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Ormonde Mining plc

Ormonde Reports La Zarza Feasibility Study

DUBLIN & LONDON: 06 February 2008 - Ormonde Mining plc ("Ormonde" or the "Company") reports results received from the feasibility study (the "Study") on its La Zarza Project in the Huelva Province, southern Spain. The Study was carried out by internationally recognised consultants under the management of Aker Kvaerner Engineering Services Ltd, and evaluated an underground mining project at a 600,000 tonne per year ("tpy") production rate.

The Study provides a mining plan and process plant design to access the considerable revenue potential of the metals in the La Zarza deposit, and outlines a route designed to deliver saleable concentrates at good recovery levels of contained metal. The capital cost estimate in the case of the 600,000 tpy production rate is higher than anticipated, and in particular, this includes a higher than normal proportion of fixed capital costs. However the Study also makes key recommendations, which the Company is following with a view to maximising the returns from La Zarza. Consequently, using the considerable design data now available, Ormonde is evaluating two alternative development strategies as follows:

- An increase in the production rate through an enlargement of the mineral resource, based upon extensions to the thick zinc mineralised intersections identified in last year's drilling (reported November 2007);
- A reduction in capital costs; this may include an option for a more focussed initial development resulting in staging of capital investment.

Kerr Anderson, Managing Director, said:

"The current Study has shown that we have further work to do to maximise the return from La Zarza. We will therefore be following up on the Study's recommendations, aiming to improve the Project's debt capacity and economics and to identify the best development path to deliver optimum value from the Project. These studies will continue in tandem with our work to rapidly progress the Barruecopardo Tungsten Project."

The salient points from the current Study are:

- Independent estimate of Indicated Resources totalling 9.9 million tonnes as follows:

Copper Silicatado Mineralisation

2.6Mt grading 2.1% Cu, 0.5% Pb, 1.5% Zn, 30 g/t Ag and 0.9 g/t Au

Gold Silicatado Mineralisation

2.6Mt grading 0.6% Cu, 1.5% Pb, 2.1% Zn, 53 g/t Ag and 3.7 g/t Au

Massive Sulphide Mineralisation

4.7Mt grading 0.6% Cu, 1.0% Pb, 4.3% Zn, 36 g/t Ag and 0.9 g/t Au

- The 600,000 tpy production case calls for an underground mining operation with a flexible process plant capable of treating four mineralisation feeds and producing copper, gold, silver, zinc, and lead in four saleable concentrates.

- The majority of the paste tailings would be placed underground as backfill material to limit surface disposal requirements and the balance sent to a surface storage facility.
- Capital costs estimated at €86 million, with details being:
 - €73 million for the processing plant, tailings management facility and infrastructure
 - An additional €13 million for initial mining development and working capital
 - the full extent of a contingent provision of €12 million for dewatering of the old underground workings has also been allowed for, but further work is required to assess the application of this contingency.

The main recommendations made in the Study Report are:

- “The Project has shown to be capital intensive, however a larger than normal proportion of capital exists as a fixed capital component which would not vary with increasing scale of operations. This fixed capital would include the historic mine water treatment costs and certain infrastructure costs. The Project would likely benefit from an increase in the scale of production recent exploration successes in the Lower Massive Sulphide Zone, as reported by Ormonde in November 2007, may provide opportunities for such an increase in project scale with an assessment of this possibility being recommended.”
- Reduced capital cost development options may exist for the Project and it is recommended that these options be further explored.

Mineral Resource Statement

The Mineral Resource Estimate has been prepared by CSA Australia Pty Ltd and is reported under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 edition). The Mineral Resources are as follows:

Indicated Resources

CATEGORY	Cut-off	Mt	Cu %	Pb %	Zn %	Au g/t	Ag g/t
Copper Silicatado	1.5% Cu	2.64	2.1	0.5	1.5	0.9	30.2
Gold Silicatado	2.0g/t Au	2.55	0.6	1.5	2.1	3.7	52.6
Zinc Massive Sulphide	3.5% Zn	4.39	0.6	1.0	4.4	0.8	35.2
Copper, Zinc and Gold Massive Sulphide		0.28	0.9	1.0	2.9	2.1	53.0
Total Indicated		9.88	1.0	1.0	3.0	1.6	38.9

Inferred Resources

CATEGORY	Cut-off	Mt	Cu %
Copper Massive Sulphide (West)	1.5% Cu	1.30	1.9

The La Zarza Mineral Resource estimate was completed under the overall supervision and direction of Mr Gerry Fahey MAusIMM (CP), MAIG, 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.

Feasibility Study

Mineral Processing

The extensive metallurgical testwork carried out as part of the Feasibility Study resulted in considerable advances in the ability to produce relatively clean copper-gold, copper, lead and zinc concentrates at good recoveries from the four mineralisation types at La Zarza included in the Study. This testwork also indicated that a viable paste backfill may be produced from the finely ground tailings. The process plant design arising from the testwork is for a conventional comminution circuit comprising primary and secondary crushing followed by a three stage primary grinding circuit. This 600,000 tpa capacity circuit comprises rod and ball milling followed by stirred mill detritors. Milling circuit discharge feeds into three sequential differential flotation circuits, each of which has facilities for regrinding followed by concentrate thickening and pressure filtration to yield four saleable concentrate types.

A paste tailings and backfill plant is incorporated into the processing plant design.

Mining

While it is expected that the underground mine would have negligible ground-water inflow during operations, the old workings are presently flooded and dewatering is required prior to underground development. In estimating the extent of this exercise, it was necessary to assume that the La Zarza workings will have a direct hydraulic connection to the adjacent, flooded, Perunnal Mine. Sampling to estimate the pH and metal content of the water in the old workings yielded very variable results. It was necessary to assume the more adverse metal concentrations in the water when designing the water treatment plant.

The underground mine is designed for surface decline access and ore transportation by trucks at a rate of up to 600,000 tpy. Ground conditions in the mine are known to be very good. Underground development would be by mechanised diesel-hydraulic mobile plant. Ore would be mined using longhole and bench open-stopping mining methods, with use of paste backfill to minimise surface tailings and maximise ore recovery.

Capital Costs

Capital costs have been estimated at €86 million based upon a flexible process plant design to accommodate four distinct feed types and the production of four saleable concentrates. In addition allowance has been made for a contingent provision of €12 million for mine dewatering and water treatment to neutralise the water and remove the dissolved metals. The processing plant and site infrastructure and tailings are estimated to cost €73 million.

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.

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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.