

12 May 2006

## **Ormonde Mining plc**

### **Placing Raising Stg£3.04 million (Euro4.47 million)**

DUBLIN & LONDON: 12 May 2006 - The Board of Ormonde Mining plc ('Ormonde' or 'the Company') is pleased to announce the conditional placing of 15,202,871 new ordinary shares of nominal value Euro0.025 ('New Ordinary Shares') in the capital of the Company at Stg20.0p (29.4c) per share, equating to approximately 10 per cent of the existing issued share capital of the Company and raising in aggregate approximately Stg£3.04 million (approximately Euro4.47 million) before expenses ('the Placing'). The New Ordinary Shares will, when issued and fully paid, rank pari passu in all respects with the existing issued ordinary shares. The Placing is conditional only on the New Ordinary Shares being admitted to trading on the Alternative Investment Market of the London Stock Exchange ('AIM') and on the Irish Enterprise Exchange of the Irish Stock Exchange ('IEX'). The Placing was arranged by Davy and Seymour Pierce. The New Ordinary Shares were placed primarily with institutional investors in London and Dublin.

Paul Mihalop, a Non-Executive Director of the Company, subscribed for 500,000 New Ordinary Shares as part of the Placing. This represents approximately 0.30% of the enlarged issued share capital of the Company (his total shareholding in the Company).

The Company intends to use the net proceeds of the Placing, amounting to approximately Stg£2.92 million (approximately Euro4.29 million), to further its strategy of building a gold mining business in Spain. In particular, proceeds will be used to conduct the Feasibility Study on the La Zarza Copper-Gold Project and advance the Company's gold-tungsten interests in Salamanca. This work will include drilling of the newly-identified gold targets and full assessment of the tungsten tailings project. Remaining funds will be used for general corporate and working capital purposes.

Application will be made to the London Stock Exchange and to the Irish Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM and IEX, respectively. Dealing is expected to commence in these shares on 17 May 2006.

The Board also wishes to advise that the Company's Chairman, Mike Donoghue, a mining engineer of 30 years global experience, is now an Executive Director reflecting the more advanced nature of Ormonde's lead project La Zarza.

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### **Background Information**

Ormonde Mining plc is quoted on the AIM in London and the IEX in Dublin. The Company's strategy is to enhance shareholder value by developing gold-focused 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](http://www.ormondemining.com).

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