

# Minco Exploration plc

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## Minco Exploration Publishes Annual Report & Accounts 2019

**30 June 2020 | Minco Exploration plc** (“Minco” or the “Company”) announces the publication of its Annual Report and Accounts for 2019.

The Annual Report and Accounts is available for inspection and/or download on the Company’s website at <https://www.MincoExploration.com> and is available for inspection at the Company’s office at Coolfore Road QME, Ardracran, Navan, Ireland and its registered office at 17 Pembroke Street Upper, Dublin 2, Ireland.

### **Chairman John F. Kearney, Letter to Shareholders**

Welcome to the first Annual Report of Minco Exploration plc (“MNX”) which marks the return of Minco to mineral exploration in Ireland.

Minco Exploration’s mission is simple, it is the discovery of a world class mineral deposit to create value for shareholders and which will lead to the development of a mine in an environmentally, socially, and ethically responsible manner for the benefit of all stakeholders. We believe that the best opportunity for the creation of shareholder value and stakeholder benefit lies in the exploration for and discovery of new mineral deposits.

Minco Exploration traces its roots in Ireland back to 1966 as Minco Ireland Limited. From 1997 until 2017, Minco Ireland was a wholly owned subsidiary of Minco Plc, an Irish public company with its shares traded on the AIM market of the London Stock Exchange.

In August 2017, as part of an arrangement where Minco sold its royalty on the Curraghinalt gold deposit in Northern Ireland, Minco plc was acquired by Dalradian Resources Inc and all the remaining assets of Minco plc, except that royalty, including Minco Ireland, were “spun-out” to shareholders of Minco plc via a distribution of the shares of its then wholly owned subsidiary, Buchans Resources Limited, a Canadian mineral exploration and development company with assets in Canada, Ireland and Mexico.

However, within a short time, the Board determined that future opportunities would be enhanced if the unique aspects of the zinc-lead exploration properties in Ireland were held in a separate public company, with a simple, focused company structure, which can offer direct investment exposure to shareholders.

In 2019, Buchans reorganized its mineral assets and investments and distributed to its shareholders exchangeable warrants entitling shareholders to receive either one share of Minco Exploration or 0.25 additional shares of Buchans, at their option, for each share of Buchans held. Details of the reorganization will be found in the Directors Report and the Financial Statements sections of this Annual Report.

### ***A long history of exploration***

Minco Ireland, incorporated in Ireland in 1966, has been actively involved in mineral exploration in Ireland for over fifty years, and is the successor to Irish Base Metals Limited and Gortdrum Mines Ireland Limited, both subsidiaries of Northgate Exploration Limited which discovered and developed

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the Tynagh Mine in Co. Galway that operated from 1965 to 1981; and the Gortdrum Mine in Co. Tipperary that operated from 1967 to 1975. This led to the discovery of the world class Tara Mine at Navan in Co. Meath in 1970, which continues in operation today.

In 1996, Minco Ireland identified the geological potential of the "Pallas Green Trend" in Counties Limerick and Tipperary, attracting Noranda Inc, then one of Canada's leading mining companies (subsequently acquired by Xstrata plc) as a joint venture partner in 1998. This led to the discovery of the Pallas Green deposit in Limerick in 2002. The Pallas Green deposit now exceeds 40 million tonnes and is the second largest mineral deposit ever discovered in Ireland. Minco Ireland later sold its 24% joint venture interest in Pallas Green to Xstrata (Glencore) for US\$19.5 million in 2011.

As the successor to the mineral properties of Ennex International Plc, a subsidiary of Northgate which discovered the Curraghinalt gold deposit in Northern Ireland in 1984, Minco Plc retained a 2% NSR on the Curraghinalt gold deposit which was sold to Dalradian Resources Inc in 2017 at an attributed value of CDN\$29 million when Minco plc was acquired by Dalradian. Most of the consideration received in Dalradian shares was distributed to Minco plc shareholders.

Minco is now again actively exploring for zinc and lead in Ireland. *"The Lower Carboniferous carbonate rocks of the Irish Midlands host one of the great orefields of the world. Since 1960, 14 significant (resource >1Mt) zinc-lead deposits have been discovered, including the world class orebody at Navan (>100Mt). Ireland is globally ranked first in terms of zinc discovered per km<sup>2</sup>, and second with respect to lead. High grades, shallow occurrences and clean metallurgy of orebodies, all result in a relatively low cost of mining for the Irish-type Zn-Pb deposits."*<sup>1</sup>. Minco hold interests in four well located, licence blocks in Counties Meath, Westmeath and Galway, all with identified drill ready exploration targets.

## **Joint Ventures with Boliden Tara**

In pursuit of the discovery of world class mineral deposits Minco Exploration, through its subsidiary Minco Ireland Limited, continues to focus on the exploration in Ireland, both on its own, but importantly also in joint venture with its partner, Boliden-Tara Mines, which operates the world class Tara Mine at Navan and is a subsidiary of Boliden AB of Sweden, Europe's largest zinc and copper company.

Minco holds some of the most prospective exploration ground in Ireland, in joint venture with Boliden Tara, immediately adjacent to the Tara Mine at Navan. It is an old adage in exploration that the best place to look for a mine is near an existing mine. This was proven by Boliden with the recent discovery, with the help of modern seismic technology, of the new Tara Deep deposit which is now estimated to be at least 22 million tonnes.

Minco has also negotiated a new joint venture with Boliden Tara on a large package of prospecting licences in the Slieve Dart area of County Galway. In late 2019, a seismic acquisition program was undertaken over 21 kilometres, supported in part by the Geological Survey of Ireland, the processing and interpretations of the results was completed in early 2020, and the next step will be to drill along the line of the seismic survey. Further details of these activities and opportunities will be found in the Review of Operations section of this Annual Report

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<sup>1</sup> Minerals Ireland - Exploration and Mining Division- Department of Communications, Climate Action and Environment -www.minerals.ie.

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## *Looking to the future*

During the first quarter of 2020 Minco Exploration completed a private placement of new shares to raise €500,000 and is taking steps to apply for a stock exchange listing, subject to market and trading conditions, on the Euronext Dublin Stock Exchange, with the stock ticker symbol of “MNX”.

However, the most pressing issue facing Minco Exploration, and indeed all other companies and people in the world today, is COVID-19 which has impacted everyone from a health, financial and daily living perspective. While the wide-reaching impact of COVID-19 has slowed us down, both in obtaining a stock exchange listing and in our planned 2019 drilling programs, we are still looking towards the future and believe that the medium to long term demand for metals is growing, particularly in the new, noncarbon electric economy, and the fundamental outlook for all base metals, including zinc, remains very strong.

In recent years, there has been an increasing focus on environmental, social and governance initiatives. This is not something new in the Minco group as we have always placed high importance on these areas. What is perhaps new is formalizing and reporting on these aspects. Amidst the ongoing COVID 19 pandemic, Minco Exploration is continuing to operate in a socially responsible manner, ensuring the safety of all our personnel, stakeholders, and community. Further details of these initiatives and policies can be found in the Corporate Governance and Social responsibility section of the Directors Report.

Minco is fortunate to have a strong, hands-on Board of Directors with a wide range of skills and experience. Profiles of the directors can be found opposite the inside back cover of this Annual Report. To enhance and rejuvenate the Board we have recruited two outstanding new directors, John Clifford and Garth Earls, to join the Board. These individuals bring unparalleled and relevant experience to our team.

Looking to the future, notwithstanding all the COVID-19 related issues and unexpected delays of the past few months, we have not lost focus on our objectives. We remain very excited about our exploration targets and the future prospects for Minco Exploration.

We thank all shareholders for their continued enthusiasm for mineral exploration and, although mineral exploration is always a high-risk speculative endeavour, we remain confident in the discovery of another new mine in Ireland.

***John F. Kearney***  
*Chairman of the Board*  
30 June 2020