

Minco Closes Mexican Gold/Silver Acquisition

Monday, 28th February 2005

Minco plc closes Mexican gold/silver asset Acquisition and acquires additional 1800 hectare concession.

LONDON: 28 February 2005: AIM listed precious metals explorer and developer Minco plc ('Minco' or 'the Company'), (AIM:MIO), today announces that it has completed the acquisition of the 50% equity interest in Minera Sisa SA de CV (Sisa), which owns and has previously operated the high grade gold and silver mining properties in the Sierra Madre Mountains, 170 kilometres from Durango in Mexico. Completion gives Minco a 50% equity interest for US\$2.4 million and a commitment to invest a further US\$2.0 million into exploration and development of the property. The deal also gives Minco immediate control of the board of Sisa.

The Acquisition Agreement

Following Minco's investment of US\$2.0 million in exploration and development of the properties, further funding will be provided by the partners on a pro rata basis to their shareholding in Sisa. In the event one party elects not to, or fails to, contribute its pro rata share of funding, the interest of the other party will increase by 1% for every US\$160,000 contributed. Upon achieving 60% equity ownership in Sisa, Minco will issue 1,000,000 new ordinary shares in Minco and make a cash payment of US\$100,000 to the other shareholder. Subsequently, for each US\$240,000 invested in the project, 1% of additional equity in Sisa will be issued to the investing party. If Minco's equity interest increases to 70% a further payment of US\$150,000 cash and 1,000,000 Minco new ordinary shares will be made. Likewise at 80% equity interest - US\$200,000 cash plus 1,000,000 Minco new ordinary shares; 90% equity interest - \$250,000 cash plus 1,000,000 Minco new ordinary shares; and 100% equity interest - US\$250,000 cash plus 1,000,000 Minco new ordinary shares. At present the remaining 50% equity interest in Sisa will continue to be held by the Salas family who have been involved with the property since 1967.

Further increases in Concession area.

As a result of the ongoing geological work programme, the Company also announces that it has increased its concession area from 450 hectares to 2,250 hectares by registering a further 1,800 Hectares of contiguous land which is strategically placed along several of the currently identified strike zones.

Ongoing Geological Work programme.

Sisa is a high grade gold silver epithermal deposit with substantial potential resources; previous independent evaluations suggest the possibility of 10 million tonnes of material with a gold equivalent grade of 12 grammes per ton with grades of up to 1,000 grammes per ton silver and 30 grammes per ton gold occurring in a number of vein intersections. As yet, this deposit has not been evaluated to either JORC or NI 43 101 standards.

The ongoing geological programme has identified additional mineralised outcrop structures which have been mapped and sampled. In addition, approximately 18km of surface geochemical sampling is nearing completion and an extensive programme of surface and underground sampling and mapping is underway. The systematic programme of surface trenching, underground mapping and channel sampling, in addition to surface geochemical evaluation, will allow drilling to begin in May 2005 and Minco is already negotiating with drill contractors for early mobilisation. The Company expects to complete a significant drill programme on the properties in order to explore and evaluate the possibility of a large scale open pit operation.

Matthew Dorman, CEO, speaking today stated:

“Completion of the Sisa acquisition is a major step forward in our objective to become a significant precious metals producer. The further acquisition of 1,800 hectares of concessions contiguous to the Minera Sisa properties, which exploration has indicated as having possible further strike extension and occurrences of surface alteration and mineralisation, consolidates our prospective gold and silver development in the Sierra Madre mountain range. The ongoing exploration programme at Minera Sisa continues to uncover additional mineralisation and we are identifying key targets to be drilled in May this year.”

Minco continues to develop the La Laguna silver tailings property with work underway to complete the final bankable feasibility study.

For further information

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