

Minco announces positive phase 1 drilling results from Santa Cruz project; Mexico

LONDON: 10 November 2005: LSE AIM quoted precious and base metals explorer and developer Minco plc (MIO) is pleased to announce positive preliminary drilling results and provide an update on other exploration activities at the joint venture Santa Cruz silver-gold project, operated and 50% owned by Minco, through Minera Sisa SA de CV, in Durango, Mexico.

Preliminary Results Highlights

Results of initial diamond drilling, surface and underground sampling programs suggest the possibility of both large-scale disseminated style silver-gold mineralisation and high-grade epithermal vein silver-gold and copper-zinc mineralisation and correlation with historical data.

- **San Pablo:** a 22 metre wide zone of mineralisation associated with a major regional shear has returned values up to 464g/t silver and 1.67% zinc. Gold values as high as 10g/t occur in old workings within the same structure, which may extend for up to 2 km.
- **La Fragua-Orozco:** significant zinc, copper, silver and gold mineralisation has been intersected over a strike extent of 500 metres and over widths of up to 19.0 metres. Historic silver and gold values on the Santa Maria vein include values of 7.68g/t gold, 707g/t silver and 9.40% copper over 2.50 metres.
- **Zambranaña:** underground and surface sampling confirms the presence of at least five parallel vein structures each with up to 1,600 metres of prospective strike length. Historical bonanza grade silver and gold values reported from the Zambranaña vein systems have been partially confirmed by Minco's limited sampling with values up to 2,030g/t silver and 21.9g/t gold.

Commenting on the exploration results, Matthew Dorman, CEO, said *"We are pleased with the positive results emerging from the Santa Cruz property which clearly demonstrate the potential for both narrow vein, high grade and larger scale, lower grade silver-gold plus zinc-copper mineralisation within the Sierra Madre Epithermal Belt.*

We are now busy developing the next phase of exploration, to be implemented in early 2006, with a view to defining the full potential of the Santa Cruz property."

Exploration Results

San Pablo: Located 1,500 metres east of the Santa Cruz Mine; holes SC-1 and SC-2 intersected a wide zone (up to 22.0m) of mineralisation associated with a major regional shear which has the potential to extend for over 2,000 metres of strike. Values up to 464g/t silver and 1.67% zinc were obtained with gold values up to 0.27g/t. Gold values as high as 10g/t occur in old workings within the same structure.

La Fragua-Orozco: Holes SC-5 and SC-8 demonstrate a continuity of significant zinc, copper, silver and gold mineralisation over a strike extent of at least 500 metres and over widths of up to 19.0 metres associated with a new structure, parallel and to the north of the previously known La Fragua-Orozco mineralised structure.

Historic sampling of the Santa Maria vein within the original La Fragua zone indicates selected values of 7.68g/t gold, 707g/t silver and 9.40% copper over 2.50 metres, 5.38g/t gold, 483g/t silver and 3.62% copper over 2.20 metres and 20.22g/t gold and 2,073g/t silver over 0.80 metres. Historic values over a 12 metre zone in the entrance portal to the La Fragua vein returned an average of 4.0g/t gold and 550g/t silver. Historic sampling of the Orozco vein indicates selected values up to 13.70g/t gold and 1,000g/t silver over 1.50 metres and 7.75g/t gold and 432g/t silver over 2.0 metres in a rich ore shoot.

Minco's results suggest that the San Pablo mineralisation may extend to the La Fragua-Orozco area, a distance of 1,400 metres, providing an overall strike potential for this zone of mineralisation of about 2 kilometres. Of considerable importance are significant widths of mineralisation encountered in the current drilling compared to widths of 0.8-2.2 metres in the original La Fragua-Orozco zone.

Zambraneña: Extensive underground sampling has been carried out and results suggest that the Jesus Maria vein is probably continuous with the Zambraneña, La Perla and El Carmen veins providing over 1,600 metres of prospective vein structure. In addition, the El Creston, La Perla Este and Salado veins appear to be parallel to the Zambraneña-Jesus Maria vein and suggest the presence of at least five mineralised parallel vein structures.

Historical bonanza grade silver and gold values were reported from the Zambraneña vein systems and have been partially confirmed by Minco's recent sampling. Gold and silver mineralisation has been confirmed over a vertical extent of 500 metres.

On the **La Cristian** ore shoot within the Jesus Maria vein, Minco has obtained assays from underground sampling of up to 2,030g/t silver and 21.9g/t gold over widths of 1.0 metre. This is confirmed by surface channel sampling of 1,045g/t silver and 10.0g/t gold over a width of 1.1 metres and historical values of 800g/t silver and 10.0g/t gold over 1.0 metre, 900g/t silver and 4.0g/t gold over 1.5 metres and 2,230g/t silver and 39.55g/t gold over 0.90 metres.

On the **El Carmen** vein, Minco has obtained assay values of up to 550g/t silver and 2.03g/t gold over 1.1 metres. Historical values on the same vein include 540g/t silver and 3.75g/t gold over 3.0 metres.

In addition to the known deposits of Santa Cruz, La Fragua, Orozco and Zambraneña, exploration work has outlined a number of new zones of silver-gold-base metal mineralisation as well as extensions to some of the known deposits. The initial diamond drilling program suggests that these targets represent both large-scale disseminated style mineralisation and high-grade epithermal vein type mineralisation.

Soil geochemical sampling has identified a number of epithermal gold-silver targets in the **Tarantula** area which extend for 2km of strike and include significant silicification and other features indicative of the "boiling zone" of an epithermal system. Three holes (SC-4, SC-6 and SC-10) tested structures oblique to the main Tarantula trend but did not intersect any significant silver or gold mineralisation. However, additional drilling is planned.

Small-Scale Mining Potential

A 50 tonne per day flotation plant at Santa Cruz operated up to 2003 with ore from underground mining operations at the Orozco and Santa Cruz deposits.

Minco plans to complete its own review of potential reserves and resources at Santa Cruz that could support a small-scale processing plant. In light of the drilling results which indicate further potential within the Santa Cruz property, Minco has decided it would be premature to restart operations at the processing plant ahead of properly defining the full exploration potential. It will therefore continue its focus and resources on further exploration work in order to evaluate and quantify the silver, gold and base metal potential before assessing any small-scale production opportunity.

Amended Agreement

Minco and its partner, the Salas Family, have made certain amendments to the Shareholders Agreement, the most significant of which changes the terms allowing Minco to increase its shareholding to 90% through a sliding scale of expenditures and cash payments to the Founding Shareholders. This replaces the original cash and shares agreement allowing Minco to increase its shareholding in Minera SISA.

Note to Editors:

The joint venture Santa Cruz silver-gold project, operated and 50% owned by Minco through Minera Sisa Sa de CV, comprises 13,000 hectares of mining and exploration concessions within the Sierra Madre Epithermal Silver-Gold Belt of central Mexico. Bonanza grade silver and gold values together with zinc, copper and lead values occur in the historic mines of Zambranaña, Santa Cruz, La Fragua and Orozco which are located over a 7,000 metre strike length within the project area.

Further information:

Maps, photographs and a full geological update of the Santa Cruz property, are available at <http://www.minco.ie>.

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