

Released 07:00 07-Mar-06  
Number 3888Z

3<sup>rd</sup> Floor  
50 Gresham Street  
London  
EC2V 7AY  
t. +44 (0)20 7397 8150  
f. +44 (0)20 7397 8157

- 1. NEW SILVER, ZINC, & COPPER PROJECT OPTIONED**
- 2. LAGUNA PROJECT UPDATE**
- 3. SAMPLING RESULTS FROM MINERA SISA**

### **Introduction**

AIM quoted precious and base metals explorer and developer Minco plc ("MIO") is pleased to announce that it has entered into an option and joint venture agreement with Shoshone Mexico, S.A. de C.V. ("Shoshone") to acquire up to a 75% interest in the Bilbao silver, zinc and copper deposit located in the Panfilo Natera mining district, approximately 56 kilometres southeast of the city of Zacatecas in central Mexico. The Company is further pleased to provide an update on its Laguna and Minera SISA projects.

### **Bilbao Project**

The Bilbao Project is the subject of a pre-feasibility study prepared by Kilborn Inc. in 1995 and subsequently updated in 1997. The Kilborn study was based on an inferred resource estimate prepared by Watts, Griffis and McOuat to JORC standards and metallurgical test work completed by Lakefield Research. The historical calculations of 2.44 million tonnes at an average grade of 92.3g/t silver, 0.39% copper, 3.73% zinc, 3.30% lead together with cadmium by-product, all within the oxide deposit, are in the inferred category of resources. As such they are considered speculative and cannot have economic considerations applied to them. Minco has not yet undertaken any independent investigation of the resource estimate nor has it independently analysed the results of the previous exploration work in order to verify the classification of the resources, and therefore the historical estimates should not be relied upon. However, Minco believes that these historical estimates provide a conceptual indication of the oxide potential of the property and are relevant to ongoing exploration.

The Kilborn study recommended the development of a small scale mining operation based on the existing oxide resource by open pit mining with a strip ratio of 2.6:1 at the rate of approximately 700 tonnes per day (250,000 tonnes per annum). The processing method for

the oxide resources proposed by Kilborn included initial acid vat leaching with recovery of dissolved copper through cementation followed by zinc recovery using solvent extraction and electro-winning to produce zinc metal plus a by-product of cadmium. A 1997 addendum report also prepared by Kilborn/SNC-Lavalin proposed a revised economic analysis with an estimated capital expenditure of \$17.6m which produced a DCFROR of 47.1% and payback within 2 years. Metal prices and operating costs have changed significantly since 1997.

Under the terms of the Shoshone agreement, Minco has been granted three options. The first option grants Minco (upon payment of \$100,000 to Shoshone and the issue of 1.2 million Minco shares) an exclusive right to carry out exploration and development work for a minimum amount of \$500,000 for a period of six months, to include the preparation of an updated pre-feasibility study on the Bilbao property. The second option grants Minco (upon a further payment of \$300,000 to Shoshone) an exclusive right to carry out further exploration and development work, for a minimum of \$500,000 over a period of a further twelve months during which time a feasibility study will be completed. The third option grants Minco (upon electing to proceed with a bankable feasibility study) an undivided 75% working interest in the property. Upon the exercise of the third option, Minco and Shoshone will form a new corporation to operate a joint venture.

Initial exploration work suggests the presence of copper-rich sulphide bodies beneath the oxide deposits. During the first option period, Minco will undertake an initial 1,500 metres of drilling to evaluate the primary sulphide potential adjacent to and below the open pit and plans to update the WGM resource report and the Kilborn pre-feasibility study report.

### **Laguna Update**

On 10 February 2006, Minco hired Mr. John Scott, P.Eng., as Director of Operations for the Laguna Project based in Minco's Zacatecas offices. Mr. Scott has extensive experience in engineering design and construction and project management in mining. He has worked with large engineering firms where he has managed construction and commissioning of mining projects in North and South America, Europe and Africa.

Mr. Scott's first priority is to reassess the tailings disposal system and update the resulting environmental baseline and impact studies. In addition, metallurgical test work is continuing with a view to improving metallurgical recoveries and reducing capital cost of the process plant. Other capital cost savings are also being investigated for the infrastructure and tailings disposal areas.

It is anticipated that answers to these issues will be available in June, when final decisions can be made with respect to project start up. In the meantime, alternate project finance negotiations continue with a view to minimising equity funding requirements.

### **Santa Cruz (Miner SISA) Exploration Project, Durango**

On the Santa Cruz property of Minera SISA (Minco 50%) following refurbishment, underground sampling has been completed on two levels of the Jesús Maria vein. The

lowest exposure of the Zambranaña vein set occurs at an elevation of 1,400 metres above sea level in the rugged western portion of the property. The vein trends roughly northwest-southeast and is contiguous with the Zambranaña, La Perla and El Carmen veins along strike to the northwest. Channel sampling was undertaken across the vein at intervals of 5m. This sampling has returned significant gold, silver, lead and zinc values over widths of one metre and confirms historic reported assay values. The mean grade of the whole vein in the Main Adit is 1.58g/t gold with 132g/t silver and in the Upper Level 2.31g/t gold with 375g/t silver. Shorter sections of the vein return higher values with an average of 2.47g/t gold and 196g/t silver measured along a vein length of over 50 metres in the Main Adit and 3.86g/t gold and 885g/t silver measured along a vein length of some 50 metres in the Upper Level.

The precious metal values within the Jesús Maria vein are erratically distributed. Grade variation for gold varies from parts per billion to a high of 21.9g/t gold and for silver from almost zero to over 2kg/t silver. The disposition of the higher precious metal values suggests that a richer shoot may occur on the main vein with a trend of NNW-SSE. Development on the lower level continues for a distance of 150 metres. The vein is faulted and slightly offset in places.

	<b>Au g/t</b>	<b>Ag g/t</b>
Main Level Total	0.85	91.0
Main Level Shoot	1.42	126.0
Upper Level Total	2.31	375.0
Upper Level Shoot	2.72	395.0

*Summary of vein grades at the Jesús Maria Prospect*

Minco has developed a programme of further underground sampling, additional underground development and diamond drilling to be carried out at Zambranaña, as well as at the San Pablo and the Orozco-La Fragua prospects, located further to the east. This exploration programme will be deferred until the later part of the year when sufficient water becomes available for drilling activities to be conducted.

Commenting on the new project, Minco's Chairman, Roger Turner, said, *"The Bilbao project provides Minco with a second opportunity for near-term silver and base metal production within the Zacatecas area. We believe that the project has very significant upside potential for the discovery of new sulphide as well as oxide resources in addition to the historic resources. Our strategy will be to investigate the known mineralisation in depth and search for additional bodies of mineralisation in the surrounding area. Within the next six months, we will be in a position to prioritise the Bilbao and Minera Sisa projects within our project pipeline. At Laguna, we believe that significant capital savings may be achieved through a different approach in tailings disposal and plant design. The objective is to minimise the equity element of the construction capital costs and to finalise the relevant changes and additions to the environmental studies as quickly as possible."*

**About Minco:**

Minco Plc is an AIM-quoted precious and base metals exploration and development company with silver projects in Mexico and zinc exploration in Ireland.

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

Roger Turner

+44 (0)7739 092813

[rwtturner@minco.ie](mailto:rwtturner@minco.ie)

Danesh K. Varma

+44 (0)20 7397 8154

[dvarma@minco.ie](mailto:dvarma@minco.ie)

Terence McKillen

+1 416 362.8243 or 416.362.6686

[tmckillen@minco.ie](mailto:tmckillen@minco.ie)

Martin Eales, Collins Stewart

+44 (0)20 7523 8320

[MEales@collins-stewart.com](mailto:MEales@collins-stewart.com)

Alex Buck, Buck Bias PR

+44 (0)20 7384 0503

[alex@buckbias.com](mailto:alex@buckbias.com)

Minco plc is traded on the AIM market in London. Ticker Symbol "MIO"