

# Minco Plc

## Press Release

### MINCO PLC REPORTS FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2005

**London: Monday, 19<sup>th</sup> June 2006** - Minco plc ("MIO") is pleased to report its final results for the year ended 31<sup>st</sup> December 2005. The year is characterised by solid progress on all fronts as the Company continues on its path towards project constructions and production.

In Mexico, key milestones were achieved. The Laguna Bankable Feasibility Study was completed and the project now advances towards construction; the acquisition of the Bilbao interest will provide additional potential with the existing Zacatecas properties; and encouraging exploration results at Minera Sisa.

In Ireland, the Pallas Green property has returned excellent drilling results, which have continued in to the 2006 financial year as we work to outline the potential resources on the property.

Commenting on the results, Chairman and CEO, Roger Turner said, "*Minco has made considerable progress during 2005. Our teams on the ground in Mexico and Ireland have worked hard to advance our projects, and I am confident that we are moving firmly in the right direction towards project construction and ultimately production.*"

#### Highlights:

##### Laguna (100% owned)

Laguna has achieved a number of key milestones during the year:

- Completion of the Bankable Feasibility Study.
- Minco believes that the Bankable Feasibility Study can be further enhanced, notably through modifications to the proposed tailings disposal system. This may offer significant savings to shareholders in both capital and operating costs.
- Additional drilling has increased the resource base (Canadian NI 43-101) of Laguna by 1.4 million tonnes to 9 million tonnes, clearing the way for an increased annual throughput of 1.25 million tonnes compared to original estimate of 1 million tonnes while maintaining the mine life.
- Resource increased by 23% to 32 million silver equivalent ounces from previous 26 million silver equivalent ounces (Canadian NI 43-101).
- Granting of operating permit, thereby completing the local approval process: all local regulatory approvals have now been obtained.
- Final development decisions are anticipated following the completion of the internal project review which is currently underway.
- Receipt of several indicative term sheets from a variety of international financial institutions to provide debt finance, demonstrating the project's robust economics.

### **Pallas Green (23.6% owned)**

- Excellent drilling results at Pallas Green take us a step closer to outlining a resource.
- Drilling has now outlined a northwest oriented area 3 km long by 2-3 km wide containing occurrences of widespread disseminated to massive sulphide mineralisation with associated zinc-lead mineralisation.
- Results from hole 636-24 has opened up a large area of ground which could be mineralised south of the Tobermalug prospect towards the Ballyneety Fault, a distance of about 1,100 metres. The borehole intersected a zone of significant zinc mineralisation with grades of 11.27% zinc and 0.82% lead over a width of 1.05 metres from 348.50 to 349.55 metres depth.
- Drilling over the winter and early spring has been directed at defining the outer limits of the mineralised area at Caherconlish.
- Follow-up work on the two zones of high grade zinc mineralisation at Caherconlish and Tobermalug will recommence next month and continue throughout the summer and autumn months.

Minco and its partner at Pallas Green, Falconbridge, have allocated an exploration budget of €1,060,000 (Minco's share €250,000) for 2006.

### **Bilbao (option to acquire up to 75%)**

- Acquiring an option on Bilbao, a project with a pre-feasibility study completed adjacent to Minco's other Zacatecas, Mexico properties.
- Historical (non-JORC compliant) oxide resource of 2.44 million tonnes (to a depth of 80m) at an average grade of 92.3 g/t (g/t) silver, 0.39% copper, 3.73% zinc and 3.3% lead together with a cadmium by-product.
- Minco's option vests in three stages:
  1. Already completed, required the issue of 1.2 million shares and the payment of \$100,000 for the right to conduct 6 months initial exploration to a minimum value of \$500,000.
  2. The second stage provides for of further payment of \$300,000 and \$500,000 of exploration over a 12 month period.
  3. This will lead to the final stage: the vesting of a 75% interest in Bilbao.
- Initial exploration suggests the presence of copper-silver-zinc-gold bearing sulphide mineralisation occurring beneath the oxide deposits which comprise the existing resource. Recent drilling yielded a 15.25 metre intersection, within a 35.0 metre (true width) zone of massive to semi-massive sulphide mineralisation, averaging 2.43% zinc, 0.56g/t gold, 69.0g/t silver, 0.29% lead and 0.37% copper.

### **Minera Sisa (50% owned)**

- Preliminary drilling and sampling on the Minera Sisa project has confirmed our confidence in the historic data, confirming the mineralisation to be low-sulphidation type consistent with many of the other silver-gold deposits within the Sierra Madre Occidental province of Mexico.
- At Zambrana, in the western part of the Santa Cruz property, refurbishment of two underground levels has allowed the completion of underground channel sampling at 5 metre intervals on two levels of the Jesus Maria vein.
- The mean grade of the vein on the main access adit level is 1.58 grams per tonne gold with 132 grams per tonne. Mean grades on an internal level accessed from the main adit level (the Upper Level) are somewhat higher at 2.31 grams per tonne gold and 375 grams per tonne silver.
- Individual sections of the vein are; however, higher-grade and the disposition of higher precious metal values suggest that a richer shoot might cross-cut the main vein with a north-northwest trend.
- In addition to the Zambrana prospect, two other areas of interest have been identified with significant silver-gold (and base metal) potential. These include the San Pablo area in the central part of the Santa Cruz property and the La Fragua-Orozco area located further to the east. Other less well developed zones of interest have also been identified.
- Minco has designed a drill programme to provide preliminary testing of the Zambrana prospect which will commence following the completion of an access road, the start of the rainy season and agreement with our partners.

### **Additional cash of £2.7m (€4 million) from exercise of warrants and options**

- Exercise of 100% of the 20.5 million warrants issued in December 2004, at 12.5p per share totalling to £2.6 million.
- Exercise of 2.8 million options resulted in cash proceeds of £160,000.
- Increase of the Company's issued share capital to 159,186,580 (from 135,884,378) ordinary shares of €0.0125 following the allotment of the new shares.

*The above information has been reviewed and verified by Mr. Roger Turner, CEO and Chairman of Minco, for the purposes of the Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in March 2006. Mr. Turner, with 40 years of mining engineering, management and consulting experience, graduated as a mining engineer from the Camborne School of Mines, has an MSc degree in Economic Geology from Leicester University and is a member in good standing with the Institute of Mining and Metallurgy and a UK Chartered Engineer.*

**Consolidated Profit and Loss Account  
for the Year Ended 31 December 2005**

	Year ended 31 December 2005 €'000	8 Months ended 31 December 2004 €'000
General and administration expenses	(976)	(396)
Impairment charge		(388)
Foreign exchange gain/(loss)	376	(65)
<b>Operating loss</b>	<b>(600)</b>	<b>(849)</b>
- Continuing activities	(600)	(849)
Interest income	132	56
<b>Loss before taxation</b>	<b>(468)</b>	<b>(793)</b>
Taxation	(22)	-
<b>LOSS AFTER TAXATION</b>	<b>(490)</b>	<b>(793)</b>
<b>Basic and diluted loss per share</b>	<b>(0.35c)</b>	<b>(0.79c)</b>

*The results above are derived from continuing activities.*

**Consolidated Balance Sheet  
as at 31 December 2005**

	31 December 2005 €'000	31 December 2004 €'000
<b>FIXED ASSETS</b>		
Intangible Assets	11,310	6,527
<b>CURRENT ASSETS</b>		
Cash and bank	5,562	6,644
Debtors	88	44
	<b>5,650</b>	<b>6,688</b>
<b>CREDITORS</b>		
Amount falling due within one year	(666)	(542)
<b>NET CURRENT ASSETS</b>	<b>4,984</b>	<b>6,146</b>
<b>NET ASSETS</b>	<b>16,294</b>	<b>12,673</b>
<b>CAPITAL &amp; RESERVES</b>		
Called-up share capital	4,365	4,074
Share premium account	17,604	13,870
Profit and loss account - deficit	(5,721)	(5,315)
Capital conversion reserve fund	44	44
<b>SHAREHOLDERS' FUNDS</b>	<b>16,292</b>	<b>12,673</b>
<b>MINORITY INTEREST</b>	<b>2</b>	<b>-</b>
	<b>16,294</b>	<b>12,673</b>
<b>Analysed as:</b>		
<b>EQUITY</b>	<b>13,881</b>	<b>10,261</b>
<b>NON-EQUITY</b>	<b>2,413</b>	<b>2,413</b>
	<b>16,294</b>	<b>12,673</b>

**Consolidated Cash Flow Statement  
for the Year Ended 31 December 2005**

	Year ended 31 December 2005 €'000	8 months ended 31 December 2004 €'000
Net Cash Outflow from operating activities	(456)	(286)
Returns on investments and servicing of finance		
Interest received	132	56
Capital Expenditure and financial investment		
Payment in respect of intangible assets	(4,781)	(1,104)
Net Cash outflow from capital investment and financial investment	(4,649)	(1,048)
Acquisitions and disposals		
Purchase of subsidiary	(2)	-
Net Cash Outflow from acquisitions and disposals	(2)	-
Net Cash Outflow before use of liquid resources and financing	(5,107)	(1,334)
Financing		
Share Capital issued for cash	4,025	6,419
Cost of issue of share capital		(389)
Net Cash Flow from financing	4,025	6,030
Increase/(decrease) in cash	(1,082)	4,696

**Consolidated Statement of Total Recognised Gains and Losses  
for the Year Ended 31 December 2005**

	Year ended 31 December 2005 €'000	8 months ended 31 December 2004 €'000
Loss for the period	(490)	(793)
Exchange gains on foreign currency net investments	84	6
Total recognised loss for the period	(406)	(787)

**Notes:**

1. These do not constitute statutory accounts as defined in the Companies Acts. Statutory accounts for the year ended 31 December 2005 together with a report from the auditors will be filed with the Irish regulatory authorities in due course.
2. The Directors have decided not to pay dividend.
3. Basic earnings per share is computed by dividing the profit or loss after taxation for the period available to ordinary shareholders by the sum of the weighted average number of ordinary shares in issue and ranking for dividend during the period. Diluted earnings per share is computed by dividing the profit or loss after taxation for the period by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the period.

For twelve months to 31.12.2005 (and eight months to 31.12.2004) the basic and diluted loss per share were the same, as the effect of the outstanding share options was anti-dilutive, and was therefore excluded.

The computation for basic and diluted earnings per share (EPS) is as follows:

	<b>31 December 2005</b> €'000	31 December 2004 €'000
<b>Numerator</b>		
Numerator for EPS - loss	<b>(490)</b>	(793)
<b>Denominator</b>	<b>Number ('000)</b>	(Number '000)
Denominator for basic and diluted EPS	<b>139,802</b>	99,818
<b>Basic and Diluted EPS</b>	<b>(0.35c)</b>	(0.79c)

The annual report and accounts for the company for the year ended 31 December 2005 will be posted to shareholders on or before 30 June 2006 and copies of report and accounts will be available from that date at Company's registered office at 162 Clontarf Road, Dublin 3, Ireland.

**For further information please visit [www.minco.ie](http://www.minco.ie) or contact:**

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Minco Plc is an AIM-quoted precious and base metals exploration and development company with silver projects in Mexico and zinc exploration in Ireland. Ticker Symbol "MIO", [www.minco.ie](http://www.minco.ie)