

Minco Plc

MINCO ANNOUNCES OPTION AGREEMENT ON WOODSTOCK MANGANESE PROJECT, NEW BRUNSWICK, CANADA

Dublin, 31 October 2012 – Minco Plc (AIM | MIO), (“Minco” or the “Company”), the AIM quoted exploration and development company is pleased to announce the signing of an option agreement to further explore and develop the Woodstock manganese property located in New Brunswick, Canada.

The Option Agreement:

Under the terms of the option agreement Minco has negotiated the right to earn, in stages, up to a 50% interest in the Canadian Manganese Company Inc. (“CMC”), a wholly owned subsidiary of Buchans Minerals that owns 100% of the Woodstock manganese property.

In the first stage Minco has committed to spend \$1.250 million in drilling over a period of 12 months to earn a 10% interest in CMC.

At the end of Stage one, Minco will have 30 days to elect to continue with Stage two expenditures of \$750,000 to complete a preliminary economic assessment (“PEA”) on the Plymouth deposit within a further period of six months and thereby earn a further 10% interest in CMC, (cumulative 20%). In the event that Minco elects not to proceed to the second stage, Buchans will have a 90 day option to buy back Minco’s 10% interest in CMC for \$1.250 million.

Upon completion of the PEA, Minco will have an exclusive 3 month option to elect to earn a further 30% interest (cumulative 50%) in CMC by completing a pre-feasibility study on the Plymouth deposit within a further period of two years (the budget to be determined at that time).

John Kearney, Chairman of Minco stated that *“Following Minco’s six month review and detailed analysis of the Woodstock manganese project, we believe that the Woodstock project has the potential to be developed into a significant long-term, mine and processing facility capable of producing high purity Electrolytic Manganese Metal. The work to date provides a sound foundation upon which to advance the Woodstock project towards the delineation of an inferred resource and thereafter the completion of a preliminary economic assessment”*

The next necessary step is to do the drilling program to confirm the size and grade of the Plymouth deposit, (one of three deposits within the Woodstock property), which is reported to host a historic, uncategorized resource, previously estimated at 46.5 million tonnes, averaging 10.9% Mn (manganese) and 13.3% Fe (iron).

Background

In April 2012, Minco paid Buchans \$1 million for an exclusive six month option to evaluate the Woodstock manganese property located in New Brunswick, Canada, with a view of potentially entering into a joint venture agreement to develop the property.

The 5,800 hectare Woodstock Manganese property has excellent infrastructure, including railway lines (16 km west) as well as the TransCanada Highway and major electrical transmission lines located less than 5 kilometres to the east. The Plymouth deposit is located less than 10 kilometres east of the US border and Highway Route 95 (an extension of US Interstate 95) passes less than a kilometre south of the deposit.

Minco’s evaluation work over the past six months has been directed at assessing the development potential of the Woodstock manganese deposits in light of the long term outlook for the manganese markets. Minco undertook a technical overview of the Woodstock manganese deposits including a review of all available information on the project, especially with respect to more recent metallurgical test work.

The programs completed by Minco included a review of the historical geological information, and the more recent drilling by Buchan’s in 2011, to assess the grades and the continuity.

Minco also reviewed the bench scale metallurgical test work carried out by Thibault & Associates Inc., Chemical Engineering Consultants, of Fredericton, N.B. which indicates that the Plymouth deposit maybe be amenable to processing via hydro metallurgical methods to produce high purity manganese products such as electrolytic manganese metal (EMM), electrolytic manganese dioxide (EMD) and manganese carbonate.

In 2011 Buchans retained Thibault to complete a bench scale test program for development of a hydrometallurgical flow sheet for recovery of manganese on a representative composite sample of the Plymouth deposit. The test program was aimed at continuing to identify and optimize a leach process to extract the manganese from the deposit, as well as new tests designed to purify the resulting leach solution to produce an electrolyte suitable for the production of EMM. The bench scale test program successfully demonstrated that, at optimum leach conditions, leach recoveries averaging 96.6% (range of 94% to 98%) could be achieved using a single stage sulphuric acid leach.

In August 2012, Minco retained Thibault & Associates Inc. to complete a preliminary review of the environmental and regulatory requirements for the development of the Woodstock property which concluded that no readily apparent roadblocks have been identified that would prevent the project from proceeding.

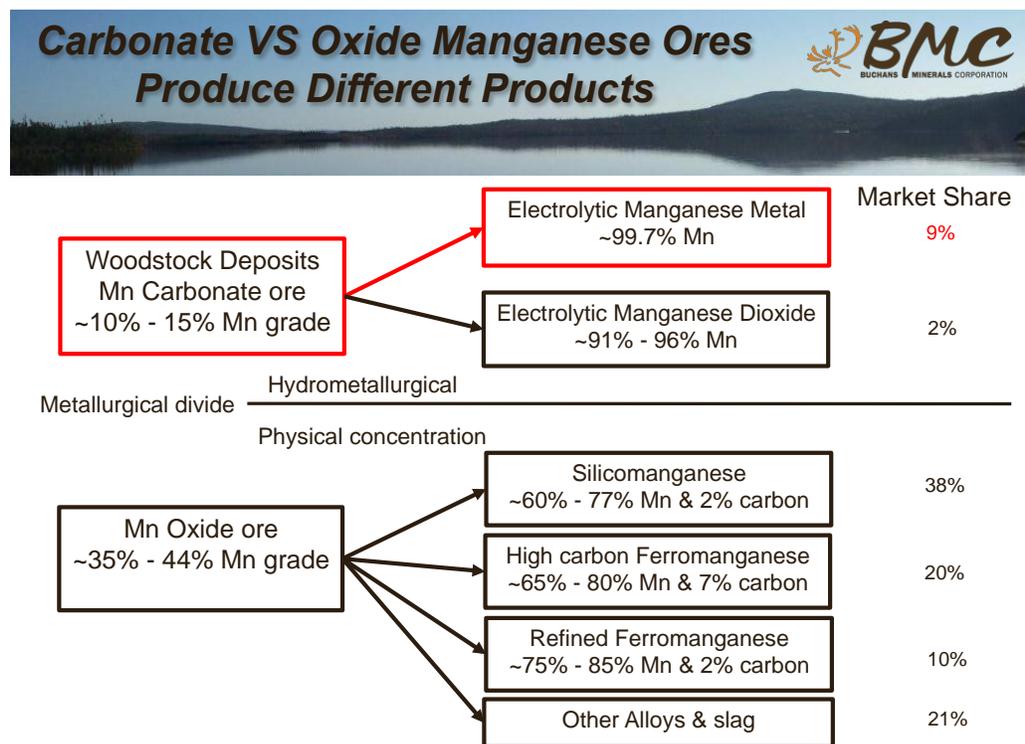
Minco also evaluated a conceptual economic model for the development of the Plymouth deposit with an EMM or EMD production facility with a capacity of either 50,000 tonnes per year or 100,000 tonnes per year. At the average 2011 selling price of EMM of approximately US\$1.50 per pound, the output of such a production facility would generate annual gross revenues of US\$175 million or US\$350 million per year, respectively.

The review carried out by Minco indicates that the Woodstock manganese project has the potential to be developed into a significant long-term, mine and processing facility capable of producing high purity EMM and potentially creating significant value for shareholders. Minco's evaluation of Woodstock manganese deposits appears to confirm the development potential of this project as a new long term producer of EMM or EMD.

Manganese:

There are primarily two types of manganese ores; manganese oxide ores that generally grade 35% -44% Mn and manganese carbonate ores that grade 10%-20% Mn. The Plymouth deposit is primarily a manganese carbonate deposit with an average grade of about 11%.

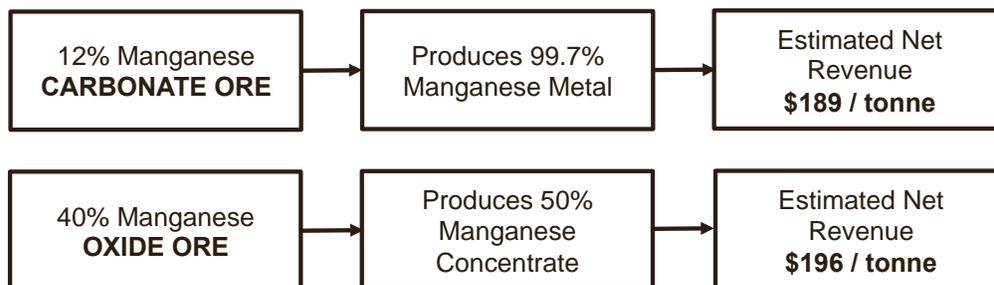
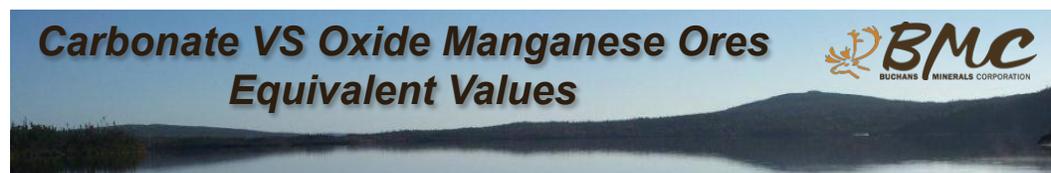
The important characteristic of these two different ores is that they produce entirely different products.



Oxide ores are processed by physical concentration techniques to produce manganese concentrates that grade about 50% Mn. These concentrates are sold for about \$4-\$6 per dry metric tonne unit (i.e. \$4-\$6 per each 1% Mn grade). These concentrates are sold primarily to produce 60–77% silicomanganese and 65-80% ferromanganese for production of flat and long steel.

Carbonate ores on the other hand are processed using hydrometallurgical leaching and electro winning techniques to produce high purity > 99% electrolytic manganese metal (EMM) which currently sells for about \$1.30/lb-\$1.60/lb, or >90% electrolytic manganese dioxide (EMD). About 88% of the world's EMM produced in 2010 originating from manganese carbonate deposits.

Electrolytic Manganese Metal (EMM) is used primarily in the production of stainless steel, specialty steels and high purity alloys. The EMM market has significantly expanded since 2000, when stainless steel production began to make use of EMM as a replacement for nickel, particularly in China. Since 2002 development of chrome -manganese stainless steel production has been swift, dramatically increasing demand for manganese and accelerating development of the EMM industry, particularly in China.



***Carbonate ore:** Using the 2011 average international price for EMM of \$3,500 / tonne: 1 tonne of 12% Mn carbonate ore produces 0.108 tonnes of EMM (~90% recovery) valued at \$378 (3,500*0.12*0.9) at a cost of \$189 per tonne of ore, ie. Net revenue of \$189 / tonne of ore.

***Oxide ore:** Using an average price for international oxide ore of \$6 / dmtu: 1 tonne of 40% Mn carbonate ore produces 0.72 tonnes of 50% Mn oxide concentrate (~90% recovery) valued at \$6/dmtu (ie. \$6 / 1% Mn) equals \$216 (0.79*50*6) at a cost of \$20 per tonne of ore, ie. Net revenue of \$196/ tonne of ore.

* These calculations are best estimates

Worldwide demand for EMM has expanded significantly since 2000, and is expected to continue to grow.

Worldwide demand for EMM rose from 250,000 tonnes in 2002 to over 1,532,000 tonnes in 2011, with China supplying 97% of demand, primarily from manganese carbonate ores. EMM world demand is forecast to rise from over 1,532,000 tonnes in 2011 to almost 2,839,000 tonnes in 2021 (an average increase of nearly 131,000 tpa) with the price predicted to increase from \$1.53/lb to \$2.30/lb over the same period.

The EMD market is primarily driven by the increasing demand for electric batteries and is forecast to expand from about 364,000 TYP in 2011 to about 580,000 TPY by 2021.

The manganese content of manganese carbonate reserves in China is estimated at roughly 30 million tonnes. The historic resource estimates for Woodstock are equivalent to a total manganese metal content of 12.3 million tonnes, and are potentially one of the largest undeveloped manganese carbonate resources in North America.

Qualified Person

The above technical information has been reviewed and verified by Mr. Terence N McKillen, B.A. (MOD), M.A., M.Sc., P.Geo, Chief Executive Officer. Mr. McKillen is the Qualified Person for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006.

Mr. McKillen is a graduate in Natural Sciences (Geology) from Trinity College Dublin and holds a Master of Science degree in Mineral Exploration and Mining Geology from the University of Leicester. He has 40 years of exploration experience in Ireland and internationally.

About Minco plc

Minco Plc, registered in the Republic of Ireland and listed on the AIM Alternative Investment Market of the London Stock Exchange (“MIO”), is an exploration and development company, currently engaged in zinc-lead exploration in Canada and 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 holds 15.4 million shares (~10%) in Buchans Minerals Corporation also listed on the TSXV (“BMC”). 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”).

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