

Minco Plc

MINCO COMPLETES ACQUISITION OF SHARES IN BUCHANS

- **ADDITIONAL INFORMATION ON LUNDBERG BASE METAL PROPERTY IN NEWFOUNDLAND, CANADA**

Dublin, 16 May, 2012 - Minco plc (AIM - "MIO"), the Irish exploration and development company, has completed its previously announced acquisition of approximately 10% of the shares of Buchans Minerals Corp. (Buchans) in a private placement.

Under an Agreement with Buchans, Minco has completed a non-brokered private placement of 15,384,615 units ("Units") of Buchans Minerals Corp at a price of \$0.065 per Unit, for a total investment of Cdn\$1 million. Each Unit consists of one common share and one-half of one common share purchase warrant. Each full Warrant is exercisable into one common share of Buchans at a price of \$0.10 per share for a period of twenty four (24) months.

Minco has also paid Buchans a \$1 million for an exclusive six month right to evaluate the Woodstock manganese property in New Brunswick, (See Minco RNS Announcement May 8, 2012).

Minco Option to earn 51% Interest in Buchans Minerals Base Metal Properties:

In addition to the \$1 million acquisition of shares in Buchans, the agreement with Buchans announced on April 30th, 2012 further provides Minco with the right to earn a 51% interest in the Buchans' base metal properties in Newfoundland, Canada by spending \$8 million over four years to advance the Lundberg deposit to final feasibility and to further explore the company's extensive mineral properties in the historic Buchans mining camp in central Newfoundland.

These properties are the mining claims known as the Buchans property, inclusive of the Lundberg deposit, and the Tulks North property, inclusive of Daniels Pond deposit, and a 49% interest in the Tulks Hill joint venture with Prominex Resources Inc., all of which are located near Buchans, Newfoundland and about 35 kilometers from Teck's currently producing Duck Pond zinc/copper mine. The historic Buchans Mine operated from 1928 to 1984 and was regarded as one of Canada's richest base metal mines and is reported to have produced about 16 million tonnes of high grade zinc, lead and copper over that period.

Minco is required to spend \$3.5 million to advance the Lundberg project to the pre-feasibility stage and to further explore the Company's extensive mineral properties in the Buchans camp over a period of two years. Following completion of the pre-feasibility study, Minco will have the option to proceed to complete a final feasibility study by spending a further \$4.5 million over the following two years. Should Minco complete the final feasibility study and spend a total of \$8 million, it will earn a 51% interest in all of the Company's base metal properties in Newfoundland.

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John Kearney, Chairman of Minco, stated: *“We are very enthusiastic about Minco getting involved in a very impressive package of mineral exploration and development assets, with a great address in a historic mining camp, located in the Province of Newfoundland and Labrador, Canada, which is well known to Minco management, and in what is recognized as the most friendly mining country in the world.”*

The planned program on the development of Lundberg will focus on achieving milestones for a range of activities to advance the project that will initially include drilling the Lundberg deposit to upgrade the resource from an inferred resource to an indicated resource, conducting geotechnical studies for the open pit design, completing an open pit design, advancing the metallurgical test program, initiating environmental studies, evaluating possible satellite deposits and upgrading the economic model.

Lundberg zinc/lead/copper/silver deposit

The Lundberg deposit is a stockwork-type VMS deposit surrounding and extending from the old Buchans Mine, containing lower grade zinc, copper, lead and minor silver, upon which Buchans has reported an Inferred Resource of 22.21 million tonnes averaging grades of 1.62% zinc, 0.69% lead, 0.38% copper and 5.81 g/t silver. From this resource Wardrop Engineering calculated an Inferred Resource within the conceptual open pit mine design of 17.28 million tonnes with average grades of 1.63% zinc (Zn), 0.69% lead (Pb), 0.40% copper (Cu), and 5.96 g/t silver (Ag) at the same cut-off value, for a combined base metal grade of 2.72% (Zn-Pb-Cu).

In August 2011, Buchans announced the completion of a positive Preliminary Economic Assessment (PEA) by Wardrop Engineering, a Tetra Tech Company. The PEA is based on a 5,000 tonne per day open pit mining and milling operation over a 10 year mine life. The project’s base case is forecast to provide a pre-tax internal rate of return (“IRR”) of **43.94%** and a net present value (“NPV”) at a 6% discount rate of **CDN\$217.8 million** at base case metal prices of 1.22 US\$/lb Zinc, 3.62 US\$/lb Copper, 1.10 US\$/lb Lead and 22.74 US\$/oz. Silver.

Lundberg Preliminary Economic Assessment (“PEA”) Highlights:

Highlights of the preliminary economic analysis on the Lundberg Project completed by Wardrop Engineering, in August 2011 are identified below.

- Average throughput of 5,000 tonnes per day, with a stripping ratio of 3.06 to 1, producing separate zinc, copper and lead concentrates with silver credits in both the lead concentrate and to a lesser degree the copper concentrate.
- Average annual production of metal in the concentrate is estimated to be 27.1 million pounds of zinc (Zn), 5.5 million pounds of copper (Cu), 16.3 million pounds of lead (Pb) and 164.1 thousand ounces of silver (Ag).
- Pre-tax IRR of 43.94% and an NPV at a 6% discount rate of \$217.8 million on total life of mine (“LOM”) cash-flow of \$471.5 million.
- Average operating costs for the first five years of the project are \$24.53 per tonne on net revenue of \$61.76 per tonne.
- Payback for the project is estimated at 1.4 years on initial capital of \$119.6 million and sustaining capital of \$32.4 million for total capital expenditures of \$152.0 million. Capital

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estimates includes \$10.2 million indirect costs, \$3.8 million owners costs and \$19.1 million contingency.

The PEA is based on Inferred Mineral Resources, which are not Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is therefore no certainty that the conclusions of the PEA will be realized.

The full PEA can be downloaded on the Buchans website at <http://www.buchansminerals.com>. The assumptions used in the PEA are as follows:

Item	Unit	Base Case
Exchange Rate	Value of CND\$	US\$0.988
Zinc resource grade	%	1.63
Copper resource grade	%	0.40
Lead resource grade	%	0.69
Silver resource grade	g/t	5.96
Zinc concentrate grade	%	53.04
Copper concentrate grade	%	24.08
Lead concentrate grade	%	73.92
Zinc process recovery	%	66.16
Copper process recovery	%	89.33
Lead process recovery	%	78.67
Metal Price - Zinc	US\$/lb	1.22
Metal Price - Copper	US\$/lb	3.62
Metal Price - Lead	US\$/lb	1.10
Metal Price - Silver	US\$/oz	22.74
Net Smelter Royalty	%	3
Operating Costs - Mining	CAN\$/tonne milled	9.23
Operating Costs - Processing	CAN\$/tonne milled	12.53
Operating Costs - G&A	CAN\$/tonne milled	2.03
Total Operating Costs	CAN\$/tonne milled	23.79
Total Capital	CAN\$ million	152.0
Life of Mine Cash Flow	CAN\$ million	471.5
Pre-Tax IRR	%	43.94
Pre-Tax NPV @ 6%	CAN\$ million	217.8
Pre-Tax NPV @ 8%	CAN\$ million	186.4
Life of Mine	Years	10
Payback Period	Years	1.4

The PEA is based on processing only the Lundberg resource and does not include the Daniels Pond or Tulks Hill resources. As Minco moves towards completing a pre-feasibility study on the Property, it will evaluate the Daniels Pond and Tulks Hill as possible satellite deposits contributing to a central Lundberg processing facility. Wardrop has recommended a number of programs to optimise and improve the Lundberg project to move it towards completion of a pre-feasibility study and Minco will also consider undertaking further evaluations of several aspects of the project that may extend the life and/or profitability of the project that could include:

- Conducting additional metallurgical tests to improve zinc recoveries, optimize reagent consumption and investigate producing a barite concentrate to enhance the project revenue.
- Conducting geotechnical studies to determine if the amount of waste rock can be reduced in the open pit design by steepening the pit slope beyond its current conservative design of 45 degrees.

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- Completing metallurgical tests and a conceptual mining plan on the Daniels Pond deposit with a view to evaluating it as a possible satellite mining operation and providing additional feed to the proposed Lundberg milling facility (located 80 kilometres away)..
- Engaging in discussions with other companies in the region that have developed base metal resources that may also be considered for evaluation as satellite deposits to the Lundberg milling facility.
- Exploring for additional high grade massive sulphide resources at the Buchans North and Clementine West prospects located in close proximity to Lundberg.

About Minco plc

Minco plc, registered in the Republic of Ireland and listed on the AIM Market of the London Stock Exchange (“MIO”), is a exploration and development company, currently engaged in zinc-lead exploration in Ireland and with investments in zinc-silver projects in Mexico through holding 30 million shares (~29%) in Xtierra Inc. listed on the TSX Venture Exchange (TSXV-“XAG”). Minco also holds a 2% NSR royalty on the Curraghinalt gold property in Northern Ireland which is being explored by Dalradian Resources Inc. (TSX-“DNA”).

On April 30, 2012 Minco announced an agreement with Buchans Minerals Corporation (TSXV-“BMC”) whereby Minco was granted an exclusive six month option to evaluate Buchans' Woodstock manganese property in New Brunswick, Canada, with a view to potentially entering into a joint-venture agreement to develop the property and whereby Minco can earn a 51% joint venture interest in Buchans' base metal properties in Newfoundland, Canada by investing CDN\$8 million over four years to advance the Lundberg deposit to final feasibility and to further explore Buchans' extensive mineral properties in the historic Buchans mining camp. Minco also agreed to acquire approximately 10% of the shares of BMC in a private placement of CDN\$1 million.

Prior to 2011 Minco’s principal project was the discovery, exploration and development of the Pallas Green zinc lead project in Ireland, held in joint venture with Xstrata Zinc. In October 2011 Minco sold its joint venture interest in Pallas Green to Xstrata for US\$19.4 million.

Since the sale of its Pallas Green lead-zinc property in Ireland to Xstrata in October 2011 Minco has been continuously evaluating numerous projects and properties in various parts of the world. The objective has been to identify a quality opportunity for Minco, which has the possibility to create significant value for Minco shareholders without assuming unacceptable levels of risk.

Minco continues to explore two other base metal prospecting licenses in Ireland, one located adjacent to the currently operating Lisheen zinc/lead mine (Vedanta) and the recently producing Galmoy mine (Lundin), and the second held in joint venture with Boliden, adjacent to Boliden’s currently producing Tara zinc/lead mine.

Minco currently holds approximately US\$17.5 million in cash and is also evaluating a number of other investment opportunities in the minerals industry in North America and Europe.

For further information on Minco, refer to Minco’s website at www.minco.ie or mincoplc.com.

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About Buchans Minerals Corporation:

Buchans Minerals Corp (TSXV-BMC) is a Canadian resource company that is focused on exploring and developing base metal properties in the historic and famous Buchans mining camp in central Newfoundland, Canada and a manganese project in New Brunswick, Canada.

Buchans Minerals holds three main properties in and around the Buchans area that contain numerous exploration prospects that are being evaluated for their viability to become operating mines. These properties are the 100% owned Buchans property (which contains the Lundberg deposit), the 100% owned Tulks North property (which contains the Daniels Pond deposit) and the 50% joint ventured Long Range property. Buchans Minerals holds a 100% interest in the mineral rights for the 5,800 hectare Woodstock Manganese property in New Brunswick.

For further information on Buchans Minerals Corporation refer to Buchans' website at www.buchansminerals.com

John Kearney: Executive Chairman	+1 416 362 6686
Terence McKillen: Chief Executive	+1 416 362 8243
Danesh Varma: CFO & Company Secretary	+44 (0) 8452 606 034
Peter McParland: Director – Ireland	+353 (0)46 907-3709
John Frain/Fergal Meegan: (NOMAD) Davy	+353 (0)1 6796363
Barry Gibb: (Corporate Advisor Broker) Beaufort International, London	+44 (0)20 7930 8222