Mongolia Huayu-Minco Mining Co., Ltd

Statements of Cash Flows

(Expressed in Canadian Dollars)

	Three months ended March 31, 2009	Period from January 1, 2008 to October 31, 2008
Cash provided by operating activities of discontinued operations	\$ -	\$ 641,736
Cash provided by investing activities of discontinued operations	-	4,461
Increase in cash and cash equivalents	\$ -	\$ 646,197

8. Loans payable

As at March 31, 2009, total loans payable of \$ 3,030,192 consists of \$ 2,681,748 of the minority shareholders' loans in MingZhong and \$ 348,444 of the minority shareholder's loan in Henan Zhongjia Minco.

MingZhong signed loan agreements with its shareholders on December 10, 2008 for RMB 30 million (\$5.53 million). The loans are unsecured, bear interest at 5.04% and are repayable on May 31, 2009. On March 16, 2009, the MingZhong shareholders have agreed to contribute RMB 51.7 million (\$9.2 million) to registered capital and to use the proceeds to pay the shareholder's loan and agreed to waive the interest in the shareholder's loan.

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8. Loans payable (continued)

The balance of loans payable includes a shareholder's loan in Henan Zhongjia Minco. This loan was originated by the minority shareholder of Henan Zhongjia Minco who provided funding to the total of RMB 1.91 million (\$348,444) as at March 31, 2009 to support the exploration activities in that company. The loan is unsecured, non-interest bearing and is repayable on demand.

9. Share Capital

(a) Common Stock

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

Issued:

Balance, December 31, 2007	42,928,385	33,941,510
Stock options exercised at \$0.79 per share, including \$33,973 contributed surplus attributed to stock-based compensation recognized	60,666	80,412
Balance, December 31, 2008	42,989,051	\$ 34,021,922
Balance, March 31, 2009	42,989,051	\$ 34,021,922

Under an original escrow agreement, 4,880,000 escrow shares were to be released based on the Company's expenditures on exploration and development of a particular resource property. In July 2005, the Company released 1,473,264 escrow shares based on exploration expenditures. In June 2005, the Company's shareholders approved a new escrow agreement that will result in the remaining 1,518,058 escrow shares being released over a period of 18 months on a time release basis: (a) 379,514 escrow shares on December 31, 2005 (the release was effected in January 2006); (b) 379,514 escrow shares on July 1, 2006; (c) 379,514 escrow shares on December 31, 2006 (the release was effected in January 2007); and (d) 379,516 escrow shares on July 1, 2007. As at December 31, 2007, all shares are released from escrow.

The Toronto Stock Exchange accepted a Notice of Intention by the Company to make a Normal Course Issuer Bid. Under the terms of the Normal Course Issuer Bid, the Company may acquire up to 2,107,210 common shares of the Company between November 22, 2006 and November 21, 2007. Prior to the expiry of the bid, the Company acquired and cancelled 48,000 common shares at a cost \$44,450. The cost to purchase the shares exceeded their carrying value by \$6,499. This excess has been charged to retained earnings.

(b) Share purchase warrants and broker options

There were no share purchase warrants outstanding as at March 31, 2009 (2008 – Nil).

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9. Share Capital (continued)

(c) Contributed Surplus

Summary of contributed surplus is as follows:

Balance at December 31, 2007	3,721,117
2008 stock-based compensation	1,242,953
Transfer to share capital on exercise of stock options	(33,973)
Balance at December 31, 2008	\$ 4,930,097
2009 stock-based compensation	153,938
Balance at March 31, 2009	\$5,084,035

(d) Minco Gold Stock Options

Minco Gold may grant options to its directors, officers, employees and consultants under its stock option plan. The number of common shares reserved for issuance is 5,676,167 based upon options granted and not exercised. The maximum number of common shares reserved for issuance is 15% of the issued and outstanding shares.

In the first quarter of 2009, Minco Gold granted 1,582,000 stock options to its directors, officers, employees and consultants at the price of \$0.48 per share. The stock options granted vest in various increments and have a maximum term of five years.

Minco Gold recorded \$153,938 in stock based compensation expense in the first quarter of 2009 (2008 - \$418,890).

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9. Share Capital (continued)

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

	Number	Weighted Average Exercise Price
Options outstanding at December 31, 2007	5,236,667	\$ 1.21
Granted	767,500	1.03
Exercised	(60,666)	0.79
Cancelled and Forfeited	(1,217,667)	1.48
Options outstanding at December 31, 2008	4,725,834	1.11
Granted	1,582,000	0.48
Expired	(150,000)	1.80
Cancelled	(481,667)	1.08
Options outstanding at March 31, 2009	5,676,167	0.92

The weighted average fair value of options granted by Minco Gold during the period ended March 31, 2009 was \$0.92. Each option entitles the holder to purchase one common share.

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 - \$1.06	4,062,500	2.18	\$0.68	2,299,669	\$0.83
\$1.07 - \$1.63	941,667	3.12	\$1.34	775,001	\$1.35
\$1.64 - \$2.54	572,000	2.00	\$1.67	572,000	\$1.67
\$2.55 - \$3.00	100,000	2.08	\$2.55	100,000	\$2.55
	5,676,167	2.31	\$0.92	3,746,670	\$1.11

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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

	2009	2008	2007
Risk-free interest rate	1.75% - 2.91%	1.69% - 3.10%	3.95% - 4.59%
Dividend yield	0%	0%	0%
Volatility	79% - 83%	64% - 77%	86% - 104%
Approximate expected lives	5 years	5 years	5 years

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 and incurred the following fees to its directors or corporations controlled by its directors:

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Rental income	\$ 18,091	\$ 17,777

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Exploration costs	\$ 21,198	\$ 20,625
Management fees	9,740	3,750
Property investigation	2,292	938
Investor relations	1,146	2,812
Director's fees	13,000	9,500
	\$ 47,376	\$ 37,625

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(Expressed in Canadian Dollars)

10. Related Party Transactions (continued)

- b. At March 31, 2009, the Company has \$547,389 (December 31, 2008 - \$506,569) 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. The Company provided financial assistance to fund Minco Base Metal's operation.

At March 31, 2009, the Company has a \$1,460,787 due from Minco Silver (December 31, 2008 - \$1,246,282) in relation to expenditures on the Fuwan Silver Property and shared office expenses for both offices in Vancouver and Beijing. The amount due from Minco Silver is unsecured, non-interest bearing and repayable on demand.

As of March 31, 2009, receivables of \$178,168 (December 31, 2008 - \$166,872) are due from other four companies related by two common directors.

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.

11. Commitments and Contingencies

- (a) The Company has commitments in respect of office leases requiring minimum payments of \$1, 4,03,754 as follows:

2009	\$	152,599
2010		205,533
2011		219,393
2012		226,323
2013		240,183
2014		247,113
2015		112,613
		<hr/>
		\$ 1,403,754

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

MINCO GOLD CORPORATION

(An exploration stage enterprise)

Notes to Consolidated Financial Statements

March 31, 2009

(Expressed in Canadian Dollars)

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:

	March 31 2009	December 31 2008
Current Assets		
Canada	\$ 1,313,901	\$ 1,945,475
China	3,961,972	4,360,190
	<u>\$ 5,275,873</u>	<u>\$ 6,305,665</u>

	March 31 2009	December 31 2008
Long-term Assets		
Canada	\$ 3,724,636	\$ 3,813,628
China	439,132	439,132
	<u>\$ 4,163,768</u>	<u>\$ 4,252,760</u>

	March 31 2009	December 31 2008
Current Liabilities		
Canada	\$ 166,699	\$ 192,831
China	8,566,354	8,495,976
	<u>\$ 8,733,053</u>	<u>\$ 8,688,807</u>

	Three months ended March 31, 2009	Three months ended March 31, 2008
Loss for the year		
Canada *	\$ 549,663	\$ 2,243,821
China	767,305	6,039,941
	<u>\$ 1,316,968</u>	<u>\$ 8,283,762</u>

*Included within the Canadian division's income (loss) for the first quarter of 2009 is \$132,823 (March 31, 2008 – \$301,546) which included the adjustments from the Company's equity investment in Minco Silver (Minco Gold owns 40.48% of Minco Silver and has one common director). Refer to Note 6 for details of the Company's interest in Minco Silver.

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13. Financial Instruments

Fair value - The fair value receivables, accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of these financial instruments.

Exchange risk - The Company operates in China and many of its exploration expenditures are payable in either U.S. dollars or the Chinese currency RMB and are therefore subject to foreign currency risk arising from changes in exchange rates with the Canadian dollar.

Interest rate risk – Cash and cash equivalents entered into by the Company bear interest at a fixed rate thus exposing it to the risk of changes in fair value arising from interest rate fluctuations. The Company has no interest-bearing debt and therefore does not have significant exposure to interest rate risk.

Credit risk - The Company generally places its short-term investment funds into government and Canadian bank debt securities and is therefore subject to minimal credit risk with regard to short-term investments.

14. Subsequent Event

- 1) On April 9, 2009 the Company was cease traded by order of the British Columbia Securities Commission and on April 14, 2009 the Company was issued a 14day temporary Cease Trade Order by the Ontario Securities Commission for failing to file within the prescribed times its comparative financial statement for the Company's financial year ended December 31, 2008, its Management Discussion & Analysis and the Annual Information Form.

On April 17, 2009 the British Columbia Securities Commission lifted the April 9, 2009 Cease Trade Order and on April 27, 2009 the Ontario Securities Commission's temporary cease trade order expired and on April 29, 2009 the Company resumed trading.

- 2) Subsequent to the end of this Quarter the Company sold 100% of its interest in the Xiao Shan Project for a total amount of \$2,500,000 RMB.
- 3) Subsequent to the quarter end, the Board of Directors of the Company and the Board of Directors, of Minco Silver decided that the Company will reimburse 15.3% of the acquisition cost of Changkeng Exploration Permit related to Changkeng Silver Mineralization from Minco Silver. Total acquisition cost for Changkeng Exploration Permit is RMB 49 million, therefore Minco Silver's share of the cost is RMB 7.5 million, which will be recorded as the exploration cost recovery in the second quarter by the Company.