

25 October 2011

Ormonde Mining plc

("Ormonde" or "the Company")

Interim Report on Feasibility Study at Barruecopardo

Significant Resource Upgrade and Cost Study Indicates Substantially Larger Annual Tungsten Production

The Board of Ormonde is very pleased to provide an update on the ongoing Feasibility Study at its flagship Barruecopardo Tungsten Project, Western Spain. This update follows interim reports received from Ormonde's consultants working on the feasibility study including an interim Mineral Resource Estimate from CSA Global ("CSA").

Work completed on the feasibility study to date is extremely positive with a very material increase in Indicated Resources and consequently a 60% increase in projected annual tungsten production leading to a substantial revision upwards in cash flow forecasts.

HIGHLIGHTS

- A JORC-compliant interim Mineral Resource Estimate (MRE) reported by CSA, incorporating the results to-date of the infill drilling programme and reflecting a reduction in the cut-off grade and a revised mining strategy from a selective mining method to a more bulk mining approach, shows a total resource of 25.3Mt grading 0.27% WO₃ (tungsten trioxide).
- Of this total, 16.7Mt grading 0.29% WO₃ is classified as an Indicated Resource for a total of 4.83 million metric tonne units ("mtus") of WO₃; this compares with 3.0 million mtus in the previous resource estimate.
- Open pit optimisation by CSA on the Indicated Resource has captured open pit mineable material of 8.4Mt with an average life-of-mine grade of 0.31% WO₃ within an open pit shape unchanged from earlier studies; with a total of 2.6 million mtus of WO₃ mined.
- A Trade-off study has identified an optimum plant throughput of 1.1 million tonnes per annum (Mtpa), to yield an average of 230,000 mtus of WO₃ per annum over a nine-year period (with a two year ramp up period) for a total of 2.1 million mtus produced over the life of the open pit; a substantial increase on the 130,000 mtus WO₃/annum production rate estimated in the Scott Wilson Study "Base Case" scenario reported in September 2010.
- Total tungsten recovered over the life of the open pit portion of the deposit will increase by 60% compared with the Scott Wilson Study "Base Case".
- Indicative capital costs will be approximately Euro 40M (including a 20% contingency); which are within the range of previous capital estimates outlined in the Scott Wilson Study.

- Cash operating costs average Euro 104/mtu over the life of the open pit mine.
- Based upon this revised mining operation, first production is now scheduled for end Q2 2013, assuming continued progress in permitting, scheduled completion of the feasibility study and advancing discussions to fund the mine capital, confirming Barruecopardo as Europe's next major tungsten producer.
- Applying current design and cost parameters to Ormonde's financial model indicates that pre-tax net operating cash flows of approximately Euro 20M/annum would be generated (averaged over the nine year life of the open pit mine) at a tungsten price of US\$290/mtu WO₃ for ammonium paratungstate (APT), rising to Euro 29M/annum at a price of US\$350/mtu; the current price for APT is around US\$450/mtu WO₃ ⁽¹⁾.
- The feasibility study, due to be completed by the end of the year, will reflect this substantially larger production from the unchanged open pit shape.
- Permitting activities are progressing well following feedback from the relevant authorities.

Kerr Anderson, Ormonde's Managing Director, said:

"We are delighted with the upgrade in mineral resources and the interim results of the feasibility study at Barruecopardo. We now move forward with a project which will produce substantially more tungsten than previously envisaged. Barruecopardo remains a large scale, low capital and operating cost mine, providing a secure source of this strategic metal, generating significant annual net operating cash flows, and delivering sustainable benefits to the local community."

We are now well positioned to advance discussions with various parties who have expressed an interest in the development of this strategic tungsten resource and to decide on the most appropriate capital funding for the project when the feasibility study is completed."

BACKGROUND

In September 2010, the Company reported the results of an Independent Technical and Economic Review and Optimisation Study carried out by Scott Wilson Mining. This study considered a "Base Case" open pit mining operation, based on the Indicated Mineral Resource which had been defined at that time, with a production rate of 0.5Mtpa producing an averaged annual production of 130,000 mtus over a 10 year period, with a capital cost of Euro 29.9M. This earlier study also highlighted that higher production rates could be possible from a larger open pit shell if further drilling upgraded Inferred Resources to the Indicated category, although this would result in a total capital cost of Euro 40 million.

Following the results of the Scott Wilson Study, Ormonde proceeded with infill drilling and definitive metallurgical testwork, and in May 2011 selected a subsidiary of Jacobs Engineering Group Inc (NYSE: JEC), to carry out a Cost and Definition Study ("C&D Study") for the process plant and associated surface infrastructure for Barruecopardo and to co-ordinate the Project Feasibility Study. The initial part of this work comprised a "trade-off study" to assess the economics of various process plant capacities. Ormonde also engaged CSA Global to carry out a revised mineral resource estimation and open pit mining studies.

Based upon the results received to-date from the infill drilling programme, CSA have now provided an interim, JORC-compliant mineral resource estimate (MRE). This revised resource also reflects a change in mining strategy from a selective mining method to a bulk mining method to facilitate a higher metal production rate. The MRE is summarised as follows:

Classification	Tonnes (million)	Grade (WO₃%)	Contained mtus (WO₃)
Indicated	16.66	0.29	4.83 million
Inferred	8.62	0.23	1.98 million
TOTAL	25.28	0.27	6.82 million

Grade compositing for resource estimation has been carried out using a minimum horizontal width of 4 metres along with a minimum grade of $\geq 0.06\%$ WO₃. This process defined areas of mineralization that are a mineable width and an economic grade.

Open pit optimisation by CSA on the Indicated Resource has encompassed mineable material of 8.4Mt with an average life-of-mine grade of 0.31% WO₃ within an open pit shape unchanged from earlier studies. This has been scheduled over a nine-year open pit operation. This is a substantial increase over the mineable material detailed in the Scott Wilson Study of 3.9Mt grading 0.43% WO₃. This increase results from a combination of the upgrading of mineral resources within the open pit shell from Inferred to Indicated status, and a change to a more bulk mining approach to include lower grade material based upon the results of the trade-off study. The stripping ratio averages 6.5:1 over the life of the open pit.

An interim report has also been received from Jacobs, based upon the additional metallurgical testwork carried out at Wardell Armstrong International and the results of the trade-off study, to assess the economics of various annual plant production capacities. The trade-off study shows that higher throughputs than that previously considered should be adopted, and consequently a process plant with a production capacity of 1.1Mtpa is now being designed. The comminution circuit has been established and an overall flow-sheet and metallurgical balance produced for the pre-concentration circuit. A preliminary plant layout has been produced and integrated into the overall project site plans. The Jacobs interim report indicates a process plant cost of Euro 11.4M based on recent updates to the 2010 Scott Wilson Study estimate. Other interim capital costs provided by CSA, ATC Williams ("ATC") and Ormonde are detailed in the table below.

From the interim information provided, the total indicative capital cost is estimated to be approximately Euro 40M including a 20% contingency, and is broken down as follows:

ITEM	COST (Euro M)	Source
Open Pit Pre-Production	5.2	CSA & Ormonde
Process Plant	11.4	Jacobs
EPCM	1.5	Ormonde
Water Management	5.0	ATC
Site Infrastructure	6.6	Ormonde
Owners Costs	3.6	Ormonde
Contingency (20%)	6.6	
TOTAL	40.0	

The average unit cash operating cost is Euro 104 per mtu. This represents a Euro 24 per mtu increase on the operating cost in the Scott Wilson "Base Case" principally arising from the decision to adopt a more bulk mining approach to include lower grade material.

Based upon a production capacity of 1.1Mtpa, the open pit operation would produce an averaged 230,000 mtus of WO₃ per annum for a period of nine years for a total of 2.1 million mtus over the

life of the open pit with a two year ramp up period to full production. The 230,000 mtu WO₃/annum production rate is a substantial increase on the 130,000 mtu production rate estimated in the Scott Wilson Study "Base Case" scenario reported in September 2010.

The sizing of equipment for the enlarged plant and provisional scheduling of principal vendor items of plant shows that initial production would now be achieved late in Q2 2013.

Financial modelling of cash flows from the open pit operation based upon the interim data provided indicates that the averaged annual pre-tax operating cash flows would be some Euro 20M at a tungsten price of US\$290/mtu, rising to Euro 29M at a price of \$US350/mtu; the current tungsten price is around US\$450/mtu. The current €/US\$ exchange rate of 1.35 has been used in these financial models.

- (1) Ammonium paratungstate (APT) prices, the tungsten product which is priced globally, have increased steadily from US \$245/mtu WO₃ in September 2010 to the current price of around US\$ 450/mtu WO₃. One mtu = 10 kg.

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, June 2009, 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.

For more information please visit www.ormondemining.com or follow Ormonde on Twitter <https://twitter.com/ormondemining> or LinkedIn <http://www.linkedin.com/company/ormonde-mining-plc>

Enquiries to:

Ormonde Mining plc

Kerr Anderson, Managing Director Tel: +353 (0)46 9073623

Bankside Consultants

Simon Rothschild Tel: +44 (0)20 7367 8888 Mob: +44 (0)7703 167065

Murray Consultants

Ed Micheau Tel: +353 (0)1 4980300 Mob: +353 (0)86 803 7155

Davy (Nomad / ESM Adviser)

Eugénée Mulhern / Roland French Tel: +353 (0)1 6796363

Fairfax I.S. PLC (Joint Broker)

Ewan Leggat / Katy Birkin Tel: +44 (0)207 598 5368

ENDS

About Ormonde

Ormonde Mining Plc is quoted on the AIM in London & the ESM in Dublin. Ormonde is a mineral development and exploration company focused on Spain (Ticker: ORM).

Ormonde's key activities include:

The **Barruecopardo Tungsten Project** - Ormonde is developing a low cost mining operation at Barruecopardo to be a major, secure European supply of tungsten from mid-2013.

The **La Zarza Copper-Gold Project** - Joint Venture with Antofagasta Minerals - a large "massive sulphide" deposit with significant copper, gold and zinc resources; exploration for an enlargement to the current copper resources is being funded by Antofagasta.

Gold Exploration in several highly prospective areas of western Spain.