

27 May 2010

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

Barruecopardo Tungsten Project, Spain
Doubling and Major Upgrade of Mineral Resource

Ormonde Mining plc announces that further evaluation work and a report by independent consultants CSA Global Pty Ltd ("CSA Global") have very substantially increased and upgraded the Mineral Resource estimate for the Barruecopardo Tungsten Project in Salamanca Province, Spain (the "Tungsten Project").

Highlights

- Tungsten Mineral Resource more than doubles from 5.2 Mt to **10.9 Mt** (JORC compliant).
- Critically, **6.5 Mt** or **60%** of the 10.9 Mt tungsten resource now classified in **Indicated** Mineral Resource category (JORC).
- Major increase in tungsten resource will facilitate higher production rates and a significantly longer mine life.
- Current evaluation work shows capital costs of **€20-25 million** and net operating cash flows of some **€8 million per year** at current prices and initial mining rates. Significant cash flow upside at enhanced production rates.
- Transforms Tungsten Project economics underpinning management's focus on becoming a major Western World tungsten producer.

Kerr Anderson, Ormonde's Managing Director, said:

"This major increase in total resources and the upgrading of a substantial part from Inferred to Indicated Mineral Resource is the most significant development at Barruecopardo to-date and it transforms the projected economics of our Project. We are now working to quantify precisely the benefits this new resource will have for mine designs and economic projections at Barruecopardo, as these projections will play a critical role in the Company's ongoing discussions with parties interested in funding the Project."

This substantial upgrade in the tungsten resource, on-going evaluation work and progress on the permitting process are being achieved at a time when the price of tungsten is rising significantly due to supply constraints. Barruecopardo continues to demonstrate its unique capacity to develop into a low capital cost, high grade and near-term tungsten producing operation in an increasingly favourable tungsten market."

Tungsten Resource Upgrade

- **Indicated** Mineral Resource (JORC compliant) of **6.5 million tonnes grading 0.46%** tungsten trioxide (WO₃), at a 0.25% cut-off, equating to **3.0 million** metric tonne units ("mtu"), or 30,000 tonnes of contained WO₃

- Additional **Inferred** Mineral Resource (JORC compliant) of **4.4 million tonnes grading 0.44% WO₃**, at a 0.25% cut-off, equating to a further **1.9 million mtu**, or 19,000 tonnes of contained WO₃
- Total Mineral Resources of **10.9 million tonnes grading 0.45% WO₃** with **49,000 tonnes of contained WO₃**, an increase of **96%** in the tonnage of contained tungsten from the previous resource estimate of 5.2 Mt grading 0.48% WO₃, with **60%** now in the Indicated Mineral Resource category
- While the **initial** production rate of 400,000 tonnes per year is still planned for the early years of operation, this increased resource and the open-ended nature of the deposit indicate that a larger production rate, in the region of 600,000-800,000 tonnes per year, may be viable in later years and a mine life of +20 years now appears possible
- This significant resource upgrade is principally a product of the inclusion of the results from the most recent infill drilling programme, together with the improved geological modelling made possible by the increased continuity of the mineralised zones demonstrated by this infill drilling.

Evaluation Work Ongoing

- Metallurgical testwork demonstrates that a “premium grade” tungsten concentrate of **77.8% WO₃** can be produced at Barruecopardo (in place of the previously reported Industry standard concentrate of **65% WO₃**) while maintaining overall recovery
- Evaluation work at pre-feasibility stage is projecting capital costs of **€20-25 million** for a tungsten operation commencing production at 400,000 tonnes per year generating **130,000 mtu's of WO₃**
- This evaluation work indicates the Tungsten Project generating net operating cash flows of **€ million per year** (at current tungsten prices of US\$ 225-235 per mtu) during the initial 400,000 tonne per year mining phase; this cash flow would rise very substantially at higher production rates
- Environmental studies are underway and will be incorporated into the permitting process, which will proceed in parallel with the proposed final phase of infill drilling and definitive technical mine designs.

Tungsten Metal Price

- These substantial developments at Barruecopardo are even more significant against a backdrop of a 25% increase in the price of tungsten since July 2009.

Mineral Resource Statement

The Mineral Resource Estimate has been prepared by CSA Global and is reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 edition). This resource incorporates:

- results of the most recent infill drilling programme completed in 2009 on the Filon Principal Zone;
- improved geological modelling made possible by the increased confidence in continuity of the mineralised zones demonstrated by this drilling, allowing both the

extension of existing tungsten zones and the addition of narrower zones not previously included;

- the now complete XRF tungsten assay database for the entire deposit (previously partial XRF and partial ICP);
- all quality control (QA-QC) data which now includes umpire check assays.

CSA has classified the Mineral Resources in the Indicated and Inferred categories, and has reported the Mineral Resource at a cut-off of 0.25% WO₃ as follows:

Classification	Tonnes (millions)	Grade (WO₃%)	Contained WO₃ (mtu*)
Indicated	6.50	0.46	3.0 million
Inferred	4.38	0.44	1.9 million
TOTAL	10.88	0.45	4.9 million

* mtu = metric tonne unit, the standard unit of measurement for tungsten, which is equivalent to 10 kg of WO₃. 4.9 million mtu is equivalent to 49,000 tonnes.

The Barruecopardo Mineral Resource estimate was completed under the overall supervision and direction of Mr David Williams MAusIMM, 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.

The mineralisation remains open at depth along its full currently known 1.5 kilometre strike length, and the Company believes that there is considerable scope to increase this resource after development of a mining operation.

Metallurgical Testwork

Recent metallurgical testwork was conducted by Wardell Armstrong International with the objective of ascertaining that a high-grade (>75% WO₃) or "premium" concentrate could be produced from Barruecopardo.

The testwork involved upgrading of a pre-concentrate produced during earlier stages of testwork (reported 21 April 2009) in a revised cleaning circuit, and shows that a maximum open circuit recovery of 77% of the contained tungsten could be recovered to the premium grade 77.8% WO₃ concentrate (previous result 78.4% recovery to an industry standard 65% WO₃ concentrate).

Both the above quoted recoveries are for 'open-circuit' testwork. Given the additional recovery that would be realised through recirculation in an industrial application these recoveries could be expected to increase. Modelling work is underway to be better able to assess the actual plant recoveries to the premium grade concentrate.

Environmental / Permitting

Environmental works and sampling are underway as part of the preparation of initial permitting documentation required for the re-development of a mining project at Barruecopardo. These Environmental works are being carried out by a local based consulting company with significant experience in the field. Preparation of the initial permitting documentation itself is being undertaken by another specialist local consulting company with extensive experience in assisting the permitting of mining projects in Spain and whom the Company has commissioned in the past to provide assistance at its La Zarza Project in southern Spain.

Tungsten Outlook

Ammonium paratungstate (APT) prices, the product for which tungsten is priced globally, has increased from US\$180-190 in mid 2009 to the current price of US\$225-235 per metric tonne unit (mtu), a price increase of some 25%. This has been driven primarily by increased demand for concentrates from China, which dominates both the world's supply and consumption of tungsten.

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/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 the objective of developing mining projects and taking them into production.

For more information please visit www.ormondemining.com.

TECHNICAL SUPPORTING INFORMATION

Data from 56 Ormonde drill holes (total of 10,902 metres of drilling) were used in the Mineral Resource estimate. Significant, previously reported results from these holes are listed in Table 1 below.

The Mineral Resource has been estimated using Datamine software and using Ordinary Kriging. A top cut grade of 7.0% WO₃ was applied to the sample database prior to grade estimation for all tungsten zones except for Filon Maestro Zone where a 4.0% top cut was used to limit the spread of high grade samples.

A geological interpretation has allowed geological continuity between drill hole intercepts to be assessed. The interpretation has been developed as an iterative process by cross-referencing information plotted on cross-sections, level plans and longitudinal projections. A block model was constructed based upon the geological interpretations.

Bulk Density

A database of bulk density data was analysed to determine an appropriate bulk density to apply to the resource. 700 measurements were derived from selected diamond drill core using the "wet and dry" immersion method. A bulk density figure of 2.66 t/m³ was consequently applied to the Mineral Resource.

Sampling, Assaying and Quality Control Measures

All core has been routinely logged by an experienced geologist. Relevant core intervals were split in half by diamond saw, with half being sent for assay and the other half being retained in the core boxes for reference.

Sample preparation and analyses were performed at ALS Chemex (Canada), Stewart Group-OMAC Laboratories (Ireland/UK), and Activation Laboratories (Canada). Reference samples (blanks, duplicates and certified standards) are routinely included in each sample batch as quality control measures. In addition check assays are performed on selected mineralised samples.

Resource Classification

The Mineral Resource is classified in the Indicated and Inferred resource category of The JORC Code (2004). See the Glossary for definitions of the JORC resource categories.

TABLE 1 – Significant drilling results

Hole	From (m)	Width (m)	True Width (m)	WO ₃ %
BAR-01	115.7	1.0	0.8	0.5
BAR-02	79.0	3.0	2.5	0.3
	125.0	3.0	2.6	0.5
	253.0	3.0	2.6	0.7
	295.0	1.0	0.9	1.4
BAR-03	101.5	3.4	2.5	1.0
BAR-04	122.0	0.9	0.6	1.6
	142.5	0.6	0.4	4.5
BAR-05	22.7	0.8	0.7	0.7
	133.7	1.7	1.5	0.4
BAR-06	106.3	0.5	0.4	0.7
	181.6	1.2	0.9	0.6
	245.0	1.0	0.7	0.7
BAR-07	No significant results			
BAR-09	119.0	2.0	1.5	2.1
BAR-10	125.0	2.0	1.4	1.5
BAR-11	114.0	1.0	0.7	0.3
BAR-12	128.0	2.0	1.4	1.7
BAR-13	123.0	2.0	1.4	2.4
BAR-14	No significant results			
BAR-15	122.0	2.0	1.4	0.4
BAR-16	91.0	1.0	0.7	1.4
	202.0	4.0	2.9	0.6

BAR-17	125.0	2.0	1.4	0.9
BAR-18	91.0	1.0	0.7	0.7
	254.0	1.0	0.7	0.3
BAR-19	96.0	8.0	5.8	0.3
	268.0	2.0	1.4	0.5
BAR-20	137.0	3.0	2.2	1.0
BAR-21	125.0	5.0	3.7	0.5
BAR-22	132.0	4.0	2.9	0.2
BAR-23	131.0	1.0	0.7	0.3
	150.0	1.0	0.7	3.0
BAR-24	67.0	3.0	0.9	0.7
BAR-25	94.0	2.0	0.7	1.4
BAR-26	80.0	1.0	0.8	2.3
BAR-26B	138.0	67.0	49.0	0.3
<i>Including</i>	138.0	7.0	5.1	1.1
<i>and</i>	185.0	4.0	2.9	0.9
<i>and</i>	203.0	2.0	1.5	1.9
BAR-27	28.0	4.0	3.3	0.4
	72.0	1.0	0.8	1.1
	80.0	1.0	0.8	0.5
	96.0	4.0	3.3	0.4
	264.0	1.0	0.8	0.4
	282.0	2.0	1.7	0.6
BAR-28	16.0	1.0	0.7	0.9
	171.0	1.0	0.8	4.1
BAR-29	63.0	1.0	0.8	0.4
	196.0	1.0	0.8	0.3
BAR-30	58.0	9.0	5.8	0.53
BAR-31	32.0	3.0	2.3	1.3
BAR-32	42.0	1.0	0.7	0.4
	52.0	1.0	0.7	0.5
BAR-33	61.0	1.0	0.5	0.5
	72.0	1.0	0.5	0.4
BAR-34	No significant results			
BAR-35	124.0	82.0	62.6	0.25
<i>Including</i>	141.0	5.0	3.8	0.89
<i>and</i>	160.0	2.0	1.5	4.48
<i>and</i>	190.0	1.0	0.8	2.11
BAR-36	117.0	32.0	20.9	0.17
<i>Including</i>	124.9	4.1	2.7	0.55
<i>and</i>	145.0	4.0	2.6	0.37
BAR-37	125.0	1.0	0.8	0.46
BAR-38	98.0	18.0	12.5	0.22
<i>Including</i>	98.0	1.0	0.7	2.84
BAR-39	10.0	1.0	0.8	3.16
<i>Including</i>	50.0	1.0	0.8	0.71

BAR-40	89.0	1.0	0.8	0.43
	118.0	1.0	0.8	1.83
	153.0	1.0	0.8	1.51
	162.0	1.0	0.9	0.73
	175.0	1.0	0.9	0.61
BAR-41	47.0	1.0	0.8	0.42
	61.0	1.0	0.8	1.47
	101.0	1.0	0.8	1.13
	113.0	1.0	0.8	1.55
	123.0	6.0	5.0	0.67
BAR-42	66.0	1.0	0.8	2.99
	132.0	1.0	0.8	0.87
BAR-43	59.0	1.0	0.8	0.30
	72.0	1.0	0.8	0.33
	82.0	1.0	0.8	0.68
BAR-44	21.0	1.0	0.8	1.32
	70.0	5.0	4.2	0.50
	89.0	7.0	5.9	0.80
	111.0	1.0	0.8	0.49
BAR-45	12.0	1.0	0.8	0.72
	37.0	1.0	0.8	1.04
	61.0	1.0	0.8	0.51
	78.0	1.0	0.8	0.60
BAR-46	291.0	18.0	13.8	0.26
<i>including</i>	291.0	1.0	0.8	1.08
<i>and</i>	299.0	1.0	0.8	1.06
<i>and</i>	304.0	3.0	2.3	0.79
BAR-46B	287.0	1.0	0.8	0.71
	317.0	5.0	3.2	0.28
	365.0	8.0	5.3	0.30
BAR-47	168.0	51.0	33.8	0.27
<i>Including</i>	205.0	10.0	6.6	0.65
BAR-48	146.0	20.0	16.0	1.20
BAR-49	173.0	19.0	13.5	0.45
<i>including</i>		11.0	7.8	0.68
BAR-50	158.0	53.0	35.5	0.38
<i>including</i>	158.0	11.0	7.4	0.46
	<i>including</i>	3.0	2.0	1.26
<i>and</i>	175.0	12.0	8.0	0.72
	<i>including</i>	4.0	2.7	1.78
<i>and</i>	197.0	14.0	9.4	0.43
	<i>including</i>	7.0	4.7	0.61
BAR-51	95.0	1.0	0.7	0.23
BAR-52	122.0	63.0	53.3	0.18
<i>including</i>	122.0	12.0	10.1	0.24
	<i>including</i>	5.0	4.2	0.40
<i>and</i>	144.0	10.0	8.4	0.36
<i>and</i>	170.0	15.0	12.7	0.28
	<i>including</i>	10.0	8.4	0.34
BAR-53	53.0	11.0	8.4	0.15
<i>including</i>	61.0	3.0	2.3	0.52
BAR-54	93.0	33.0	27.5	1.20
<i>including</i>	82.0	3.0	2.5	1.52
<i>and</i>	102.0	9.0	7.5	0.66
<i>and</i>	119.0	7.0	5.8	4.08

BAR-55	110.0	36.0	21.2	0.55
<i>including</i>	126.0	20.0	11.8	0.85

GLOSSARY

TERM	DEFINITION
Competent Person	A person who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated from time to time. A 'Competent Person' must have a minimum of five years experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which that person is undertaking.
Cut-off grade	The grade of material below which mining is uneconomic.
Indicated Mineral Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Mineral Resource	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.
JORC Code (2004)	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves "The JORC Code" 2004 Edition.
mtu	Metric Tonne Unit, equivalent to 10 kilograms. There are 100 mtus in 1 tonne
Mineral Resource	A concentration or occurrence of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Ordinary Kriging	Ordinary Kriging is the most commonly used type of kriging, a geostatistical technique used in resource estimation to interpolate the value of a field (e.g., tungsten grade) at an unobserved location from observations of its value at nearby locations.
WO₃	Tungsten trioxide, the standard form in the minerals sector for quoting tungsten content.