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Ormonde Mining plc

Scoping Study Indicates Positive Economics for La Zarza Copper-Gold Project, Spain

DUBLIN & LONDON: 04 September 2006 - Ormonde Mining plc ("Ormonde" or "the Company") reports the completion of a pre-feasibility Scoping Study ("the Study") for the La Zarza Copper-Gold Project in southwest Spain ("the Project"), where it is earning a minimum 70% interest.

The Study demonstrates positive economics for an underground mining operation, which would involve a Phase 1 development from surface to 460 metres depth via a ramp-decline access mine, and a processing plant. The additional work programmes to complete the bankable feasibility study by mid 2007 are already underway.

The main points from the Study, which includes estimates of capital and operating costs to an accuracy of +/- 25%, are as follows:

- **Phase-1 development envisages an underground mining operation producing 450,000 tonnes per annum over a 10-year mine life.**
- **Mining would be by mechanised open-stopping via a new ramp access from surface.**
- **Copper, gold, silver, zinc and lead would be recovered from the ore by using conventional flotation technology to produce saleable copper, "precious metal" and zinc concentrates; previous evaluations had not considered the production of a zinc concentrate.**
- **Pre-production capital costs are estimated to be €26 million.**
- **Cash operating costs of €31 per tonne treated.**
- **At metal prices of \$4,400/tonne (\$2/lb) copper and \$550/ounce gold, the ungeared IRR would be 21%, rising to 36% with appropriate gearing (at current prices of \$7,000 copper and \$600 gold, the IRR would be 65%).**
- **Deeper drilling will commence to extend the resource below its current base where the deepest existing hole returned 8 metres grading 2.6% copper and 12 metres grading 8.3 g/t gold.**

Kerr Anderson, Managing Director, said today,

"The positive outcome of the Study confirms our view that we have a viable mining project. The Study gives us confidence in the Project's cashflow potential at the metal prices used, and if metal prices were to remain high, the economic returns could increase substantially. We are already proceeding with a full feasibility study, and as much of the groundwork has already been carried out in the Scoping Study, this should reduce the time required for the completion of the feasibility stage".

The Study has been prepared by Ormonde with contributions from several independent consultants including: Wardell Armstrong International, UK; Golder Associates, UK; Prehenita S.L., Spain; FinOre Mining Consultants, Australia; S. Nicol, Mining Consultant; and LN Metals International, UK.

The La Zarza copper-gold deposit has total resources of 6.8 million tonnes from surface to a depth of 500 metres, the present limit of drilling (JORC-compliant Mineral Resource estimate, 24 April 2006). Although Ore Reserves have yet to be defined, an estimate of "potentially mineable material" has been conducted for the purposes of the Study, using a modelled stope optimization process (Datamine MRO). Based on the present drill spacing, 3.6 Mt of the resource is deemed potentially mineable, and for the purposes of the Study it is assumed that an additional 0.9 Mt will be upgraded to mineable as drilling progresses.

Deeper drilling and additional capital to extend the existing 270m deep shaft would be required to mine the resources below 460 metres depth, the limit of the present study, where the deepest drill hole intersection in the deposit returned 23 metres of mineralization including 8m grading 2.6% copper and 12m grading 8.3 g/t gold.

Metallurgical testwork has shown that zinc could be recovered in the flotation plant, where previous evaluations had not considered the production of a zinc concentrate. This also opens up the possibility of mining zinc-copper rich parts of the massive sulphide adjacent to the existing resource.

In addition to the Study, Ormonde is currently working with consultants regarding environmental, health and safety and sustainability aspects to be considered during development of the Project. Base line studies for an Environmental Impact Assessment have already commenced.

The other main items to be addressed in the Bankable Feasibility stage are as follows:

- Completion of all infill drilling to enable definition of Ore Reserves
- Completion of optimisation and variability metallurgical testwork
- Finalisation of mill and mine designs
- Environmental and other regulatory requirements for full permitting of the proposed mining operation
- Negotiation of possible offtake arrangements for the main concentrates.

Enquiries to:

Kerr Anderson, Managing Director,
Ormonde Mining plc Tel: +353 (0)46 9073623

Fraser Gardiner, Director,
Ormonde Mining plc Tel: +353 (0)86 3931178

Simon Rothschild, PR and IR adviser,
Bankside Consultants Tel: +44 (0)20 7367 8871

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About La Zarza

The La Zarza Copper-Gold Project comprises a group of Mining Concessions covering a total of 13 square kilometres in the Iberian Pyrite Belt mining district of southwest Spain, some 50 kilometres north of Huelva and 90 kilometres northwest of Seville. Ormonde signed an agreement with the owner of the concessions in June 2004, whereby Ormonde can acquire a minimum 70% interest by spending €1.8 million over 3 years.

In April 2006, Ormonde published a JORC-compliant Mineral Resource estimate for the Project: total Indicated + Inferred resources of 6.8 million tonnes containing 85,000 tonnes of copper, 486,000 ounces of gold and 6.9 million ounces of silver. The Project benefits from existing road, rail, power and water infrastructure in the immediate proximity, a local skilled workforce and available contractors in this historic mining area, and appropriate regulatory and investment regimes.

About Ormonde

Ormonde Mining plc is quoted on the AIM in London and the IEX in Dublin. The Company's objective 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.