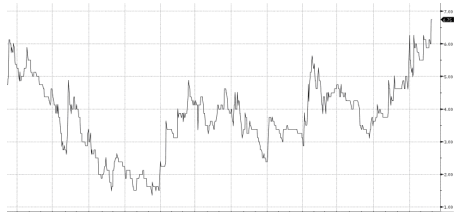


Mid Price on 25/2/2010	6.75p	Market Cap	£21.80m	<b>Minco 3 year Share Chart - Source: Bloomberg</b> 
Quotations	AIM	Shares Issued	324.06m	
52 week High/Low	6.75p/2.88p	Free Float	60.1%	
Website	minco.ie			

## Getting Bigger all the Time! Price Target Raised!

Friday's RNS release told investors what they had been waiting to hear from Minco plc!

It confirmed that operational partner, Xstrata Zinc, has formally declared its Irish zinc-lead prospect at Pallas Green to be an economical project, proposed a near doubling of the 2011 exploration budget and raised its JORC compliant resource estimate while confirming pre-feasibility studies will now commence. Pallas Green finally appears to be living up to Minco's best expectations.

By coincidence, investors appear to have recognised the same overlooked value in Minco's 33.5%-held Xtierra Inc. that Sprott Asset Management did in December, when it entered the company's capital declaring a 10% share holding. Xtierra Inc. shares were driven up almost 50% last week, taking its investment value alone to well over half of Minco plc's market current capitalisation. Whether UK investors remain blind to price movements in Toronto or whether they have simply chosen to ignore the latest RNS is uncertain, but it increasingly appears that exceptional value within Minco plc remains wholly overlooked.

The Pallas Green announcement also appears to confirm some bickering between operational partner, Xstrata Zinc, and Minco's management as to exactly how the enlarged 2011 exploration budget should be spent. Given the past success that Chairman, John Kearney and CEO, Terence McKillen, have had in originally identifying and then guiding the prospect to that of an economical project, it would seem sensible for Xstrata to trust their intuition. It remains to be seen if Xstrata's apparent insistence on concentrating on infill drilling of the Tobermalug zone (where the 25.9 million tonnes resource estimate is focussed) is simply an unsophisticated effort to limit the extent of any final estimate ahead of making a formal proposal to buy-out Minco's 23.6% minority stake. Although Minco's highly experienced management are likely to equip themselves with plenty of ammunition to argue their case for a much larger figure should Xstrata simply try to 'dig their heels in.' The contracting of IMC International Limited to complete a 22km seismic survey is possibly one sign of this; geophysical data alongside a detailed re-interpretation of existing magnetics could possibly provide important assistance in defining the limits of the deposit.

Beaufort now has high confidence in further significant improvements in Pallas Green's current Zn-Pb resource estimate being achieved. Identification of the boundary fault should provide higher gradings as the metals' original source is identified. In 2012, Beaufort expects both Pallas Green to begin feasibility studies and production to commence at Xtierra's Bilbao, Mexico, project. Risk factors related to these prospects have diminished significantly since Beaufort first set its 13p/share price target on Minco plc in November 2009. Based on this, dilution of the Group's holding in Xtierra Inc. during the period and changes in their respective balance sheets, we have lowered the discount applied to our NPV model whilst also factoring in upward revisions to our prudent forward metal price and potential resource estimates at Pallas Green and Bilbao. On this basis, Beaufort has raised its Minco plc price target to 25.5p from 13.0p previously. Beaufort also repeats its expectation that Xstrata will propose a buyout of Minco's 23.6% minority holding of Pallas Green before end-Q2'2012.

THIS RESEARCH REPORT IS A "MARKETING COMMUNICATION"

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## Pallas Green - An Economic Proposition

The key new information coming from Minco's RNS were:

1. Xstrata Zinc has informed Minco that Xstrata's preliminary assessment indicates that the Pallas Green Zinc-Lead Project in Co. Limerick, Ireland, in which Minco holds a 23.6% participating interest, *is economic at its current stage*.
2. *Xstrata Zinc has proposed a €13 million (US\$18 million) exploration and development programme for 2011.* The proposed 2011 budget comprises continued definition and exploration drilling coupled with an initial Pre-Feasibility Study. This almost doubles the €7m exploration budget for 2010, which then was Ireland's largest ever. The Pre-Feasibility Study and related costs are budgeted at about €3 million, while the proposed €10 million drilling program is split about two thirds infill definition drilling and one third exploration drilling. Here there remains an element of disagreement, which possibly explains the reason for the unexpected delay in making this announcement. The precise work programme proposed for 2011 or the allocations between exploration drilling in the Caherconlish area and infill definition drilling of the Tobermalug Zone has yet to be agreed. Minco has proposed that drilling in 2011 should focus on ongoing exploration in the prospective Caherconlish area and also within the wider Pallas Green property, where only about 25% of the prospective trend has been explored in any detail. Planned drilling amounts to about 100,000 metres in some 230 holes.

Minco believes that the lead/zinc deposits at Pallas Green have not yet been fully delineated and that the expected larger tonnage, and higher grade, parts of the deposit have not yet been found. Minco is also confident that further exploration will lead to an increase in the size of the Pallas Green resource and to the discovery of new mineralised zones within the Caherconlish area, as has been demonstrated over the past three years, and to new discoveries elsewhere on the property.

3. Xstrata has provided Minco with a revised JORC compliant resource estimate as of December 31, 2010 and dated February 18, 2011, *updating the JORC Compliant figure to 25.9 million tonnes* ('Mt'). The revised resource is calculated at both a 4% and a 6% cut off. The 4% zinc equivalent cut off resource amounts to 25.9 million tonnes of inferred resources at an average grade of 7.51% Zn and 1.38% Pb (8.89% Zn eq) while the 6% zinc equivalent cut off resource amounts to 17.6 million tonnes of inferred resources at an average grade of 8.96% Zn and 1.72% Pb (10.68% Zn eq).

The new resource (at the 6% Zn eq cut off) is 56% greater in tonnage than the previously published JORC compliant resource (also calculated at 6% cut off) published in August 2009 while the new resource (at the 4% Zn eq cut off) is approximately 7.5% greater than the revised resource published in August 2010. Beaufort research has consistently stated that it believes the resource will grow larger than 40Mt, with a potential to become as large as 60Mt, based on a combined (Zn-Pb) grading as high as 11%.

## Exploration Update - 2010 Drilling Programme

Approximately 168 drill holes were completed or in progress at the end of 2010 for a total of 60,176 metres drilled during the year. Nineteen drill rigs continue to explore and define the greater Tobermalug area, as well as Knockroe and Caherconlish South. It is expected that additional drill rigs will be added to the programme in 2011 to handle the enlarged drilling programme.

For much of the fourth quarter 2010, drilling was focussed on lateral extension targets around the perimeter of the lenses of zinc-lead mineralisation which constitute the Tobermalug and Northwest Extension (NWX) deposits; in directional drilling of selected infill holes at Tobermalug and NWX; and in continued drilling at Knockroe. A more regional drilling programme continued to test targets north of Stonepark, in the area between Knockroe and Tobermalug and south, and to the east and west of Knockroe. A number of technical issues including cavities, mud or and infills and thick overburden cover and, occasionally, dyke intersections prevented some holes reaching target depths.

The programme of perimeter drilling to test the extensions of the Tobermalug and NWX deposits has continued to provide encouraging results, some with economically significant intersections and rarely with barren holes, confirming the extensive nature of the mineralisation and the necessity to continue with a programme of step-out drilling around the periphery of all of the known lenses of mineralisation.

The attached table contains the most significant recent result from the 2010 drilling, not previously released. Not all drill holes are reported.

Minco is of the opinion that the Tobermalug, NWX, Knockroe and Caherconlish South mineralised zones form part of the same Caherconlish cluster. Widely spaced drill holes within the confines of the Caherconlish cluster between Knockroe and the property boundary to the west have intersected good widths of low grade, breccia hosted zinc-lead mineralisation, demonstrating potential for the discovery of significant additions to the resource base.

## Pre-Feasibility Study in 2011

Xstrata's proposed 2011 programme envisages the preparation of a Pre-Feasibility Study for a 4,500 tonnes per day mine, with an annual production of about 150,000 tonnes of zinc and an indicated mine start-up date of 2017.

## New Geophysical Survey

TESLA - IMC International Limited has been contracted to complete about 22 line kilometres of 2D hammer seismic geophysical survey over the Caherconlish area commencing in early March. It is hoped that the survey data will assist with the identification of the southern boundary structure, the Ballyneaty Fault, with which higher grade and greater thicknesses of mineralisation might be associated. Drilling to explore the boundary fault has been postponed until completion of the geophysical survey.

**Minco plc 1 year Share Chart**



Source: Bloomberg

**Xtierra Inc. 1 year Share Chart**



Source: Bloomberg

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I, Mike Franklin, Director at Beaufort International Associates Ltd hereby certify that the views expressed in this report accurately reflect my personal views about the subject company and its securities. I also certify that I have not been and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

## Relevant Disclosures

Company	Code	Relevant Disclosures
Minco plc	MIO	1,2,3,6
Xtierra Inc	XAG	None
Xstrata	XTA	None
Xstrata Zinc	n/a	None
Sprott Asset Management	n/a	None
IMC International Limited	n/a	None

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