

16 January 2006

## **Ormonde Mining plc**

### **La Zarza Drilling Results and Update**

DUBLIN & LONDON: 16 January 2005 - Ormonde Mining plc ("Ormonde" or "the Company") reports the first set of results received from its Phase Two drilling programme at the La Zarza Gold-Copper Project in southern Spain, where it is earning a 70 per cent interest. Further progress in the metallurgical testwork programme is also reported.

Ormonde's objective at La Zarza is to establish a mining operation producing gold, copper and silver. Results from ongoing drilling, metallurgical testwork and resource estimation will be incorporated into a Preliminary Assessment Study to be conducted in Q2 2006, leading to a feasibility study later in the year.

#### **MAIN POINTS**

- Drilling results demonstrate continuity in copper mineralization over extensive intervals with an intersection of **47.2 metres grading 2.0 per cent copper**, including **12.0 metres grading 2.5 per cent copper**.
- Gold intersections include **4.0 metres grading 6.2 grams per tonne**.
- Further positive results received from metallurgical testwork.

Kerr Anderson, Managing Director, said today,

"With the Phase Two drilling programme at the half way stage, we are satisfied that this work, in conjunction with the testwork programme, will enable us to move into a feasibility study this year. This will be a major step in achieving our objective of adding significant value for shareholders by developing a gold and copper mining operation at La Zarza."

#### **PHASE TWO DRILLING**

Results have been received for holes ORM12 to ORM17, drilled on two profiles in the western section of the La Zarza deposit, with significant intersections as follows:

<b>Hole</b>	<b>From (m)</b>	<b>Width (m)</b>	<b>Gold g/t</b>	<b>Copper %</b>	<b>Silver g/t</b>	<b>Gold equiv.</b>
<b>ORM12</b>	295.0	3.0	4.5	1.7	26.3	9.1
<b>ORM14</b>	67.9*	47.2	0.6	2.0	35.6	6.1
<i>includes</i>	67.9	7.2	0.7	2.4	75.0	7.8
<i>and</i>	79.0	12.0	0.7	2.5	45.0	7.5
	199.0	5.0	0.6	2.5	29.0	7.2
	219.0	4.0	6.2	0.3	27.0	7.4
<b>ORM15</b>	72.0*	37.0	0.6	1.7	25.7	5.2
<i>includes</i>	81.0	5.0	0.8	2.1	25.6	6.3
	134.0	24.0	0.4	2.1	24.8	5.9
<b>ORM16</b>	149.0	6.0	4.5	0.4	27.8	6.0
<i>includes</i>	150.0	2.0	10.2	0.4	26.0	11.6

Notes:

All intersections are hosted by the Silicatado unit, with the exception of ORM16 which occurs within Massive Sulphide at the contact with the Silicatado.

In-situ gold equivalents, shown for comparative purposes, are calculated using the following prices: \$450/oz Au, \$3,500/t Cu, \$8/oz Ag.

\* = Due to drilling angles these two intersections are on average 20 metres apart.

Ormonde's Phase Two drilling programme is partially infilling the areas covered by previous operator SEIEMSA's 1997 non-JORC resource estimate, to determine grade and geological continuity of gold and copper mineralization to a higher level of confidence and thereby allow a proportion of the deposit to be classified in the JORC Indicated Mineral Resource category. This category of resource is required for preliminary mine design purposes as part of the feasibility study. The programme is focusing on the upper part of the La Zarza deposit where historical underground mine workings to extract pyrite extend into the gold-copper body.

The drilling to-date has demonstrated continuity in copper mineralization over extensive intervals, although structural offsets may have resulted in more irregular distribution of gold mineralization in the upper-western part of the deposit.

The Phase Two programme is ongoing and due for completion in February. On receiving all assay data from the programme, the Company will conduct a revised geological interpretation of the deposit, leading to a JORC-compliant resource estimation.

## **METALLURGICAL TESTWORK**

Further results have been received from ongoing metallurgical testwork on both the Gold and Copper Silicatado Composites.

### Gold Composite

Initial flotation tests showed up to 60 per cent of the gold was recovered by standard flotation procedures to first-stage copper and lead concentrates, with a further 20-30 per cent going into a pyrite concentrate (previously reported). Initial leach tests on the pyrite concentrate show gold recoveries of around 20 per cent, however it is anticipated that this may be improved by using other recovery techniques.

Ongoing flotation testwork is targeted at maximising the amount of gold and silver that can be recovered to the copper and lead concentrates, this being the simplest and lowest cost processing route. Importantly, flotation would also recover value from the copper contained in the Gold Silicatado, not previously contemplated by a leaching option.

### Copper Composite

Results from a second copper composite indicate even better recoveries than those previously reported, suggesting that final copper concentrates should have grades of greater than 20 per cent copper at recoveries of 80-90 per cent. Conventional, single-stage flotation is envisaged to recover copper and silver from the Copper Silicatado, and Locked Cycle tests have been commissioned to establish final concentrate specifications.

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**BACKGROUND INFORMATION**

The La Zarza Gold-Copper Project is located in the Iberian Pyrite Belt mining district of southwest Spain. Historically mined for pyrite by open pit and underground, unexploited gold and copper mineralization was drilled in the 1990s by a BRGM-Normandy joint venture (SEIEMSA), which outlined a non-JORC resource estimate of 950,000 ounces of gold, 9.5 million ounces of silver and 81,000 tonnes of copper. In June 2004, Ormonde signed an agreement with the property owner whereby Ormonde can acquire a minimum 70 per cent interest in the La Zarza concessions by spending €1.8 million over three years.

Ormonde Mining is quoted on the AIM and IEX markets in London and Dublin, respectively. The Company is focused on acquiring and developing gold projects in Spain where it has a strong local Spanish management team, supported by a Board with extensive exploration expertise and mine development experience.

For more information and contact details including email, please visit [www.ormondemining.com](http://www.ormondemining.com).