

28 February 2006

Ormonde Mining plc

Option to Acquire Tungsten Project in Salamanca

DUBLIN & LONDON: 28 February 2006 - Ormonde Mining plc ("Ormonde" or "the Company") announces that it has entered into an option agreement to acquire the Barruecopardo Tungsten Tailings Project ("the Project"), located in the permit area of the Company's Salamanca Gold Project in Western Spain.

During Ormonde's option period, which runs until September 2006, it will fully assess the grade, volume, and rate of recovery of the tungsten contained in the dumps and tailings ("tailings") material produced from the Barruecopardo tungsten mine. Recent sampling by Ormonde of the vein material originally mined to produce the tungsten has also confirmed the presence of gold with the tungsten and this gold potential will also be evaluated. Upon exercising its option, Ormonde would have 100 per cent of the mineral rights pertaining to tungsten and gold for which it will pay an annual royalty and lease fee.

The Company envisages a simple, low-cost operation initially processing around 400,000 tonnes of material per annum through a small gravity separation plant, to produce high-quality tungsten concentrates for direct sale. There would be no mining cost and a low milling cost as the material is already partially crushed. Production capacity could be increased following the start-up of an operation.

The Barruecopardo Mine, which closed in the early 1980s, was one of Europe's largest tungsten operations producing some of the highest quality tungsten products in the market. Mining records suggest, however, that the rate of tungsten recovery was only about 40 per cent, indicating that a majority of the tungsten was discarded in the tailings. Ormonde estimates that there is between 5-10 million tonnes of tailings at grades of 0.08 to 0.10 per cent WO₃, which potentially represents a significant resource.

Ormonde's Chairman Mike Donoghue said today,

"The Tungsten Tailings Project has potential to become a near-term profit-generating operation and gives Ormonde exposure to upside in the tungsten price, being at its highest for over 20 years. We feel that the Project, considering the low capital spend required, has distinct potential which can be exploited at low cost and without detracting management resources from our core assets."

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BACKGROUND INFORMATION

Ormonde Mining is quoted on the AIM in London and the IEX in Dublin. The Company's strategy is to enhance shareholder value by developing gold projects in Spain and taking them into production. Ormonde has a strong local Spanish management team, supported by a Board with extensive mine development and exploration experience.

For more information and contact details including email, please visit www.ormondemining.com.

ABOUT TUNGSTEN

Tungsten is most frequently used as tungsten monocarbide, which has a hardness close to diamond, in cemented carbides. The most well-known use of tungsten is in lighting filaments, and other important applications include improving steel properties and use in tungsten alloys, electronics, and chemical products.

Annual world production is only 74,000 tonnes of tungsten metal, with the largest producer being China. One of the world's largest producers of tungsten concentrates outside China is the Panasqueira mine in Portugal.

Marketable ore concentrates of scheelite, the main tungsten mineral at Barruecopardo, typically contain 65-70 per cent WO₃ (tungsten trioxide). Concentrates are generally priced per "metric tonne unit" (mtu), equivalent to 10 kilograms. Prices of tungsten concentrates, which are traded through private contracts and not on an open market, have increased three-fold in the past year in market conditions which are expected to remain buoyant for the long term. Recent quotes for tungsten concentrates have been reported by the Metal Bulletin in the range \$190-\$220/mtu, with some reporters commenting that the demand for tungsten products is increasing much faster than the supply can be developed.