

17 June 2008

## **Ormonde Mining plc**

### **New Resource Estimate Trebles the Size of the Barruecopardo Tungsten Project**

DUBLIN & LONDON: 17 June 2008 - Ormonde Mining plc ("Ormonde" or the "Company") is very pleased to report a new Mineral Resource estimate for its Barruecopardo Tungsten Project in Salamanca, Spain (the "Project"), prepared by independent consultants CSA Global Pty Ltd ("CSA Global"), which shows a threefold increase in resource tonnage.

#### **Highlights**

- New Mineral Resource of **3.0 million tonnes grading 0.60% tungsten trioxide (WO<sub>3</sub>)** in the JORC Inferred category, up threefold from the previous figure of 1.0 million tonnes at 0.70% WO<sub>3</sub>
- This new resource equates to **1.8 million metric tonne units ("mtu")**, or 18,000 tonnes, of contained WO<sub>3</sub>, up from the 7,000 tonnes of WO<sub>3</sub> listed in the Company's January 2008 resource estimate
- The scale of this major increase in the resource over the past five months reflects the exceptional results received from the intensive drilling programmes over the period, and the identification of new resource zones along the known 1.5 kilometre strike length of the Barruecopardo deposit (see accompanying cross-sections at <http://www.ormondemining.com/doc/press/pr080617.pdf>)
- The new Mineral Resource significantly exceeds the Company's near term target, and this, combined with the very satisfactory metallurgical results released on 11<sup>th</sup> June opens up the possibility of enlarging the scope of the project; the mine design phase of the project, which Ormonde has recently initiated, will address this possibility
- There is extensive additional resource potential in the area as the multiple tungsten resource zones, currently identified at Barruecopardo, remain completely open along strike and at depth, and satellite resource opportunities exist at several prospect locations within the surrounding permit area.

Kerr Anderson, Managing Director, said:

"This new Mineral Resource estimate has considerably exceeded our near term target and demonstrates the increasingly substantial scale of the Barruecopardo deposit. The enlarged resource contains an in-ground metal value of over \$300 million at current metal prices\*, with the resource open in all directions.

"The new resource, combined with the excellent metallurgical results reported last week, favourable mining conditions and good infrastructure, makes Barruecopardo a significant tungsten development project by global standards. This is a huge boost to our efforts to get the Project into production and generate cashflow as soon as possible."

\* Calculation based on \$180/mtu WO<sub>3</sub>

A PDF version of this announcement which includes images relating to today's announcement is available at <http://www.ormondemining.com/doc/press/pr080617.pdf>.

## **Mineral Resource Statement**

The Mineral Resource Estimate has been prepared by CSA Global and is reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 edition).

CSA has classified all of the Mineral Resource in the Inferred category, and has reported the Mineral Resource at a series of cut-off grades as follows:

<b>Cut-off (WO<sub>3</sub>%)</b>	<b>Tonnes (millions)</b>	<b>Grade (WO<sub>3</sub>%)</b>	<b>Contained WO<sub>3</sub> (mtu*)</b>
0.4	3.0	0.60	1.8 million
0.2	6.0	0.45	2.7 million
0.0	22.8	0.15	3.4 million

\* mtu = metric tonne unit, the standard unit of measurement for tungsten, which is equivalent to 10 kg of WO<sub>3</sub>. 1.8 million mtu is equivalent to 18,000 tonnes.

The Barruecopardo Mineral Resource estimate was completed under the overall supervision and direction of Mr David Williams MAusIMM, who is a Competent Person as defined by the JORC Code (2004 Edition) and who consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

From these figures, the resource at a 0.4% cut-off has been selected as providing the most representative tonnage and grade at this stage of the Project's development. However the figures at lower cut-offs provide a firm indication of the overall scale of the tungsten mineralised system as currently defined.

The Company's January 2008 Mineral Resource estimate, based on the limited drilling information available at that time, was 1.0 million tonnes grading 0.7% WO<sub>3</sub>, or 700,000 mtu (7,000 tonnes) of contained WO<sub>3</sub>.

The enlarged Mineral Resource is a major milestone in the ongoing evaluation of the Project:

- Mining Studies have commenced and, following the resource increase, will now be expanded to include investigation of bulk lower cost mining possibilities for the thicker mineralised zones
- The recently reported metallurgical results suggest that there will be a high recovery of the contained tungsten in a gravity processing plant and the final testwork phase to facilitate treatment plant design is now underway
- Infill drilling is required to convert the part of the resource identified for initial mining into the Indicated Resource category.

## **Additional Resource Potential**

The Mineral Resource has been modelled to depths of 230 metres below the ground surface, and only 140 metres below the base of the historic open pit. Drilling has shown that all resource zones over the 1.5 kilometre strike length of the deposit continue at depth, highlighting significant resource potential in this direction.

The new resource equates to a tonnage distribution of 1.8 million tonnes for every 100 metres of depth of the deposit. As the mineralisation remains open at depth along its full currently known 1.5 kilometre strike length, the Company believes that there is considerable scope for very significant increases to this resource in the future.

In addition to the main Barruecopardo deposit, other tungsten prospects within Ormonde's 425 square kilometre permit area provide possible satellite resource opportunities. In this regard, the Valdegallegos Prospect, which is adjacent to Barruecopardo, is likely to be the most significant. A single Ormonde drillhole there returned high-grade intervals of 0.9m grading 2.7% WO<sub>3</sub> and 1.3m grading 0.8% WO<sub>3</sub>, and extensive surface workings further indicate the presence of significant tungsten potential.

Kerr Anderson PhD EurGeol PGeo, Managing Director of Ormonde Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, March 2006, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement.

A glossary explaining technical terms contained in this announcement can be found at [www.ormondemining.com/projects/glossary.html](http://www.ormondemining.com/projects/glossary.html).

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ENDS

**About Tungsten**

Tungsten is most frequently used as tungsten monocarbide, which has a hardness close to diamond, in cemented carbides. The principal tungsten applications include its use in cutting steels and in tungsten alloys, electronics, and chemical products.

Prices of tungsten concentrates are expected to remain buoyant for the long term, and are currently quoted by the Metal Bulletin in the range \$160-\$180 per metric tonne unit. A metric tonne unit is equal to 10kg of WO<sub>3</sub>, which equates to 1.0% contained WO<sub>3</sub> in the rock.

**About Ormonde**

Ormonde Mining plc is quoted on the AIM in London and the IEX in Dublin. Ormonde is a mineral development and exploration company focused on Spain, with the objective of developing mining projects and taking them into production.

For more information please visit [www.ormondemining.com](http://www.ormondemining.com).

## TECHNICAL SUPPORTING INFORMATION

Data from 45 Ormonde drill holes were used in the Mineral Resource estimate. Significant results from these holes are listed in Table 1 below.

The Mineral Resource has been estimated using Datamine software and using Ordinary Kriging. A top cut of 2.5% WO<sub>3</sub> was applied to the sample database prior to grade estimation.

A geological interpretation has allowed geological continuity between drill hole intercepts to be assessed. The interpretation has been developed as an iterative process by cross-referencing information plotted on cross-sections, level plans and longitudinal projections. A block model was constructed based upon the geological interpretations.

### Bulk Density

A database of bulk density data was analysed to determine an appropriate bulk density to apply to the resource. Measurements were derived from selected diamond drill core using the "wet and dry" immersion method. A bulk density figure of 2.7 t/m<sup>3</sup> was consequently applied to the Mineral Resource.

### Sampling, Assaying and Quality Control Measures

All core has been routinely logged by an experienced geologist. Relevant core intervals were split in half by diamond saw, with half being sent for assay and the other half being retained in the core boxes for reference.

Sample preparation and analyses were performed at ALS Chemex, Vancouver and ASA-OMAC Laboratories, Ireland. Reference samples (blanks, duplicates and certified standards are routinely included in each sample batch as quality control measures. In addition check assays are performed on selected mineralised samples are carried out.

### Resource Classification

The Mineral Resource is classified in the Inferred resource category of The JORC Code (2004). See the Glossary for definitions of the JORC resource categories.

**TABLE 1 – Significant drilling results**

Hole	From (m)	Width (m)	True Width (m)	WO <sub>3</sub> %
<b>BAR-01</b>	115.7	1.0	0.8	<b>0.5</b>
<b>BAR-02</b>	79.0	3.0	2.5	<b>0.3</b>
	125.0	3.0	2.6	<b>0.5</b>
	253.0	3.0	2.6	<b>0.7</b>
	295.0	1.0	0.9	<b>1.4</b>
<b>BAR-03</b>	101.5	3.4	2.5	<b>1.0</b>
<b>BAR-04</b>	122.0	0.9	0.6	<b>1.6</b>
	142.5	0.6	0.4	<b>4.5</b>
<b>BAR-05</b>	22.7	0.8	0.7	<b>0.7</b>
	133.7	1.7	1.5	<b>0.4</b>
<b>BAR-06</b>	106.3	0.5	0.4	<b>0.7</b>
	181.6	1.2	0.9	<b>0.6</b>
	245.0	1.0	0.7	<b>0.7</b>
<b>BAR-09</b>	119.0	2.0	1.5	<b>2.1</b>
<b>BAR-10</b>	125.0	2.0	1.4	<b>1.5</b>
<b>BAR-11</b>	114.0	1.0	0.7	<b>0.3</b>
<b>BAR-12</b>	128.0	2.0	1.4	<b>1.7</b>
<b>BAR-13</b>	123.0	2.0	1.4	<b>2.4</b>
<b>BAR-14</b>		No significant results		
<b>BAR-15</b>	122.0	2.0	1.4	<b>0.4</b>
<b>BAR-16</b>	91.0	1.0	0.7	<b>1.4</b>
	202.0	4.0	2.9	<b>0.6</b>
<b>BAR-17</b>	125.0	2.0	1.4	<b>0.9</b>
<b>BAR-18</b>	91.0	1.0	0.7	<b>0.7</b>
	254.0	1.0	0.7	<b>0.3</b>
<b>BAR-19</b>	96.0	8.0	5.8	<b>0.3</b>
	268.0	2.0	1.4	<b>0.5</b>
<b>BAR-20</b>	137.0	3.0	2.2	<b>1.0</b>
<b>BAR-21</b>	125.0	5.0	3.7	<b>0.5</b>
<b>BAR-22</b>	132.0	4.0	2.9	<b>0.2</b>
<b>BAR-23</b>	131.0	1.0	0.7	<b>0.3</b>
	150.0	1.0	0.7	<b>3.0</b>
<b>BAR-24</b>	67.0	3.0	0.9	<b>0.7</b>
<b>BAR-25</b>	94.0	2.0	0.7	<b>1.4</b>
<b>BAR-26</b>	80.0	1.0	0.8	<b>2.3</b>
<b>BAR-26B</b>	138.0	67.0	49.0	<b>0.3</b>
<i>Including</i>	138.0	7.0	5.1	<b>1.1</b>
<i>and</i>	185.0	4.0	2.9	<b>0.9</b>
<i>and</i>	203.0	2.0	1.5	<b>1.9</b>
<b>BAR-27</b>	28.0	4.0	3.3	<b>0.4</b>
	72.0	1.0	0.8	<b>1.1</b>
	80.0	1.0	0.8	<b>0.5</b>
	96.0	4.0	3.3	<b>0.4</b>
	264.0	1.0	0.8	<b>0.4</b>
	282.0	2.0	1.7	<b>0.6</b>

<b>BAR-28</b>	16.0	1.0	0.7	<b>0.9</b>
	171.0	1.0	0.8	<b>4.1</b>
<b>BAR-29</b>	63.0	1.0	0.8	<b>0.4</b>
	196.0	1.0	0.8	<b>0.3</b>
<b>BAR-31</b>	32.0	3.0	2.3	<b>1.3</b>
<b>BAR-32</b>	42.0	1.0	0.7	<b>0.4</b>
	52.0	1.0	0.7	<b>0.5</b>
<b>BAR-33</b>	61.0	1.0	0.5	<b>0.5</b>
	72.0	1.0	0.5	<b>0.4</b>
<b>BAR-34</b>		No significant results		
<b>BAR-35</b>	124.0	82.0	62.6	<b>0.25</b>
<i>Including</i>	141.0	5.0	3.8	<b>0.89</b>
<i>and</i>	160.0	2.0	1.5	<b>4.48</b>
<i>and</i>	190.0	1.0	0.8	<b>2.11</b>
<b>BAR-36</b>	117.0	32.0	20.9	<b>0.17</b>
<i>Including</i>	124.9	4.1	2.7	<b>0.55</b>
<i>and</i>	145.0	4.0	2.6	<b>0.37</b>
<b>BAR-37</b>	125.0	1.0	0.8	<b>0.46</b>
<b>BAR-38</b>	98.0	18.0	12.5	<b>0.22</b>
<i>Including</i>	98.0	1.0	0.7	<b>2.84</b>
<b>BAR-39</b>	10.0	1.0	0.8	<b>3.16</b>
<i>Including</i>	50.0	1.0	0.8	<b>0.71</b>
<b>BAR-40</b>	89.0	1.0	0.8	<b>0.43</b>
	118.0	1.0	0.8	<b>1.83</b>
	153.0	1.0	0.8	<b>1.51</b>
	162.0	1.0	0.9	<b>0.73</b>
	175.0	1.0	0.9	<b>0.61</b>
<b>BAR-41</b>	47.0	1.0	0.8	<b>0.42</b>
	61.0	1.0	0.8	<b>1.47</b>
	101.0	1.0	0.8	<b>1.13</b>
	113.0	1.0	0.8	<b>1.55</b>
	123.0	6.0	5.0	<b>0.67</b>
<b>BAR-42</b>	66.0	1.0	0.8	<b>2.99</b>
	132.0	1.0	0.8	<b>0.87</b>
<b>BAR-43</b>	59.0	1.0	0.8	<b>0.30</b>
	72.0	1.0	0.8	<b>0.33</b>
	82.0	1.0	0.8	<b>0.68</b>
<b>BAR-44</b>	21.0	1.0	0.8	<b>1.32</b>
	70.0	5.0	4.2	<b>0.50</b>
	89.0	7.0	5.9	<b>0.80</b>
	111.0	1.0	0.8	<b>0.49</b>
<b>BAR-45</b>	12.0	1.0	0.8	<b>0.72</b>
	37.0	1.0	0.8	<b>1.04</b>
	61.0	1.0	0.8	<b>0.51</b>
	78.0	1.0	0.8	<b>0.60</b>

## GLOSSARY

### TERM

### DEFINITION

#### Competent Person

A person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated from time to time. A 'Competent Person' must have a minimum of five years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which that person is undertaking.

#### Cut-off grade

The grade of material below which mining is uneconomic.

#### Indicated Mineral Resource

That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

#### Inferred Mineral Resource

That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

#### JORC Code (2004)

Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore

Reserves "The JORC Code" 2004 Edition.

**mtu**

Metric Tonne Unit

**Mineral Resource**

A concentration or occurrence of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

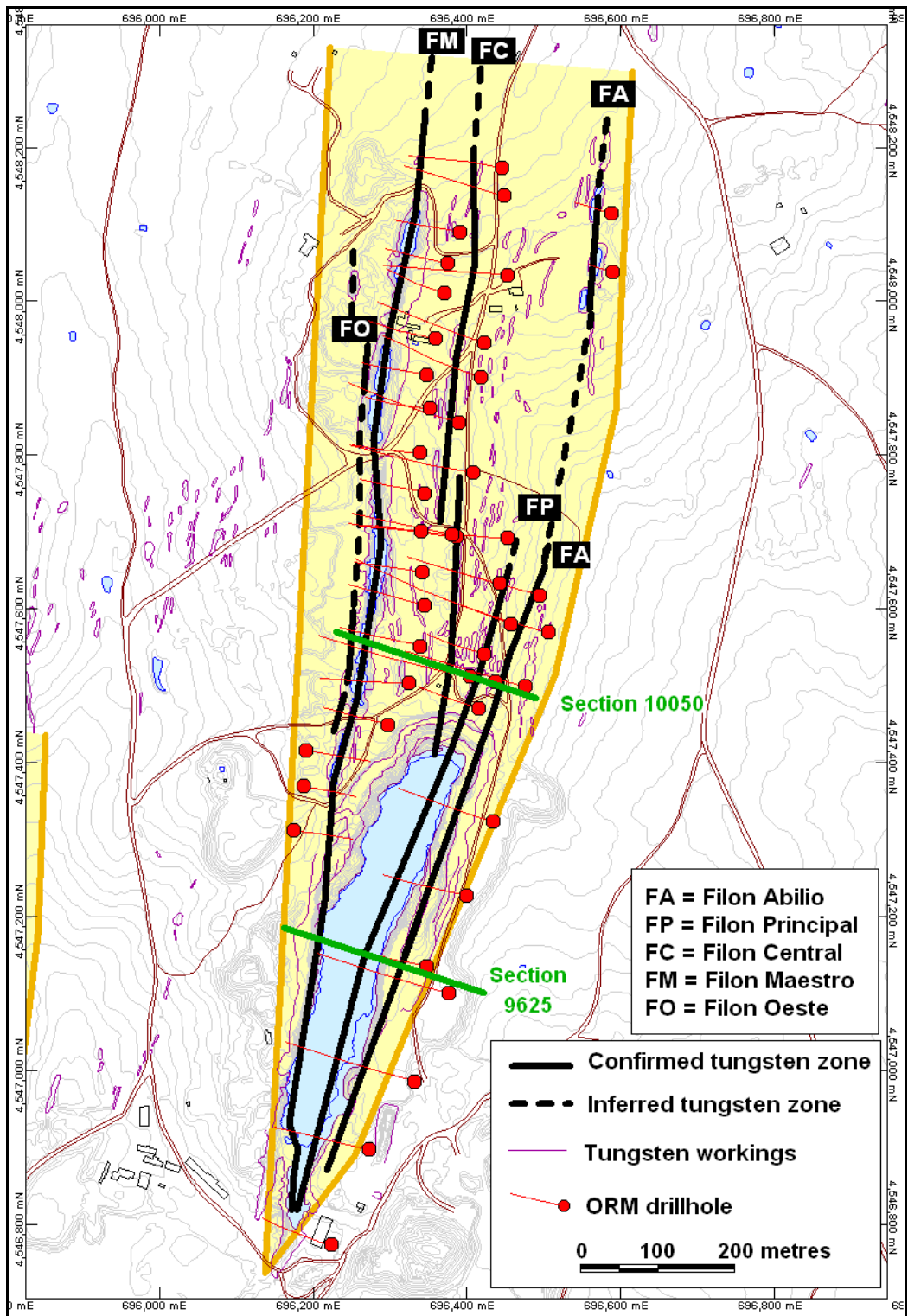
**Ordinary Kriging**

Ordinary Kriging is the most commonly used type of kriging, a geostatistical technique used in resource estimation to interpolate the value of a field (e.g., tungsten grade) at an unobserved location from observations of its value at nearby locations.

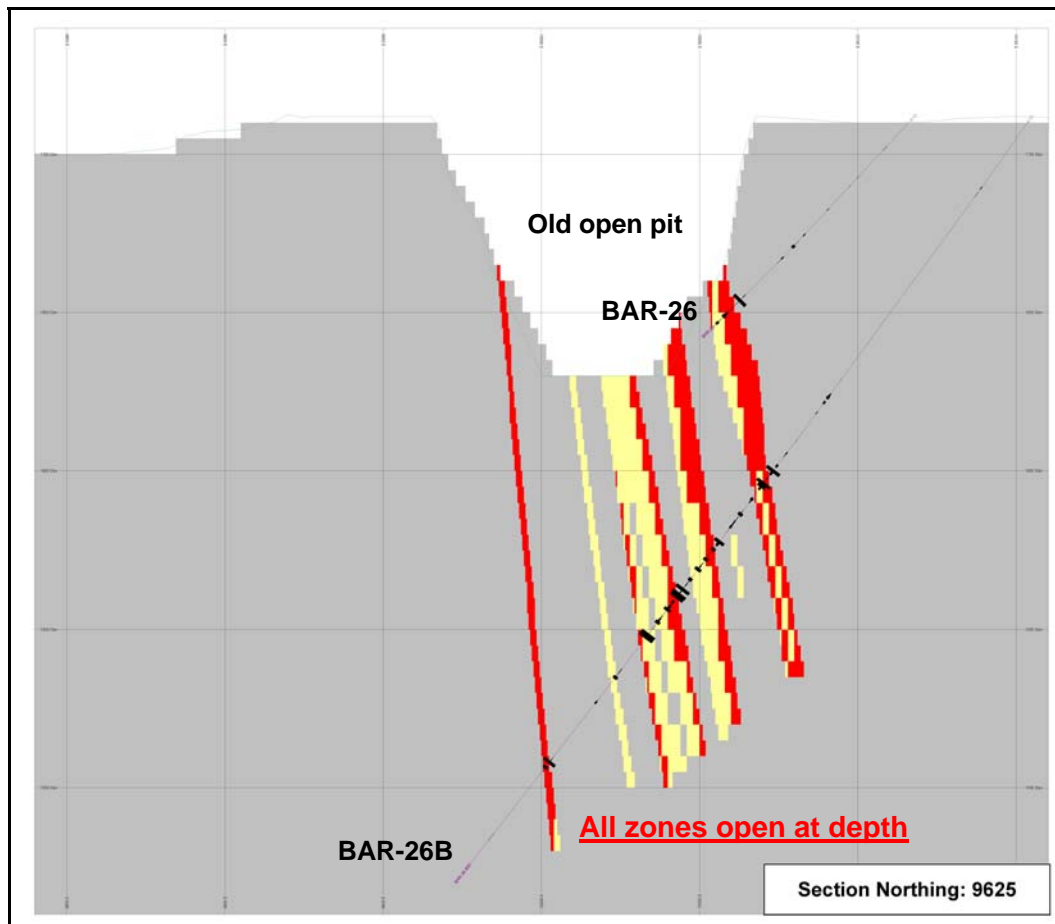
**WO<sub>3</sub>**

Tungsten trioxide, the standard form in the minerals sector for quoting tungsten content.

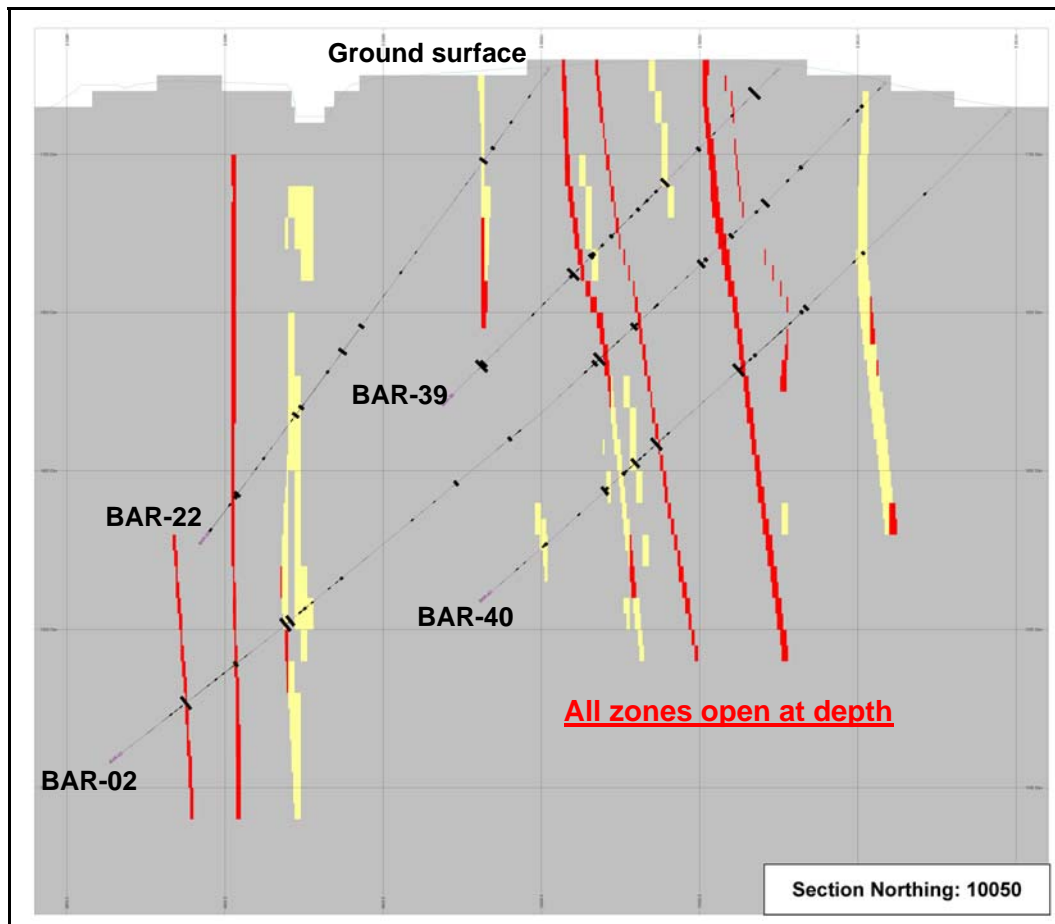




**Figure 2:** Detailed plan of the Barruecopardo Project site showing the interpretation of the main tungsten zones identified to-date, and the locations of Ormonde drillholes. Section lines refer to the cross-sections shown in Figures 3 and 4.



**Figure 3:** Cross-section through the resource block model on section line 9625. Grey =  $<0.1\% \text{WO}_3$ . Yellow =  $0.1 - 0.4\% \text{WO}_3$ . Red =  $>0.4\% \text{WO}_3$ .



**Figure 4:** Cross-section through the resource block model on section line 10050. Grey = <0.1% WO<sub>3</sub>. Yellow = 0.1 – 0.4% WO<sub>3</sub>. Red = >0.4% WO<sub>3</sub>.