

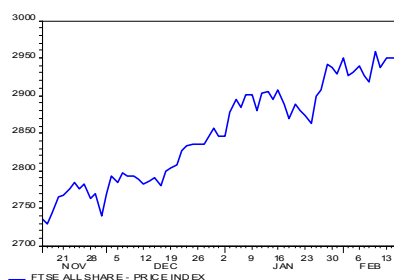
Research Alert

Thursday 16 February 2006

Stocks covered in this note

Stock/sector	Analyst	Mkt cap (€m)	Recommendation	Page
Ormonde Mining ^{3,4,5}	Charles Kernot	25.0	Buy	2

FTSE All Share – recent performance



Key Indices	Close	Daily % chge
UK		
FTSE 100	5791.46	-0.01
FTSE All Share	2950.06	0.01
FTSE Mid 250	9334.58	0.15
FTSE AIM	1142.84	-0.08

Source: Datastream

Forthcoming In-House events

2006	Company	Event	Analyst
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All lunches 12.45 for 1.00 pm – unless otherwise stated.
If you wish to attend, please email the relevant analyst.

Ormonde Mining ^{3,4,5}

Metals and Mining

Za za zoom

- Ormonde Mining has published additional results from its drilling programme at the La Zarza property in southern Spain. These results provide further encouragement, and the company has now decided to move straight into a Phase three drilling programme in order to aid delineation of a higher confidence resource.
- We consider that all of the results have yielded further potentially economic intersections – with the greatest width extent of 45.5m, at a grade of 3.7g/t gold, 21.0g/t silver and 0.4% copper confirming the bulk nature of the deposit at a depth of some 130m to 170m below surface. Within this intersection is a higher grade component of 20.0m at 5.5g/t gold, 15.2g/t silver and 0.3% copper, which feeds through to a gold equivalent grade of approximately 6.5g/t.
- Additional significant intersections are 9.3m and 13m at gold equivalent grades of 7.7g/t and 5.9g/t, respectively, in hole 21; and 10.7m and 22m at copper equivalent grades of 3.8% and 3.4% in holes 22 and 23b, respectively. Within the second intersection is a higher grade component of 10m at 0.4g/t gold, 17.7g/t silver and 4.0% copper, for a copper equivalent grade of 4.3%.
- As Ormonde continues with its exploration programme at La Zarza, we see the potential for the delineation of a significant resource at attractive grades. While metallurgical work is ongoing, it appears that recoveries from the deposit will be acceptable – and the high grades encountered would, in any case, be sufficient to offset recoveries well below those currently estimated.
- With Ormonde moving on with its Phase three drilling programme, and expecting to complete a Preliminary Assessment Study in the second quarter, we look for further positive newsflow over the next three or four months. A full feasibility study may then be completed by the end of the year. We reiterate our recommendation and 24p target price. **BUY.**

BUY
11.25p

AIM ORM

No of shares (m)	153.0		
Market cap (€m)	25.0		
Net cash (€m)	2.0		
Enterprise value (€m)	23.0		
(%)	1m	3m	12m
FTA relative	+1.0	+13.0	-21.9

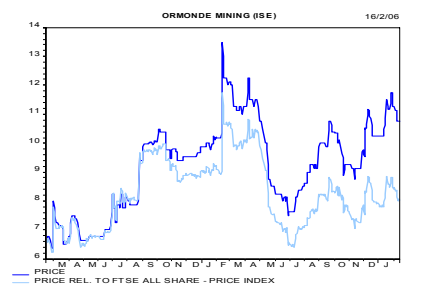
12 month high/low (p) 12.25/7.50

Next news
Further exploration updates.

Business
Gold exploration and development in Spain.

www.ormondemining.com

Ormonde Mining – rel. price perf.



Source : Datastream

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Year end 31 Dec	Sales (€m)	Pre-tax (€m)	Normalised (€m)	EPS (€¢)	PER (x)	DPS (€¢)	Yield (%)	EV/Sales (x)	EV/EBITDA (x)
2004A	0.0	-0.4	-0.4	-0.3	nm	0.0	0.0	nm	nm
2005E	0.0	-0.4	-0.4	-0.3	nm	0.0	0.0	nm	nm
2006E	0.0	-0.4	-0.4	-0.2	nm	0.0	0.0	nm	nm

Source: Seymour Pierce Limited

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1. The analyst has a personal holding of the securities issued by the company, or of derivatives related to such securities.
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Rating	Definition
Buy	Absolute return expected to increase by more than 10%
Outperform	Absolute return expected to increase by between 5% and 10%
Hold	Absolute return expected to change by between -5% and +5%
Underperform	Absolute return expected to decrease by between 5% and 10%
Sell	Absolute return expected to decrease by more than 10%

As at 31 December 2005 the distribution of all our published recommendations is as follows:

Rating	Proportion of recommendations	Proportion of these provided with investment banking services
Buy	27%	26%
Outperform	26%	26%
Hold	32%	22%
Underperform	9%	5%
Sell	6%	0%

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