

## **Minco Receives Operating Licence for La Laguna Zacatecana.**

Monday, 18th April 2005

- First silver production due to commence in 2006
- All necessary statutory documentation now secured

London: 18 April 2005: AIM quoted precious metals developer Minco plc (MIO); ("Minco"; "the Company"), today announces that it has received the operating licence for the Laguna Zacatecana Silver Tailings project in Mexico. This licence was the sole remaining statutory procedure that Minco had to complete in order to begin operations and allows the Company to commence construction and operation of the process plant following completion of the bankable feasibility study by Micon International.

Minco intends to commence extraction of silver rich tailings from the lake bed at Laguna Zacatecana during 2006.

The project showed robust economics in the feasibility study with key indicators of:

- Operating costs of US \$2.28 per ounce silver equivalent
- 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 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 MT per annum production
- Total pre-production capital expenditure of US \$19.4 million.

The tailings project, which is of considerable importance to Zacatecas due to the remediation of a local water supply, has received significant support both at a state and national level..

Subsequent to the Laguna feasibility study, published in November, Minco has completed an additional drill programme to improve resource classification, this will be used in the bankable study.

Mexico Precious metals focus:

During 2005 Minco has made significant progress in developing its precious metals portfolio in Mexico. La Laguna is on track to provide the Company with its first revenues in 2006. The Minera Sisa project brings an asset which, having already been a profitable operator without the benefit of systematic exploration or development expertise, Minco believes can be a significant high-grade silver resource. Project advances combined with strong links with the government bodies responsible for mineral rights and some first class opportunities for precious metals development mean that Minco will develop

shareholder value by focusing funds and management time primarily within Mexico. Consequently the Company will not take up the option to develop the Vodorazdelnoe gold project in Russia.

Speaking today, Matthew Dorman, CEO stated:

"The receipt of the operating licence means that following completion of the bankable study we can meet our target of having a fully operational silver project underway in 2006. With a firm operations base established in Mexico and positive trends in the silver price I believe Minco will consolidate its position and drive shareholder value by concentrating funds and time in this region and commodity.

Our decision not to take up the Vodorazdelnoe option means that we can now concentrate on the excellent prospects that Mexico offers and seek further projects which complement our current portfolio."

Minco continues to develop its holdings in Mexico, primarily the Minera Sisa high grade gold silver project where excellent progress on the project has allowed the Company to accelerate the drill programme which is now scheduled to commence next month.

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