

4 May, 2011

## **Ormonde Mining plc**

("Ormonde" or "the Company")

### **Placing raising Stg£4 Million**

DUBLIN & LONDON: 4 May, 2011 - Ormonde Mining plc announces that it has procured placing commitments in respect of 42,199,711 new ordinary shares of nominal value €0.025 each in the capital of the Company. The Placing, conducted by Davy and Fairfax, was oversubscribed, with shares placed with new and existing institutional and private investors, at a price of Stg9.5p per share (the "Placing") to raise in aggregate Stg£4 million (approximately €4.4 million) (before expenses).

The net proceeds from the Placing will be used predominantly to advance Ormonde's flagship Barruecopardo Tungsten Project in Salamanca Province, Northern Spain where a twenty hole infill drilling programme has been recently completed and assay results to date (as announced on 2 March, 2011 and 14 April, 2011) confirm the overall continuity of the mineralisation.

Specifically, the Placing proceeds will be used:

- primarily to advance the Feasibility Study, support the mine permitting process and conduct final infill drilling at Barruecopardo;
- to partially discharge the consideration in connection with the acquisition by Ormonde from SIEMCALSA of the outstanding 10% of the Barruecopardo Tungsten Project, consolidating Ormonde's interest in the Project and in the surrounding tungsten and gold exploration portfolio to 100%, as previously announced on 4 April, 2011;
- to fund modest exploration expenditure on the Salamanca tungsten-gold permits and the Tharsis copper-gold ground (Tharsis Option Agreement);
- on on-going evaluation and maintenance expenditure on La Zarza Project lying outside the scope of the Antofagasta JV; and
- for general working capital purposes.

Discussions with relevant parties on product off-take and capital funding for Barruecopardo are continuing.

Commenting on the Placing, Kerr Anderson, Managing Director, said:

*"Market demands and pricing trends for tungsten continue to be very positive and we remain focused on delivering initial tungsten production from Barruecopardo by the end of 2012. The Placing will facilitate continued progress towards this target."*

The number of new ordinary shares the subject of the Placing is within the existing share capital and allotment authorities of the Company and is within the available headroom in respect of which pre-emption rights have been dis-applied. Accordingly no new shareholder approvals are required in connection with the completion of the Placing. Following the Placing, the Company will have 336,958,959 ordinary shares in issue. The new ordinary shares, which represent approximately 12.5% of the enlarged issued share capital, will on issue rank *pari passu* in all respects with the existing ordinary shares in the Company. Application has been made for the new ordinary shares to be admitted to trading on the AIM market of the London Stock Exchange and the ESM market of the Irish Stock Exchange and it is expected that the Placing will complete and dealings in the new ordinary shares will commence on 10 May, 2011.

The Company expects to publish its financial results, and related annual report and accounts, in respect of the year ended 31 December, 2010 in May, 2011.

For more information please visit [www.ormondemining.com](http://www.ormondemining.com).

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**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 initially produce ~8% of non-Chinese global mine production from late 2012; to become a major long-life mine.

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 copper resource is being funded by Antofagasta.

**Gold Exploration** in several highly prospective areas of western Spain.