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## **Ormonde Mining plc**

### **Drilling Results Highlight Potential for New Tungsten Resource in Salamanca**

DUBLIN & LONDON: 09 January 2007 - Ormonde Mining plc (“Ormonde” or “the Company”) reports tungsten results from its drilling programme on the northern extension of the Barruecopardo vein system, and updates on its Tungsten Tailings Project located in the Salamanca area in western Spain.

#### **Main Points**

- **Drilling results highlight potential for a new “hard rock” tungsten resource in the northern extension of the historically mined Barruecopardo vein system**
- **These results include high-grade tungsten values of 4.5%, 2.4% and 1.6% WO<sub>3</sub> (tungsten trioxide) over 0.6 to 1.0 metre intervals**
- **Positive tungsten results from scout drilling on the nearby Valdegallegos prospect indicate other possible tungsten zones in the immediate area**
- **First stages of gravity separation testwork programme on the adjacent and separate Tungsten Tailings Project have been completed and initial results are awaited**

Kerr Anderson, Managing Director, said today,

“The widths and grades of tungsten mineralization intersected in our drilling are encouraging and highlight the potential to delineate a new “hard rock” resource at Barruecopardo. We now plan to carry out a follow-up drilling programme to establish whether there is sufficient continuity in the vein system, meriting a more comprehensive drill-out of the deposit for resource delineation.

“We are also encouraged by tungsten prices which remain high and by the continuing strong fundamentals in the tungsten market.”

#### **Drilling Results – Barruecopardo Northern Extension**

Six core drill holes (BAR-1 and BAR-3 to BAR-7) have been completed on the northern extension for a total of 1,130 metres. Holes were drilled on three 200 metre spaced sections to test 400 metres of strike length and 150 metres of depth extent. All assay results have been received and are summarized in the table below, which includes results previously reported on 9<sup>th</sup> October 2006. The table also includes repeat assay results received for samples which gave high-grade tungsten values above the analytical detection limit in the original assaying (denoted with an asterisk \*).

Hole	From (m)	To (m)	Length (m)	WO <sub>3</sub> %
BAR-1	80.4	81.4	1.0	0.13
	89.3	95.9	6.6	0.05
	115.7	116.7	1.0	0.58
BAR-3	36.5	37.5	1.0	0.22
	42.3	43.3	1.0	0.32

	101.5	109.2	7.7	0.51
<i>including</i>	101.9	102.9	1.0	2.42*
	144.3	145.4	1.1	0.13
<b>BAR-4</b>	27.6	40.8	13.2	0.14
<i>including</i>	31.9	34.3	2.4	0.37
	110.4	111.7	1.3	0.31
	122.0	122.9	0.9	1.58*
	142.5	143.1	0.6	4.48*
<b>BAR-5</b>	22.7	23.5	0.8	0.65
	34.8	36.0	1.2	0.10
	133.7	135.4	1.7	0.39
<b>BAR-6</b>	106.3	106.8	0.5	0.32
	160.2	161.4	1.2	0.14
	181.6	182.8	1.2	0.55
<b>BAR-7</b>	72.1	73.1	1.0	0.05

In interpreting these results the following should be noted:

- Current prices for tungsten concentrates are in the region of US\$165 per metric tonne unit (or US\$16,500 per tonne of tungsten trioxide, WO<sub>3</sub>), with a grade of 1% WO<sub>3</sub> having an in-the-ground value of approximately US\$165 per tonne of mineralized rock. Prices have been reported as high as US\$220 during the past 12 months.
- Much of Western production comes from small, narrow vein underground deposits. For comparison, ore reserve grades at two of the main Western producing mines, Cantung (Canada) and Panasquiera (Portugal) are 1.17% and 0.23% WO<sub>3</sub>, respectively.
- The Barruecopardo tungsten mineralization contains coarse grained tungsten minerals which will yield a strong nugget effect, thereby requiring closely spaced drilling for resource definition.
- Mapping on surface suggests reasonable continuity of the Barruecopardo vein system over 800 metres of strike, which is steeply dipping and hosted in competent granite rocks.
- The tungsten grades intersected in the drilling, coupled with the likely gravity processing and potentially favourable mining geometry are seen as encouraging factors.

### Drilling Results – Valdegallegos Prospect

As part of the investigation in the Barruecopardo area, hole BAR-8 was drilled at Valdegallegos, where an extensive vein system was historically worked for tungsten by a series of shallow trenches and pits, around one kilometre to the west of Barruecopardo. This hole returned the intervals tabulated below, and indicates other possible tungsten zones in the immediate area.

Hole	From (m)	To (m)	Length (m)	WO <sub>3</sub> %
<b>BAR-8</b>	33.5	34.6	1.1	0.43
	97.9	98.8	0.9	1.26
	107.5	109.5	2.0	0.56

## **Tailings Project Gravity Testwork**

The first stages of a gravity separation testwork programme on the Tungsten Tailings Project have been completed, with initial results awaited. The testwork programme will determine the amount of tungsten recovered to a concentrate, the concentrate specification and the scope of capital and operating costs.

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/glossary.htm](http://www.ormondemining.com/glossary.htm).

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### **Additional Information**

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 mining projects in Spain and taking them into production. A Bankable Feasibility Study is currently underway at the La Zarza Copper-Gold Project, tungsten opportunities are being evaluated in the Salamanca area and several gold exploration targets are being tested in northwest Spain.

For more information on the Company and its projects please visit [www.ormondemining.com](http://www.ormondemining.com) or download the latest Investor Information Sheet from [www.ormondemining.com/pdf/ORMinfo.pdf](http://www.ormondemining.com/pdf/ORMinfo.pdf).

### **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.

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-\$170 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.