

MINCO plc

Press Release – 26th July 2004

Minco to Acquire Russian Gold Assets

Minco, the AIM listed precious metal explorer, has signed an exclusive option agreement to acquire a controlling interest in Tophor, a Russian company which has a mining and exploration licence in Buryatia, Siberia, west of Lake Baikal near the border with Mongolia known as Vodorazdelnoye. The property contains an estimated gold resource of 920,000 tonnes at 26 grams a tonne gold (0.84 ounces per tonne). Minco management believe that the deposit has the potential to produce 90,000 ounces of gold a year by upgrading the resources. Two large gold mines are producing in the area, one controlled by High River Gold of Canada.

Exploration between 1974 and the 1990's resulted in the discovery of 10 high grade gold and silver vein structures on the property. Of the estimated resource, 126,000 tonnes at 25 grams a tonne of gold, in the measured and indicated category, is from four veins to a depth of 130 metres from surface. The majority of the gold is in free form. Metallurgical testing shows recoveries in excess of 93 per cent. Preliminary estimates of the cash cost of gold production indicate a range of US \$150 to US\$175 an ounce.

Minco has the option to purchase 52 percent of Tophor for US \$500,000 and the right to purchase the balance of the shares over 5 years as follows:

- Up to 80 per cent by spending US \$3 million and granting current Tophor shareholders 1 million Minco shares on Minco achieving a 70% interest in Tophor.
- From 80 to 90 per cent by spending a further US \$2.2 million
- An option to purchase the remaining 10% interest for US \$4.4 million or provide the minority shareholders with a loan to cover their 10% contribution to ongoing development costs.

The Chairman of Minco, Roger Turner, said "We have been evaluating opportunities in the FSU since February of this year and have opened an office in Irkutsk, approximately 400 kilometres from Vodorazdelnoye by road, in March. Although several projects are under consideration, we believe that Vodorazdelnoye will, by upgrading the resources, provide Minco with a first class low cost producing mine in the medium term. There are many similarities to Bema's Julietta property in Siberia in terms of grade and vein widths. Julietta produces 120,000 ounces a year from a 400 tonne a day mine at a cash cost of US\$150 per ounce. We plan to complete the next stage of the due diligence process as quickly as possible"

For further information

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***MINCO is a precious metals development and exploration company traded on the AIM market in London.
Ticker symbol (MIO),***

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