

### Minco reports Interim Results for the six months ended 30 June 2009

**London, 30 September, 2009 – Minco plc (MIO)**, the London AIM quoted exploration and development company is pleased to report its interim results for the six months ended 30 June 2009.

#### MINCO OPERATIONS

Minco is directly involved with exploration and development activities in Ireland at its Pallas Green zinc prospect, a Joint Venture with Xstrata Zinc, and through its 60% shareholding in Xtierra Inc., (Toronto Stock Exchange TSX : XAG) exploring and developing silver and zinc projects in the Central Mexican Silver Belt.

The first six months of 2009 have been extremely busy and successful for Minco plc, and its joint venture partner Xstrata Zinc, as work on the Pallas Green zinc lead exploration project in Ireland continues to yield encouraging results.

Of most significance was the publication in July 2009 of a **JORC Report** indicating a resource estimate for the Tobermalug deposit at Pallas Green of 11.3 million tonnes grading 10.22% zinc and 1.9% lead in the inferred resource category.

A **metallurgical testing program** was completed which indicated that the zinc concentrate to be produced from the mining of the Tobermalug deposit would be a premium product with zinc content of about 60%. The metallurgical studies suggest that excellent quality zinc concentrates can be produced with very low penalty elements. The test program demonstrated zinc recoveries of 91%, 86% and 78% in the three ore types, with potential to be increased.

As part of the preliminary scoping study a **conceptual mine plan** was developed which contemplated a conventional underground mine, accessed via a three kilometer decline ramp at -15%, mining about 6000 tonnes per day and producing lead and zinc concentrates in a conventional milling operation.

In addition, an **environmental baseline study** was carried out with the objective to establish current environmental conditions in the area before any significant mining activities take place. The study, which was conducted by Golder Associates, compiled data on surface and groundwater, air and soil quality and local meteorological conditions.

**Exploration Drilling** continued in 2009, following on the large program completed during 2008. To the end of August 9,000 metres had been completed in 20 holes. Most of the drilling was concentrated to the northwest of the Tobermalug deposit, where a new zone, the Northwest Extension Zone, was discovered and where the highest zinc and lead assay values received to date have been reported.

At the **Annual Meeting**, held in Dublin on September 29, 2009, Minco Chairman **John Kearney** told shareholders that Pallas Green is a “new mine in the making” but is still very much in the exploration phase. With ongoing drilling continuing to yield positive results the preliminary scoping study has identified a conceptual mine plan and the metallurgy study demonstrates that high grade zinc concentrate can be produced. The resource at the main Tobermalug deposit is still expanding and additional discoveries are expected to be made.

The Tobermalug deposit, combined with the adjacent Caherconlish and Srahane zones, is now known to cover an area of at least 3.75 km north – south by 2.5 km. east-west. Extension zones to the northwest and to the south of the main Tobermalug deposit remain open ended, with potential to add tonnage to the overall Tobermalug resource.

The next stage for Pallas Green is to seek to extend the size of resource to, say, a size equivalent to that of Anglo’s currently operating Lisheen mine, located about 30 km to the northeast, that is, a target of about 20 million tonnes, grading about 12% zinc and about 2% lead and to extend the preliminary scoping study in to a pre-feasibility study. A major drilling programme is being planned for 2010.

## The Pallas Green Project

The Pallas Green Project is a joint venture between Minco 23.6% and Xstrata Zinc 76.4%. Minco is relying on the technical information supplied by Xstrata Zinc.

In July 2009 Xstrata Zinc published an initial JORC compliant resource estimate for the Tobermalug zinc lead deposit at 11,300,000 tonnes grading 10.2% zinc and 1.9% lead in the inferred resource category. The deposit is estimated to contain 1.15 million tonnes of contained zinc metal and 215,300 tonnes of lead metal (see Minco press release August 4, 2009).

Ongoing exploration drilling in the first half of 2009 yielded new high grade results from the Northwest Extension area of the Tobermalug deposit. The mineralised zone is a northwest extension of the main Tobermalug zinc-lead deposit along a west-northwest striking fault, now named the Caherconlish Fault. Higher grade mineralization appears to be associated with this northwest trend which has now been delineated over approximately 1,400 metres in length and has been intersected by eight mineralised holes (MN-636-044, 101, 107, 117, 118, 121, 122, and 123).

Hole MN-636-122 encountered three distinct mineralised horizons, or lenses, on the Northwest Extension zone at Tobermalug, with significant zinc and lead values over a down-hole interval of 37 metres, including a **combined 51.59% zinc+lead over 0.55 metres** in the lower lens. This exceptional grade of almost 52% combined zinc-lead is the highest mineral grade content so far intersected in drilling at Pallas Green. Hole MN-636-122 is located 200 metres south of hole MN-636-121 (previously reported 18 May, 2009 comprising 3.45 metres of 24.20% zinc and 5.43% lead).

Hole MN-636-123, located approximately 890 metres northwest of hole MN-636-121, intersected a combined 27.66% zinc + lead over a length of 1.8 metres.

The results for the reported intersections on the Northwest Extension of the Tobermalug deposit are very encouraging. Exceptional grade intersections have been recorded in the Northwest Extension area and the zone still remains open ended. The zone remains open to the northwest and drilling is continuing in the Northwest Extension area with two drills.

### **Summary Table of Intersections in Northwest Extension Zone**

Hole	From – To (metres)	Interval (core length)	Zinc	Lead
Hole MN-636-123	306.75 m – 308.55 m	1.80 metres	20.29%	6.47%
Hole MN-636-122	342.35 m – 344.90 m	2.55 metres	12.20%	2.10%
	356.05 m – 357.10 m	1.05 metres	15.56%	3.29%
	378.80 m – 379.35 m	0.55 metres	41.32%	10.27%
Hole MN-636-121	330.90 m – 334.35 m	3.45 metres	24.20%	5.43%
Hole MN-636-119	No mineralisation			
Hole MN-636-118	329.95 m – 338.70 m	8.75 metres	14.95%	3.01%
Hole MN-636-117	316.25 m – 316.50 m	0.25 metres	3.53%	0.08%
Hole MN-636-112	Hole lost due to ground conditions before reaching target			
Hole MN-636-107	315.50 m – 316.70 m	1.20 metres	18.75%	1.19%
	329.75 m – 333.90 m	4.15 metres	9.05%	1.46%
Hole MN-636-101	356.60 m – 360.50 m	3.90 metres	7.99%	1.28%
Hole MN-636-044	305.70 m – 307.20 m	1.50 metres	10.44%	0.53%

## Metallurgical Report

A report on Ore Characterisation for the Tobermalug zinc-lead deposit was prepared by Xstrata Process Support (XPS), a business unit of Xstrata Canada Corporation. The metallurgical report was prepared as part of a preliminary Scoping Study on the Tobermalug deposit.

Flotation testing was performed on the three ore type composites using un-optimised flotation conditions. The primary grind size, reagent and regrind strategies were developed using best industry practice on these ore types. Very high **zinc cleaner concentrate** grades were achieved with an overall average of 61% Zn. The zinc concentrate demonstrated recoveries of 91%, 86% and 78% in the three ore types.

The **lead cleaner concentrate** reported grades of 25%; 33% and 37%, with recoveries of 75%; 49% and 72% respectively. The relatively low lead concentrate grades produced in all composites appears to be due to pyrite dilution. Improved pyrite depression in the flow sheet will likely result in higher lead grades being achieved.

The Report noted that the results do not reflect the full potential of the ore, are considered preliminary and could improve with further test work.

A summary of the cleaner flotation concentrate grades and recoveries for each ore type is presented in the attached table.

Samples	C&N Zone			
	Grade (%)		Recovery (%)	
	Pb	Zn	Pb	Zn
Lead 2 <sup>nd</sup> Clnr Conc	37.86	3.72	72.96	1.55
Zinc 3 <sup>rd</sup> Clnr Conc	1.09	61.36	6.38	77.82
	G&E High Grade Zone			
	Grade (%)		Recovery (%)	
	Pb	Zn	Pb	Zn
Lead 2 <sup>nd</sup> Clnr Conc	24.64	2.57	75.04	1.13
Zinc 3 <sup>rd</sup> Clnr Conc	0.80	60.93	8.30	90.97
	G&E Low Grade Zone			
	Grade (%)		Recovery (%)	
	Pb	Zn	Pb	Zn
Lead 2 <sup>nd</sup> Clnr Conc	33.15	2.06	49.47	0.42
Zinc 3 <sup>rd</sup> Clnr Conc	0.71	61.02	7.30	85.89

## Xtierra Inc

Minco holds 30 million shares, or 60.2%, of Xtierra Inc, listed on the Toronto Stock Exchange (TSXV: "XAG").

Xtierra has interests in base and precious metal mineral deposits on properties located in the Central Mexican Silver Belt, in and around the States of Zacatecas and San Luis Potosi, Mexico. This area represents the bulk of Mexico's historic silver production from the early colonial period to the present day and hosts many world-class silver and base metal deposits.

Xtierra's principal focus is the Bilbao project, a polymetallic sulphide and oxide prospect upon which the Company is currently conducting the first phase of a full feasibility study for an open pit oxide and sulphide mine.

In April 2009, Xtierra commenced metallurgical testwork and process optimization of the oxide, mixed oxide/sulphide and sulphide ores. Environmental baseline studies, hydrological studies, geotechnical studies (rock mechanics) and mine design for both open pit and underground extraction methods will also be completed, together with other engineering and financial studies.

Preliminary metallurgical test work on the oxide mineralization at Bilbao indicates that a high intensity magnetic separation process will provide a pre-concentrate that is amendable to acid leaching and from which silver, lead, zinc, copper and gold can be successfully recovered. Recoveries in the pre-concentrate were 86% for silver, 95% for lead, 88% for zinc and 70% for copper.

The second phase of the Feasibility Study, to be completed by the end of the first quarter 2010, would include all required drilling, any pilot plant testwork if deemed required, all permits and final engineering design.

During 2008, an independent resource estimate, compliant with Canadian National Instrument 43-101, was completed at Bilbao comprising 3.6 million tonnes indicated resources at an average grade of 3.53% zinc, 2.75% lead, 0.29% copper and 88.23g/t silver and 2.4 million tonnes inferred resources at an average grade of 2.52% zinc, 2.79% lead, 0.28% copper and 83.08g/t silver. The deposit remains open to the northwest and to the southwest.

## **Qualified Person**

The above information has been reviewed and verified by Mr. Terence N McKillen, B.A. (MOD), M.A., M.Sc., P.Geo, Chief Executive Officer. Mr. McKillen is the Qualified Person for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. Mr. McKillen is a graduate in Natural Sciences (Geology) from Trinity College Dublin and holds a Master of Science degree in Mineral Exploration and Mining Geology from the University of Leicester. He has 40 years of exploration experience in Ireland and internationally.

## **FINANCIAL RESULTS**

Minco Plc reported a loss for the six months ended 30 June, 2009 of US\$542,000, up from US\$378,000 in the same period in 2008. The main component of the loss is general and administrative expenses due to increased activity.

Total group assets increased by US\$1.4 million from US\$29.7 million at 31 December, 2008 to US\$31.1 million at 30 June, 2009, largely as a result of the increase in intangible asset and cash received from the issue of convertible notes by Xtierra Inc. Cash and cash equivalents increased from US\$2.4 million at December 31, 2008 to US\$2.7 million at 30 June, 2009, while intangible assets increased from US\$25.5 million to US\$26.6 million. During the six months a total of US\$1.1 million was invested in intangible assets (mineral properties).

At 30 June, 2009, the Group had working capital of US\$1.8 million, compared to US\$1.3 million at 31 December, 2008.

**Minco Plc**  
**Condensed Consolidated Income Statement**  
for the 6 months ended 30 June 2009

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	<b>6 Months ended 30 June 2009</b>	<b>6 Months ended 30 June 2008</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Continuing operations</b>		
Revenue	-	-
General and administrative expenses	(573)	(426)
Foreign exchange gain/(loss)	90	(14)
Loss on derivative financial instruments	(11)	-
Unwinding of discount on deferred consideration and loan note	(56)	-
Interest income	8	62
Loss before taxation	(542)	(378)
Income tax expense	-	-
Group loss for the period	(542)	(378)
Loss attributable to :		
Equity holders of parent	(467)	(378)
Minority Interest	(75)	-
Group loss for the period	(542)	(378)
<b>Loss per share</b>		
Basic and diluted (cents per share)	<b>(0.26)</b>	<b>(0.22)</b>

**Minco Plc**  
**Condensed Consolidated Balance Sheet**  
as at 30 June 2009

		<b>30 Jun 2009</b>	<b>31 Dec 2008</b>
	<b>Notes</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	5	26,608	25,516
Financial assets - receivable		1,715	1,715
<b>Total non-current assets</b>		<b>28,323</b>	<b>27,231</b>
<b>Current assets</b>			
Trade and other receivables		112	107
Cash and cash equivalents	5	2,718	2,367
<b>Total current assets</b>		<b>2,830</b>	<b>2,474</b>
<b>Total assets</b>		<b>31,153</b>	<b>29,705</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Called-up share capital		5,269	5,247
Share premium		22,765	22,727
Capital conversion reserve fund		39	39
Foreign currency translation reserve		5,446	5,021
Share-based payment reserve		1,245	1,168
Retained earnings - (deficit)		(14,594)	(13,711)
Equity attributable to equity holders of parent		20,170	20,491
Minority interest		8,020	7,471
<b>Total equity</b>		<b>28,190</b>	<b>27,962</b>
<b>Non-current liabilities</b>			
Other payables	6	1,899	621
Other financial liabilities		17	6
<b>Total non-current liabilities</b>		<b>1,916</b>	<b>627</b>
<b>Current liabilities</b>			
Trade and other payables		1,047	1,116
<b>Total liabilities</b>		<b>2,963</b>	<b>1,743</b>
<b>Total equity and liabilities</b>		<b>31,153</b>	<b>29,705</b>

# Minco Plc

## Condensed Consolidated Statement of Changes in Equity

for the 6 months ended 30 June 2009

	Share Capital US\$'000	Share Premium US\$'000	Capital Conversion Reserve Fund US\$'000	Foreign Currency Translation Reserve US\$'000	Share Based Payment Reserve US\$'000	Retained Earnings Deficit US\$'000	Attributable to equity holders of the parent US\$'000	Minority Interest US\$'000	Total US\$'000
<b>Balance as at 1 January 2008</b>	<b>4,601</b>	<b>21,879</b>	<b>39</b>	<b>2,122</b>	<b>323</b>	<b>(11,224)</b>	<b>17,740</b>	<b>2,068</b>	<b>19,808</b>
Proceeds on share issue	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	-	26	-	26	-	26
Exchange differences arising on Translation of foreign operations	-	-	-	(642)	-	-	(642)	-	(642)
Loss for the period	-	-	-	-	-	(379)	(379)	-	(379)
Other recognised income and expense	-	-	-	-	-	(504)	(504)	-	(504)
<b>Balance as at 30 June 2008</b>	<b>4,601</b>	<b>21,879</b>	<b>39</b>	<b>1,480</b>	<b>349</b>	<b>(12,107)</b>	<b>16,241</b>	<b>2,068</b>	<b>18,309</b>
Proceeds on share issue	646	884	-	-	-	-	1,530	-	1,530
Recognition of share-based payments	-	-	-	-	819	-	819	-	819
Share issue costs	-	(36)	-	-	-	-	(36)	(193)	(229)
Exchange differences arising on Translation of foreign operations	-	-	-	3,541	-	-	3,541	-	3,541
Loss for the period	-	-	-	-	-	(1,604)	(1,604)	(1)	(1,605)
Other recognised income and expense	-	-	-	-	-	-	-	-	-
Exercise of special warrants	-	-	-	-	-	-	-	5,597	5,597
<b>Balance as at 1 January 2009</b>	<b>5,247</b>	<b>22,727</b>	<b>39</b>	<b>5,021</b>	<b>1,168</b>	<b>(13,711)</b>	<b>20,491</b>	<b>7,471</b>	<b>27,962</b>
Proceeds on share issue	-	-	-	-	-	-	-	-	-
Shares issued in-lieu of payments	22	38	-	-	-	-	60	-	60
Recognition of share-based payments	-	-	-	-	77	-	77	-	77
Exchange differences arising on Translation of foreign operations	-	-	-	425	-	-	425	-	425
Loss for the period	-	-	-	-	-	(467)	(467)	(75)	(542)
Other recognised income and expense	-	-	-	-	-	(416)	(416)	-	(416)
Issue of convertible loan note	-	-	-	-	-	-	-	624	624
<b>Balance as at 30 June 2009</b>	<b>5,269</b>	<b>22,765</b>	<b>39</b>	<b>5,446</b>	<b>1,245</b>	<b>(14,594)</b>	<b>20,170</b>	<b>8,020</b>	<b>28,190</b>

**Minco Plc****Condensed Consolidated Cash Flow Statement**

for the 6 months ended 30 June 2009

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	6 Months ended 30 Jun 2009	6 Months ended 30 Jun 2008
	US\$'000	US\$'000
<b>Cash flow from operating activities</b>		
Loss for the period	(531)	(379)
Share-based payments	77	26
Loss on derivative financial instruments	11	-
Unwinding of discount on deferred consideration and loan note	56	-
Currency translation movements	425	-
Interest income	(8)	(62)
<hr/>		
Operating cash flow before movements in working capital	30	(415)
Movements in working capital		
(Increase)/decrease in trade and other receivables	(5)	(14)
Increase/(decrease) in trade and other payables	(69)	297
<hr/>		
Net cash generated by/(used in) operating activities	(44)	(132)
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<b>Cash flows from investing activities</b>		
Interest income	8	62
Payment for intangible assets	(1,092)	(765)
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Net cash used in investing activities	(1,084)	(703)
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<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares in parent	-	-
Proceeds from borrowings by parent	564	-
Proceeds from issue of loan note in subsidiary	1,239	-
Translation adjustments	(324)	(1,146)
Proceeds on special warrant shares issued by subsidiary	-	6,164
<hr/>		
Net cash generated by financing activities	1,479	5,018
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Net increase/(decrease) in cash and cash equivalents	351	4,183
Cash and cash equivalents at 1 January	2,367	2,472
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Cash and cash equivalent at 30 June	2,718	6,655

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# Minco Plc

## Notes to Condensed Consolidated Accounts

for the 6 months ended 30 June 2009

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1. The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.
2. The interim unaudited results have been prepared under the historical cost convention except for the revaluation of financial instruments. The comparative financial information set out in this report is based on the financial statements of the Group which were prepared in accordance with accounting policies adopted in the audited accounts for the year ended 31 December 2008.
3. The calculations of loss per share have been based on the retained loss after taxation for the period and on a weighted average ordinary shares of 209,235,695 (June 2008 – 168,843,103) in issue during the period.
4. No dividend is proposed in respect of the period.
5. The following financial information relating to Minco's subsidiary Xtierra Inc. has been included in the condensed consolidated balance sheet as at 30 June 2009 and 31 December 2008.

	30 Jun 2009 US\$'000	31 Dec 2008 US\$'000
Intangible assets	16,573	16,038
Cash and cash equivalents	2,712	2,130
Receivables and other	33	51
<b>Total assets</b>	<b>19,318</b>	<b>18,219</b>
Called up share capital and share premium	18,699	18,699
Options, warrants and Loan notes	2,641	2,018
Retained earnings (deficit)	(3,875)	(3,744)
Acquisition and loan note obligations	1,302	621
Trade payables	551	625
<b>Total equity and liabilities</b>	<b>19,318</b>	<b>18,219</b>

On 14 April 2009, Minco's subsidiary Xtierra and Pacific Road Group of Funds entered into an agreement, whereby Pacific Road subscribed for an aggregate principal amount of US\$1.25 million in non-interest bearing notes issued by Orca Minerals Limited, an Ontario corporation indirectly owned by Xtierra. The notes have a term of five years and are convertible, at the holders' option, into a number of common shares of either Orca Minerals, Bilbao Resources (an indirectly owned Mexican subsidiary which holds the Bilbao project) or Xtierra Inc.

The present value of the notes was determined to be approximately US\$621,000 at the time of the agreement, based on a discount rate of 15%, with the remaining value of US\$629,000 being allocated above to the equity of Xtierra, represented by various conversion options. Share issue costs of US\$11,000 were prorated to the debt and equity portions.

6. Other payables include the following;

	30 June 2009 US\$'000	31 Dec 2008 US\$'000
Bilbao Property acquisition obligation	670	621
Convertible loan note obligation	632	-
Loan from Juno Limited	564	-
Other	33	-
Total	1,899	621

Juno Limited, a shareholder, made an advance of US\$564,000 to the Company and has confirmed that it will provide adequate financial support in the form of debt and/or equity, to enable the Company to continue financing its working capital requirements. No repayment date or terms have been agreed for these amounts.

7. The interim report is un-audited and does not constitute Statutory Accounts as defined in S.148 of the Companies Act 1963. A copy of the Group's 2008 Statutory Accounts has been filed with the Irish Companies Registration Office. The auditors' opinion on these statutory Financial Statements was unqualified.

8. The Interim Report for the six months to 30 June 2009 was approved by the Directors on 28 September 2009.

Copies of this announcement will be posted on the Company's website at [www.mincoplc.com](http://www.mincoplc.com) and will be available for inspection at the Company's registered office at Connaught House, Burlington Road, Ballsbridge, Dublin 4, Ireland.

#### **About Minco:**

Minco PLC is an AIM quoted exploration and development company engaged in zinc exploration on the Pallas Green property in Ireland in a joint venture with Xstrata Zinc and investments in zinc-silver projects in Mexico through its 60% shareholding in Xtierra Inc. listed on the TSX Venture Exchange (Toronto) under the symbol "XAG".

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