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Ormonde Mining plc
("Ormonde" or "the Company")

Scott Wilson Study

Independent Study Indicates Substantial Net Cash Flows from Open-Pit Mine at Barruecopardo Tungsten Project

The Board of Ormonde is pleased to report the results of an Independent Technical and Economic Review and Optimisation Study ("the Study") carried out by Scott Wilson Mining ("Scott Wilson") on Ormonde's Barruecopardo Tungsten Project in Salamanca, Spain.

Highlights

- A review of the May 2010 resource model has concluded that the optimum approach to mining in the initial 10 year period based upon current Indicated Resources would be by open pit at a design production capacity of **500,000 tonnes** per annum, an increase of 25% on previous estimated initial production rates.
- The Study shows the Base Case Project, based solely on current Indicated Resources, is capable of generating **Euro 9.3M** per year of averaged pre-tax operating cash flows for 10 years, at the current tungsten price of US\$245/mtu WO₃.
- Market analysis suggests that the forecast tungsten market deficit could result in prices moving to levels in line with the 2005/6 peak of just under US\$300/mtu in the next few years; at a tungsten price of US\$290/mtu, averaged pre-tax operating cash flows for the Base Case project rise to **Euro 13.7M** per year.
- The initial capital cost for the Base Case is **Euro 29.9M**, an increase over previous estimates (Euro 25M) resulting from the impact of the 25% increased production rate on process plant capital and open pit waste pre-stripping requirements. The average unit cash operating cost shown is **Euro 80.4/mtu**.
- The Study has also considered the possibility of further increasing the open pit production rate to **800,000 tonnes** per annum for 10 years (Expanded Case) by the inclusion of the Inferred Resources. This could result in the project generating **Euro 16.1M** per year of averaged pre-tax operating cash flows, at the current tungsten price of US\$245/mtu WO₃, with this cash flow rising accordingly at the higher US\$290/mtu price.
- Tungsten prices continue to rise⁽¹⁾ and projections from the EU Commission in June 2010⁽²⁾ suggest probable supply shortages of the metal to the EU into the future.

Kerr Anderson, Ormonde's Managing Director, said:

"This is an excellent outcome for Ormonde Mining. The results have exceeded our expectations both in terms of net cash flow projections and the life of the open pit portion of the project.

The Study supports the Directors' view that Barruecopardo would be amongst the largest producers of tungsten in the World outside of China, with real potential to further increase production rates post start-up.

This is an exciting time for Ormonde with the Study underlining the potential for the Project to bring significant and long term benefits to the local area surrounding the project site, and to Ormonde shareholders. All this is occurring against a backdrop of significant increases in the tungsten price. We look forward to reporting regularly to shareholders as the Company progresses Barruecopardo to production in late 2012”.

Barruecopardo Project

Ormonde has a 90% interest in the Barruecopardo Project in joint venture with the regional government affiliated company Sociedad de Investigación y Explotación Minera de Castilla y León (SIEMCALSA) which holds 10%.

Barruecopardo has a current reported mineral resource (JORC compliant) totalling **10.9 million tonnes grading 0.45% WO₃** (tungsten trioxide) at a 0.25% cut-off, equating to 4.9 million metric tonne units (“mtu”) or 49,000 tonnes of contained WO₃. Of the total resource, 6.5 million tonnes grading 0.46% tungsten trioxide is in the Indicated Mineral Resource category. Based upon this Indicated Resource, metallurgical testwork, and other engineering work carried out to-date, Scott Wilson was commissioned to carry out a mine optimisation study and a technical and economic review of the previous engineering work, to facilitate this independent quantification of project economics.

Technical and Economic Review and Optimisation Study

The Independent Technical and Economic Review and Optimisation Study (accuracy of ±25%) prepared by Scott Wilson included mine optimisation, design, scheduling and costing studies. Scott Wilson retained Aker Solutions to carry out a review of results from previous metallurgical testwork by various laboratories, including Wardell Armstrong International, and to develop preliminary process operating and capital cost estimates. All other aspects of the project, including environmental studies, were reviewed by Scott Wilson, who also prepared preliminary financial models based upon tungsten market price information provided by the Company.

The preliminary open pit optimisation study was carried out only on the Indicated portion of the May 2010 Mineral Resource estimate, prepared by CSA Global Pty Ltd, Australia. This pit optimisation exercise captured potentially mineable material of **3.9 million tonnes with an average life of mine grade of 0.43% WO₃**. The mine production from this pit was scheduled at 500kt of ore per year and this was used as a Base Case for an initial mine life of 10 years. This 500ktpa represents a 25% increase on past production rate estimates.

The Base Case models contract open pit mining with averaged production of **130,000 mtus of WO₃** per year (**155,000 mtus average during the period of operation at design production capacity**) from a simple and low cost gravity plant. This plant would comprise three stage crushing followed by jigs and spirals for gravity pre-concentration, with flotation clean-up of the pre-concentrate to produce an industry standard 65% WO₃ (scheelite) concentrate. Average life-of-mine metallurgical recoveries of 79% were adopted based on existing testwork results. Most plant waste products will be produced in a “dry” sand form.

The initial capital cost for the Base Case is **Euro 29.9M**, an increase over previous estimates (Euro 25M) resulting from the impact of the 25% increased production rate on process plant capital and open pit waste pre-stripping requirements. The average unit cash operating cost shown is **Euro 80.4/mtu**.

The Base Case assumes that all WO₃ concentrate produced is sold at prices reflecting recent mid-prices for APT (ammonium paratungstate) of US\$245/mtu. Market analysis suggests that the forecast market deficit could result in prices moving to levels in line with the 2005/6 peak of just under US\$300/mtu in the next few years (CRU, 2009). The impact on cash flows at a price of US\$290/mtu is also considered. The Study used a US\$/€ exchange rate of 1.35.

Mining could be continued by underground methods post completion of the Base Case 10-year open pit, although this scenario was not addressed as part of the current study.

Expanded Case

Scott Wilson has reported that, based upon the entire mineral resource (Indicated and Inferred) a larger open pit operation at higher production rates than the Base Case of 500ktpa may be possible if, after further infill drilling, the Inferred Resources are upgraded to the Indicated category. This case, termed the Expanded Case, models mining a larger open pit at a production rate of 800ktpa to yield averaged production of **200,000 mtus of WO₃** per year (**230,000 mtus average during the period of operation at design production capacity**). Scott Wilson noted that the level of geological confidence associated with Mineral Resources classified under the Inferred category is low and consequently there is no certainty that the economic forecasts on which the Expanded Case is based will be realised.

For the Expanded Case, total initial project capital costs increase to **Euro 40.3M** with the average pre-tax operating cash flow over the first 10 years of the operation (at prevailing metal prices) rising to **Euro 16.1M** per year. At the higher metal price, this cash flow could rise further to **Euro 22.8M** per year.

Continuation of this Expanded Case in an underground mining operation has not been considered, as considerable deeper drilling would be required to support such a scenario.

Study Results

	OPERATING CASH FLOWS PER YEAR ^(l)	
	Current Tungsten Price US\$245/mtu	Higher Tungsten Price US\$290/mtu
Base Case	Euro 9.3M	Euro 13.7M
Expanded Case	Euro 16.1M	Euro 22.8M

(l) Averaged pre-tax operating cash flows per year for first 10 years of Project

Tungsten Outlook

Ammonium paratungstate (APT) prices, the product for which tungsten is priced globally, have increased from US\$180-190/mtu in mid 2009 to the current price of US\$246-253/mtu, a price increase of some 30%. This appears to be driven primarily by increased demand for concentrates from China, which dominates both the world's supply and consumption of tungsten. Recent commentary on tungsten demand suggests that the requirement for tungsten in steels and alloys used in critical sectors of China's economy is strong.

Barruecopardo, a historical tungsten producer closed in the early 1980's, is now a recognised high grade, low capital cost, tungsten asset, situated close to the major markets for Western processors and manufacturers of tungsten products. Evaluation of this asset continues to progress against a backdrop of rising world tungsten prices and it is anticipated that Barruecopardo will be developed as a major tungsten producer in late 2012.

- (1) Ammonium paratungstate (APT) prices, the tungsten product which is priced globally, have increased steadily from US \$180-190/mtu WO₃ in mid 2009 to the current price of US\$ 246-253/mtu WO₃. One mtu = 10 kg.
- (2) EU Commission Report released in June 2010 entitled "Critical Raw Materials for the EU".

Kerr Anderson PhD EurGeolPGeo, Managing Director of Ormonde Mining plc, and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, February 2007, 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/en/investors/technical_glossary.

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About Ormonde

Ormonde Mining plc is quoted on the AIM in London and the ESM in Dublin. Ormonde is a mineral development and exploration company focused on Spain, with a principal objective of developing the Barruecopardo Tungsten Project to be a major western tungsten mine by late 2012.

About Scott Wilson

Scott Wilson is now part of URS Corporation.

URS/Scott Wilson provides consulting services to the mining clients at all stages of project development from exploration and resource evaluation through scoping, prefeasibility and feasibility studies, financing, environment and social assessment, permitting, construction, operation, closure and rehabilitation.

For more information please visit www.ormondemining.com.