

## **Minco awards Bankable Study for Laguna Zacatecana Silver Project**

Monday, 7th February 2005

AIM quoted precious metals developer Minco plc today announces that it has awarded the contract for the bankable study for the Laguna silver tailings project to MICON International of Toronto, Canada.

The tailings, forming the bed of the Laguna Zacatecana, near the city of Zacatecas in Mexico, are a result of Spanish colonial silver extraction were subject to an initial feasibility study in 2004, also completed by MICON, which indicated a robust project with the following economic characteristics.

- Total silver equivalent production of 18 million ounces
- Total reserves of 7.6 million tonnes
- Project life of 8 years from lake based tailings at 1 million tonne per annum production
- Operating costs of US \$2.28 per ounce silver equivalent
- Operating profit of US\$10 million per annum
- An internal rate of return in excess of 46%
- Net present value at 5% discount of US \$37 million, at 10% discount US\$ 26.5m pre tax
- Total pre-production capital expenditure of US \$19.4 million.

Subsequent to the Laguna feasibility study, completed in November 2004, Minco has carried out an additional confirmatory drill programme designed to improve resource classification. The company has also submitted the project study to SEMERNAT, the Mexican environmental agency, for final operating permitting and expects to receive the go ahead in the coming weeks.

### **Speaking today Matthew Dorman, CEO stated:**

"With the Bankable Feasibility study now underway, we expect the Laguna silver project will be construction ready in 2005 with first silver production in 2006. MICON International has been intimately involved with the Laguna project since its inception and I believe they are the appropriate consultants to make a thorough examination of the project in a timely and professional manner."

The study is expected to be completed in 6 months.

Minco continues to develop its other holdings in Mexico, primarily the Minera Sisa high grade gold silver project where ongoing exploration results have been very encouraging.

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