MINCO plc

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited – prepared by management

For the six-month period ended 30 June 2017

(Expressed in US$000's)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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MINCO PLC

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2017
Unaudited - prepared by management

Expressed in US$000's	Notes	June 30, 2017 (unaudited)	December 31, 2016 (audited)
Assets		$	$
Non-current assets			
Exploration and evaluation assets	**10**	13,718	12,863
Investment in associate - note receivable	**11**	668	559
Prepaid expenses and other non-current assets		9	9
Total non-current assets		14,395	13,431
Current assets			
Trade and other receivables	**12**	159	147
Cash and cash equivalents	**13**	1,581	2,351
Total current assets		1,740	2,498
Total assets		16,135	15,929
Equity and liabilities			
Capital and reserves			
Share capital	**15**	9,767	9,767
Share premium		29,790	29,790
Capital conversion reserve fund		39	39
Foreign currency translation reserve		(2,743)	(3,324)
Share-based payment reserve	**16**	-	209
Retained deficit		(21,266)	(21,115)
Total equity		15,587	15,366
Current liabilities			
Trade and other payables	**14**	548	563
Total current liabilities		548	563
Total equity and liabilities		16,135	15,929

COMMITMENTS AND CONTINGENCIES (Notes 10)

The financial statements were approved by the Board of Directors on 22 August 2017 and signed on its behalf by:

Signed “John F. Kearney” , Director Signed “Danesh K. Varma” , Director

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE
Unaudited - prepared by management

Expressed in US$000's, except for per share amounts	Notes	Three months ended 30 June		Six months ended 30 June	
		2017	**2016**	**2017**	**2016**
		$	**$**	**$**	**$**
Continuing operations					
General and administrative expenses		(119)	(148)	(318)	(429)
Foreign exchange (loss)/gain		(30)	61	(62)	(98)
Operating loss		(149)	(87)	(380)	(527)
Finance income		8	14	20	28
Loss before and after taxation		(141)	(73)	(360)	(499)
Income tax		-	(14)	-	(14)
Group loss for the period		(141)	(87)	(360)	(513)
Other Comprehensive Income					
operations		440	(227)	581	775
Total comprehensive gain/(loss) for the period		299	(314)	221	262
		US Cents per share	**US Cents per share**	**US Cents per share**	**US Cents per share**
Earnings/(loss) per share					
Basic	**9**	(0.03)	(0.02)	(0.08)	(0.11)
Diluted	**9**	(0.03)	(0.02)	(0.08)	(0.11)

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017
Unaudited - prepared by management

Expressed in US$000's	Share Capital $	Share Premium $	Capital Conversion Reserve Fund $	Foreign Currency Translation Reserve $	Share based payment Reserve $	Retained Deficit $	Total $
Balance as at 1 January 2016	**9,767**	**29,790**	**39**	**(3,030)**	**336**	**(20,467)**	**16,435**
Total comprehensive loss for period	-	-	-	775	-	(513)	262
Balance as at 30 June 2016	**9,767**	**29,790**	**39**	**(2,255)**	**336**	**(20,980)**	**16,697**
Share-based payments expired	-	-	-	-	(127)	127	-
Total comprehensive loss for period	-	-	-	(1,069)	-	(262)	(1,331)
Balance as at 31 December 2016	**9,767**	**29,790**	**39**	**(3,324)**	**209**	**(21,115)**	**15,366**
Share-based payments expired	-	-	-	-	(209)	209	-
Total comprehensive loss for period	-	-	-	581	-	(360)	221
Balance as at 30 June 2017	**9,767**	**29,790**	**39**	**(2,743)**	**-**	**(21,266)**	**15,587**

Share Capital
The share capital is comprised of share capital issued for cash and non-cash considerations.

Share premium reserve
The share premium reserve is comprised of the excess of monies received in respect of share capital over the nominal value of shares issued less cost of issue.

Capital conversion reserve fund
The ordinary shares of the company were renominalised from €0.0126774 each in 2002 and the amount by which the issued share capital of the company was reduced was transferred to the capital conversion reserve fund.

Foreign currency translation reserve
Exchange differences arising on the re-translation of monetary items are included in the statement of comprehensive income for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Income statement items have been re-translated at the average rate for the period and balance sheet items re-translated at the rate prevailing at the balance sheet date.

Share-based payment reserve
The share-based payment reserve represents the amount expensed to income statement of share based payments granted which are not yet exercised and issued as shares.

Retained losses
Retained losses comprise accumulated profit and loss in the current and prior years.

See accompanying notes to the condensed interim consolidated financial statements

MINCO PLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2017

Unaudited - prepared by management

Expressed in US$000's	Notes	30 June 2017	30 June 2016
		$	**$**
Cash flow from operating activities			
Loss for the period		**(360)**	(513)
Depreciation		**19**	-
Currency translation movements		**25**	108
Interest income		**(20)**	(28)
		(336)	(433)
Movements in working capital			
(Increase)/decrease in trade and other receivables		**(12)**	89
Decrease/(increase) in trade and other payables		**(15)**	(81)
Net cash used in operating activities		**(363)**	(425)
Cash flows from investing activities			
Interest income		**20**	28
Investment in financial assets		**(93)**	-
Investment in intangible assets		**(334)**	(264)
Net cash used in investing activities		**(407)**	(236)
Net decrease in cash and cash equivalents		**(770)**	(661)
Translation adjustment		**-**	
Cash and cash equivalents at the beginning of the period		**2,351**	3,974
Cash and cash equivalent at the end of the period	**13**	**1,581**	3,313

See accompanying notes to the condensed interim consolidated financial statement

1. NATURE OF OPERATIONS

Minco plc (the "Company" or "Minco") and its subsidiaries and associate (collectively the "Group") have interests in exploration and evaluation properties located in Ireland, Canada, the United Kingdom, and Mexico. Substantially all efforts are devoted to financing and developing these properties. There has been no determination whether these interests in exploration and evaluation properties contain mineral reserves which are economically recoverable.

On June 1, 2017 Minco announced that it had reached agreement with Dalradian Resources Inc. on the terms of the acquisition of the Company's 2% net smelter return royalty on the Curraghinalt gold deposit currently being developed by Dalradian (the "Royalty Disposal") in return for the issue of a total of 15,490,666 new Dalradian Shares valued at C$20,000. It is proposed that the Royalty Disposal will be structured as an offer by Dalradian for the acquisition of the entire issued share capital of Minco (the "Offer"). It is intended that the Offer will be implemented by means of a scheme of arrangement, under Chapter 1 of Part 9 of the Companies Act 2014 of Ireland ("Scheme"). As part of the Scheme, it is proposed that Minco will undertake a demerger of its wholly owned subsidiary Buchans by way of a transfer in specie of the 47,814,218 shares of Buchans to Minco Shareholders (the "Demerger"). (See Note 19)

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programmes will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and continued existence of the Company/Group is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability to raise additional financing, if necessary, or alternatively upon the ability to dispose of property interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values. Exploration and evaluation assets are subject to the risks of investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Although steps have been taken to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Properties may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and regulatory and environmental requirements.

Basis of measurement and going concern

The Company is in the process of exploring its exploration and evaluation properties and has not yet determined whether its exploration and evaluation properties contain economically recoverable mineral reserves. The underlying value and the recoverability of the exploration and evaluation properties is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the exploration and evaluation properties, and the generation of future profitable production or proceeds from the disposition of the exploration and evaluation properties.

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the Group and finance for the development of the Group's projects becoming available. Based on the assumptions that such finance will become available, the Directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the assets, in particular the exploration and evaluation assets, to their realisable values. Such adjustments could be material.

For the six months ended 30 June 2017, the Company recorded a loss of $360 and, at that date, had positive cash balances of $1,581. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements of the Company were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2016 prepared in accordance with IFRS.

These condensed consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except cash flow information. These condensed interim financial statements are presented in US Dollars, rounded to the nearest thousand (US$'000) except where otherwise indicated.

3. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of consolidation

The condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of operations from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company. All material intra-Company transactions, balances, income and expenses are eliminated on consolidation.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual report that are relevant to these condensed interim financial statements will be finalized only when the annual IFRS financial statements are prepared for the year ending 31 December 2017. The accounting policies chosen by the Company have been applied consistently to all periods presented.

(b) Accounting Changes

The Company did not adopt any new International Financial Reporting Standards (IFRSs) or Interpretations in the period that had a material impact on the Company's Financial Statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

Expressed in US$000's

3. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

IFRS Standards issued but not yet effective:

IFRS 2	Share-based payments
IFRS 9	Financial Instruments
IFRS 10	Consolidated financial statements
IFRS 12	Disclosure of interests in other entities
IFRS 16	Leases
IAS 7	Statement of cash flows
IAS 12	Income taxes
IAS 40	Transfers of investment property
IFRIC 22	Foreign currency translations and advance consideration

The Company has not yet determined the impact of these amendments on its financial statements.

4. EMPLOYEE INFORMATION

	30 June 2017 Number of employees	30 June 2016 Number of employees
Directors, management and administration	7	7
Operatives	4	4
	11	11
Staff costs for the above persons:	**$**	$
Wages and salaries	282	272
Social security costs	31	17
	312	289
Capitalised as exploration and evaluation assets	199	224
Charged to the statement of comprehensive income	113	65
	312	289

5. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

The remuneration of Directors, who are the key management personnel of the Company, is set out below in accordance with IAS 24 'Related Party Disclosures'.

No fees were paid by the Group to directors for their services as directors of the Company in the six months ended 30 June 2017 or 2016.

No salaries were paid by the Company to any Directors of the Company in the six-month periods ended 30 June 2017 or 30 June 2016, other than to Danesh Varma, Finance Director and Secretary of the Company was paid an amount $30 (2016 – $20), and Warren MacLeod, President of Buchans Minerals Corp., was paid an amount of Cdn$17.5 per month, or $79 (2016 – $79).

Expressed in US$000's

5. RELATED PARTY TRANSACTIONS (CONTINUED)

The subsidiaries of the Company at 30 June 2017 are as follows:

Name of Company	Registered office	Effective Holding	Principal Activity
Buchans Resources Limited	55 University Ave., Suite 1805 Toronto, ON, M5J 2H7, Canada	100%	Investment
Buchans Minerals Corporation Canadian Manganese Company Inc. 7980736 Canada Inc.	55 University Ave., Suite 1805 Toronto, ON M5J 2H7, Canada	100% 100% 100%	Exploration Exploration Exploration
Centrerock Mining Limited	55 University Ave., Suite 1805 Toronto, ON, M5J 2H7, Canada	100%	Exploration
Norsub Limited	Box 25, Regency Court, Glategny St. Peter Port, Guernsey, GY1 3AP	100%	Investment
Minco Ireland Limited Westland Exploration Limited Minco Mining Limited Zacatecas Exploration Limited	Ardbraccan, Navan, Co. Meath, Ireland Ardbraccan, Navan, Co. Meath, Ireland 9 Little Trinity Lane, London EC4V 2AN 9 Little Trinity Lane, London EC4V 2AN	100% 100% 100% 100%	Exploration Exploration Exploration Management services

6. SEGMENTAL ANALYSIS

Segment Result	**Segment result**	
	30 June 2017	30 June 2016
	$	$
Continuing Operations		
Ireland	**(5)**	(202)
Canada	**(236)**	(144)
U.K.	**(57)**	(69)
Total for continuing operations	**(298)**	(415)
Foreign exchange	**(62)**	(98)
Consolidated loss	**(360)**	(513)

There was no revenue from operations earned during the period.

Segment assets and liabilities	**Assets**		**Liabilities**	
	30 June 2017	31 December 2016	**30 June 2017**	31 December 2016
	$	$	**$**	$
Ireland	**1,108**	939	**(294)**	(394)
Canada	**10,600**	10,008	**(200)**	(123)
U.K.	**2,178**	2,071	**(54)**	(46)
Mexico (investment in associate)	**668**	560	**-**	-
	14,554	13,578	**(548)**	(563)
Cash and cash equivalents	**1,581**	2,351	**-**	-
Consolidated	**16,135**	15,929	**(548)**	(563)

	Additions to non-current assets	
	30 June 2017	30 June 2016
	$	$
Ireland	**74**	17
Canada	**259**	230
U.K.	**1**	17
	334	264

Expressed in US$000's

7. OPERATING LOSS

	30 June 2017	30 June 2016
	$	$
General and administrative expenses of the Group comprise:		
Professional fees including audit and legal	(76)	(205)
Company Directors' remuneration expense	(54)	(43)
Office expenses	(130)	(89)
Investor and public relations	(47)	(59)
Sundry expense	(11)	(33)
	(318)	(429)
Foreign exchange loss	(62)	(98)
Operating loss before taxes	(380)	(527)

8. FINANCE INCOME

	30 June 2017	30 June 2016
	$	$
Interest income	20	28

9. LOSS PER SHARE

Basic loss per share is computed by dividing the 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 loss per share is computed by dividing the loss after taxation for the period by the weighted average number of ordinary shares in issue, adjusted for the effect of all potential dilutive ordinary shares that were outstanding during the period. Basic and diluted losses per share are the same, as the effect of the outstanding share options is anti-dilutive, and is therefore excluded. The computation for basic and diluted loss per share is as follows:

	30 June 2017	30 June 2016
	$	$
Numerator		
Loss for the period	(360)	(513)
Denominator	**No. of Shares**	No. of Shares
Weighted average number of shares - basic	478,142,184	478,142,184
Weighted average number of shares - diluted	478,142,184	478,142,184
Basic earnings/(loss) per share (US cents per share)	(0.08)	(0.11)
Diluted earnings/(loss) per share (US cents per share)	(0.08)	(0.11)

10. EXPLORATION AND EVALUATION ASSETS

	30 June 2017	Foreign Exchange	Additions	31 December 2016	Foreign Exchange	Additions	31 December 2015
	$	$	$	$	$	$	$
Ireland	1,034	82	74	878	(24)	166	736
Woodstock	3,487	116	68	3,303	(20)	137	3,186
Buchans	6,465	194	183	6,088	131	477	5,480
Bobbys Pond	564	19	8	537	24	29	484
Pennines	2,168	110	1	2,057	(420)	22	2,455
Total	13,718	521	334	12,863	(309)	831	12,341

All exploration and evaluation assets are carried at cost less any applicable impairment provision. The Directors reviewed the exploration and evaluation assets at 30 June 2017 and are satisfied that the fair value is not less than the carrying amount and that the exploration projects have potential to achieve mine production and positive cash flows. No impairment provision has been recognised.

10. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company/Group believe its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. The Group's activities are also subject to a number of significant potential risks, see Note 2(o).

The realisation of the exploration and evaluation assets is dependent on the successful development of economic resources, including the ability to raise finance to develop the projects. Should this prove unsuccessful the value included in the balance sheet would be written off. The Directors are aware that by its nature there is an inherent uncertainty as to the value of the asset.

Ireland
The Company, through its wholly owned subsidiary Minco Ireland Limited, holds three Prospecting Licenses, 1228, 1229 and 3981, in County Westmeath, Ireland. Minco also holds a 20% interest in Prospecting License 1440R in Tatestown, Ireland, the subject of a joint venture between Westland Exploration Ltd. (100% Minco subsidiary) and Tara-Boliden Mines Limited.

The Company also holds a 2% net smelter royalty on the Curraghinalt gold deposit in Northern Ireland.

Pennines - UK
The Company, through its wholly owned subsidiary Minco Mining Limited, has entered into various agreements, licences and options with certain owners of mineral rights in the North Pennine Orefield located in the counties of Cumbria, Northumberland and Durham in northern England.

The Company is negotiating extensions or amendments to certain of the exploration licences and option agreements, and expects to conclude the various Option Agreements in due course. If the proposed Option Agreements cannot be concluded on acceptable terms, impairment may be recorded.

Woodstock – Canada
The Company, through its wholly-owned subsidiary Canadian Manganese Corp., holds a 100% interest in the Woodstock project located northwest of the town of Woodstock, New Brunswick. A portion of the project is subject to a 1% gross sales royalty upon commencement of commercial production, with the Company retaining certain rights to buy back one half of the royalty.

Buchans – Canada
The Company, through its wholly-owned subsidiary, holds two mining leases each with a 25 year term from 2013, which require total annual lease payments of $115 (Cdn$154.5). Buchans is located in central Newfoundland and covers the former producing Buchans Mine and the Company's undeveloped Lundberg deposit. Certain of the claims and portions thereof are subject to net smelter royalties ranging from 1% to 3%, certain of which are subject to buy-back agreements.

The Tulks North project is 100% owned by the Company, through its wholly-owned subsidiary Buchans Minerals Corp., and is located in the Victoria Lake Mining district of west-central Newfoundland. The Tulks North project includes the Daniels Pond deposit which is subject to a 1.5% net smelter royalty.

The Bobbys Pond deposit, adjacent to Tulks North, is 100% owned by the Company, through its wholly-owned subsidiary Centrerock Mining Limited. Bobbys Pond is held under a mining lease with a 25-year term from 2004, which requires an annual lease payment of $22 (Cdn$29). The Bobbys Pond property is also subject to a 1% net smelter return royalty and a 2% net smelter royalty.

10. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Company, through its wholly-owned subsidiary Buchans Minerals Corp., has a 49% interest in the Tulks Hill project in central Newfoundland which is held under a joint exploration agreement with Prominex Resource Corp. which is the project operator. The property is subject to a 2% net smelter royalty.

The Long Range project is under a 50/50 joint exploration agreement with Benton Resources Inc. ("Benton") and is located in central Newfoundland. The Company, through its wholly-owned subsidiary Buchans Minerals Corp., is the project operator. Benton elected to not participate in certain work programmes on the Long Range Property and Benton is subject to dilution. The property is subject to net smelter royalties of up to 2% of which 1% can be purchased for Cdn$1,000.

11. INVESTMENT IN ASSOCIATE – NOTE RECEIVABLE

The Group holds 30 million shares, representing an approximate 26% shareholding of Xtierra Inc., a company listed on the TSX Venture Exchange. The carrying value of the Group's share of net assets of Xtierra Inc. is $nil as a result of the Company's accounting policy. The fair value of the investment in Xtierra as at 22 August 2017 based on market price of Xtierra shares on the TSX Venture Exchange was $575.

In December 2013, the Company agreed to provide working capital financing to Xtierra, and agreed to purchase $250 principal amount of 5% working capital notes due 30 June 2014. In April 2014, the Company agreed to provide a further working capital advance to Xtierra of $125 which together with the $254 working capital Notes, including $4 interest, were rolled into new non-convertible 5% secured notes (total $379) due 30 April 2015.

On 29 April 2015, Pacific Road and Minco plc, both agreed to extend the due dates of the non-convertible 5% secured notes in the amount of $965 from 30 April 2015 to 31 August 2015, and to provide further advances up to $15 each. On 24 August 2015, Pacific Road and Minco both agreed to further extend the due dates of the Notes from 31 August 2015 to 31 January 2016 and to provide further advances of up to $17.5 each to fund Xtierra's property maintenance costs and working capital. Xtierra agreed to a fee of $29 to obtain the extension, which amount was added to the principal amount of the Notes. On 31 January 2016, Pacific Road and Minco both agreed to an extension of the maturity dates of the secured notes to 30 April 2016.

The Notes matured and became due and payable on 30 April 2016. Pacific Road and Minco have not made demands for payment to provide Xtierra additional time to assess its strategic alternatives and are discussing possible solutions with Xtierra on a without prejudice basis. Xtierra has made certain settlement or restructuring proposals to each of Pacific Road and Minco.

The Notes are secured, pari-passu with Pacific Road Group of Funds (another significant shareholder of Xtierra), by the pledge by Xtierra of the shares of its wholly owned subsidiary Orca Minerals Limited, which indirectly holds Xtierra's Mexican assets. The security includes various standard provisions, including the right of the lenders to enforce their security in an event of default, including default in payment on the notes when due, which enforcement remedies include foreclosure against the pledged shares of Orca Minerals Limited. Pacific Road has advised Xtierra that Pacific Road desires to see this process come to a conclusion in the near term and, in the absence of an acceptable outcome, Pacific Road reserves all its rights to demand repayment of the Notes and if necessary to initiate foreclosure actions.

In 2016, the Company made advances in the amount of $75 in Notes to fund Xtierra's working capital and maintain its mineral properties. During the six-month period ending 30 June 2017, the Company made further advances of $93 and as at 30 June 2017 the Company had total Notes receivable from Xtierra in the amount of $668 (2016 - $559), and Pacific Road had notes receivable from Xtierra in the amount of $708.

Expressed in US$000's

12. TRADE AND OTHER RECEIVABLES

	30 June 2017	31 December 2016
	$	$
Trade receivables and prepayments	**106**	93
Sales taxes receivable	**53**	54
	159	147

The carrying value of the receivables approximates to their fair value. In the opinion of Directors the amounts above are considered to be fully recoverable.

13. CASH AND CASH EQUIVALENTS

	30 June 2017	31 December 2016
	$	$
Cash	**1,581**	542
Cash equivalents	**-**	1,809
Immediately available without restriction	**1,581**	2,351

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of six months or less from the date of investment. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates at floating rates.

The currency profile of cash and cash equivalents at the end of the period was as follows:

	$	$
Euro	**47**	52
US Dollars	**1,383**	2,091
Canadian Dollars	**131**	86
Sterling	**20**	122
	1,581	2,351

14. TRADE AND OTHER PAYABLES

	30 June 2017	31 December 2016
	$	$
Trade creditors and accruals	**342**	348
Amounts due to related parties	**207**	215
	549	563

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made as they fall due. The carrying value of the trade creditors and accruals approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The amounts due to related parties are due on demand, unsecured and non-interest bearing.

Expressed in US$000's

15. SHARE CAPITAL

	Ordinary shares of €0.0125 each		Deferred shares of €0.0625 each		Total
	Number '000	**Nominal value '000**	**Number '000**	**Nominal value '000**	**Nominal value '000**
Authorised share capital					
At 1 January 2017 and 30 June 2017	**700,000**	**€ 8,750**	**38,000**	**€ 2,375**	**€ 11,125**
Issued share capital					
At 1 January 2017 and 30 June 2017	**478,142**	**US$7,761**	**38,000**	**US$2,106**	**US$9,767**

16. SHARE-BASED PAYMENTS

Equity-settled share options
The board of directors has granted share options to directors, officers, employees, consultants and service providers who perform ongoing services for the Group. The purpose of the options is to attract, retain and motivate these parties by providing them with the opportunity to acquire a proprietary interest in the Company and to benefit from its growth. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements. Options are forfeited if the optionee ceases to be associated with the Company before the options vest.

Share-based payments transactions for the respecrtive periods were as follows:

	30 June 2017 Number of share options	Weighted average exercise price (in Stg pence)	31 December 2016 Number of share options	Weighted average exercise price (in Stg pence)
Outstanding at beginning of the year	7,220,280	6.00	12,714,530	5.39
Changes during the period:				
Terminated	(6,415,756)	5.50	-	-
Expired	(804,524)	7.80	(5,494,250)	6.50
Outstanding at end of the period	-	-	7,220,280	6.00
Exercisable at the end of the period	-	-	7,220,280	6.00

During the period 6,415,756 options were cancelled and 804,524 options expired.

Expressed in US$000's

17. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash balances and various items such as trade receivables and trade payables which arise directly from trading operations. The Group also enters into derivative transactions, primarily warrants and convertible notes. The main purpose of these financial instruments is to provide working capital to finance Group operations. The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Group's cash balances are held in Euro, Sterling, US and Canadian Dollars.

The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and a monthly review of expenditure. The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures regularly and may consider the use of currency hedges in the future.

Interest rate risk
The Group finances its operations through the issue of equity shares, and has no fixed interest rate agreements. The Group had $1,581 in cash and cash equivalents at 30 June 2017. A one percent change in interest rates will result in a corresponding change in interest income of approximately $15.8 based on cash equivalent balances existing at 30 June 2017.

Liquidity risk
The Group's liquidity exposure is confined to meeting obligations under short term trade creditor agreements. This exposure is financed from a combination of cash, additional issues of ordinary equity shares and other financing arrangements.

Capital management
The primary objective of the Group's capital management is to ensure that it maintains an adequate capital ratio in order to support its business and enhance shareholder value. The capital structure of the Group consists of issued share capital and reserves. The Group manages its structure and makes adjustments to it, in light of the changes in economic conditions. No changes were made in the objectives, policies or processes during the period ended 30 June 2017. The Group's only capital requirement is its authorised minimum capital as a plc.

Foreign currency risk
Although the Company is incorporated in Ireland, the Group has significant operations in UK, Canada and Mexico, none of which presently generate cash from operations, and holds cash investments in Euros, Sterling, Canadian or US Dollars. The functional currencies of the majority of the Group's operations are UK Sterling, the Euro and the Canadian Dollar; the reporting currency of the Group is the US Dollar. However, the expenditure is not considered to be a monetary asset, and has been translated to the functional currency at the rates of exchange ruling at the dates of the original transactions. The Group also has transactional currency exposures. Such exposures arise from expenses incurred by the Group in currencies other than the functional currency.

The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates. The Group does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities may be used where appropriate in the future. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting dates are set out below. The net currency exposure of the gross monetary assets of the Group was as follows:

Date	**Sterling**	**US$**	**Canadian**	**Euro**	**Total**
	$	$	$	$	$
30 June 2017	(24)	1,383	131	(185)	1,305
31 December 2016	90	2,091	35	(138)	2,078

17. FINANCIAL INSTRUMENTS (CONTINUED)

The impact of foreign currencies has been determined based on the balances of financial assets and liabilities at 30 June 2017. The sensitivity analysis includes outstanding foreign currency denominated monetary items and largely results from payables and receivables, and adjusts their translation at the period end for a 5% change in foreign currency rates. A five percent change in the US Dollar exchange rate could result in a foreign exchange impact to the net income of approximately $93 based on monetary assets and liability balances existing at 30 June 2017.

Credit risk
With respect to credit risk arising from financial assets of the Group, which comprise of cash and cash equivalents. Cash deposits give risk to credit risks on the amounts due from counter-parties. The Company controls and monitors the distribution of this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions and that exposure to credit risk is distributed across a number of institutions. At 30 June 2017 all cash, short term deposits had a maturity date of 30 days or less. Credit risk is actively managed across the portfolio of institutions by ensuring that material surplus funds are placed with counter-parties that are either covered by Government guarantee schemes or have a credit rating of at least BBB-.

18. COMMITMENTS

The Company's wholly-owned Canadian subsidiary Buchans Resources Limited has entered into a lease for its office premises, which expires on January 31, 2019. The yearly rental payments amount to approximately $160, approximately half of which the Company expects to recover from other corporations with some common directors and officers that share part of the office premises.

19. SALE OF CURRAGHINALT NET SMELTER ROYALTY TO DALRADIAN

On June 1, 2017 Minco announced that it had reached agreement with Dalradian Resources Inc. on the terms of the acquisition of the Company's 2% net smelter return royalty on the Curraghinalt gold deposit currently being developed by Dalradian (the "Royalty Disposal") in return for the issue of a total of 15,490,666 new Dalradian Shares valued at C$20,000, in total, based on the volume weighted average price of Dalradian shares on the Toronto Stock Exchange for the five trading day period ending on the day prior to March 21, 2017.

It is proposed that the Royalty Disposal will be structured as an offer by Dalradian for the acquisition of the entire issued share capital of Minco (the "Offer"). It is intended that the Offer will be implemented by means of a scheme of arrangement, under Chapter 1 of Part 9 of the Companies Act 2014 of Ireland ("Scheme"). As part of the Scheme, it is proposed that Minco will undertake a demerger of its wholly owned subsidiary Buchans by way of a transfer in specie of the 47,814,218 shares of Buchans to Minco Shareholders (the "Demerger") on the basis of one (1) share of Buchans for every 10 existing Minco ordinary shares in issue at the Voting Record Time (as defined in the Scheme Document).

On 26 July 2017, Minco's shareholders approved the Scheme and the Demerger of Buchans. The Court Hearing of the petition to sanction the Scheme, is directed to be heard on 28 August 2017.

Completion of the Offer and Demerger remains subject to satisfaction or waiver of the other Conditions set out in the Scheme Document including the sanction by the Court of the Scheme at the Court Hearing.

Following the Demerger Minco shareholders will be issued 11,618,000 new Dalradian Shares which would represent 75% of the total shares to be issued by Dalradian in connection with the Royalty Disposal. The balance of 3,872,666 new Dalradian Shares, being 25% of the total, will be issued directly to Buchans, which will then be wholly owned by Minco Shareholders.