

Hardman & Co

Leaders in Corporate Research

Tel: 020 7929 3399
Fax: 020 7929 3377

www.hardmanandco.com
email: research@hardmanandco.com

4 -5 Castle Court
London EC3V 9DL

EMED Mining Public Limited Slovakia Update

23.75p

30.10.2007



EMED Mining (EMED, AIM:EMED) has released the results of the latest round of drilling at Biely Vrch, its gold porphyry deposit in Slovakia. The 15-hole program extended the aerial extent of known gold mineralisation as well as the maximum known depth. The company now estimates 50Mt of known mineralised ground with the deposit still open to the north, south and at depth. Though still not a JORC-compliant estimate this would imply around 1.2Moz of contained gold at around 1g/t.

The Biely Vrch deposit has shallow mineralisation in many places with 7 of the 15 holes showing gold grades over 0.5 g/t from surface. This has potential implications for pit design and cash flow forecasts as the project develops by reducing the initial strip ratio and bringing payable rock to process early in the plant commissioning. Drilling at Biely Vrch continues to search for the limits of mineralisation and will switch to pattern drilling in order to define a JORC-compliant resource estimate.

The first of the regional gold porphyry targets to be tested with the drill is named Král'ová and lies about 20km from Biely Vrch. A quick 5-hole scout drill program is part-way through over a gold-in-soil anomaly measuring approximately 1000m by 500m. Outcrop in the new area is reported to be poor so this program is intended to confirm the presence and orientation of bedrock mineralisation in order to better design a longer drill program. We don't expect any stunning gold intersections from first round drilling of this new prospect.

Gold porphyry-style alteration and mineralisation has been intersected in the first three holes and the company is convinced that it has located its second gold porphyry. Given that the Biely Vrch geological model predicts that other gold porphyry deposits will be present in the region this discovery adds weight to both ends of the argument. In other words it helps confirm the existing geological model and it adds weight to the interpretation of the new discovery as a second gold porphyry.

EMED Mining is continuing to pursue its optional acquisition of the Rio Tinto Copper Mine in Spain and is increasingly confident that it will be successful in gaining permission to restart mining.

Share Price:	23.75p
12m High:	23.75p
12m Low:	8.75p
Market Cap:	£34.0m
Shares in Issue:	148m undiluted 177m diluted
Gearing:	nil
Interest Cover:	n.a.
Cash at Bank:	£2.4m 30 June
EPIC Code:	EMED
SEDOL No:	B07G3J0
Sector:	Mining
Market:	London AIM
PR:	Parkgreen
Brokers:	Fox Davies Capital Panmure Gordon (UK) Ltd
Nominated Advisor:	RFC Corporate Finance
Website:	www.emed-mining.com www.emed.tv
Previous Research Note:	Onwards & Upwards 28/09/07, 15.75p
Analyst:	Ian Falconer

Comments

With drilling to continue as long as the Slovakian weather permits EMED Mining has announced that it will carry out enough in-fill drilling to produce an initial JORC-compliant resource estimate on its first gold porphyry “at the earliest opportunity”. Access at Biely Vrch is excellent with paved road to within 300m of the known mineralisation, however the Slovakian hills do get significant snowfall and temperatures in the area average 0°C or below between 1st December and 31st March, so we wouldn’t be surprised if conditions prevented enough drilling from being completed to produce a compliant resource estimate this year.

With the mineralisation open to the north, south and at depth we still feel that a resource significantly over the rough estimate already provided is likely once the whole deposit has been drilled out. Economic gold porphyry systems are typically more than 100Mt at 0.7g/t – 1.8g/t of gold. The non-compliant estimate for Biely Vrch is currently stated as 50Mt at around 1g/t. Of course that doesn’t represent recoverable reserves but it is a starting point for comparison.

It is good to see that EMED Mining is taking advantage of the technical assistance available from Gold Fields and in this instance seem to be using that opportunity to gain skills and knowledge for its geological field staff. Further sharpening the sharp end can never be a bad thing and investing in training its local geological staff shows a commendable commitment to regional skills development. As we have mentioned in a previous note the district surrounding the nearby town of Banská Štiavnica is a historic mining area and the location of one of the oldest mining institutes in the world. Having visited the remaining small mine in the area we came back with the impression that it would be the subject of a great deal of local pride to be back at the heart of European mining, should the current activity go through into production. Any such production would be several years in the future but if Biely Vrch continues to grow it will probably meet the development criteria for more and more companies. Gold Fields are in the prime position to take advantage of any JVs that are offered, have participated in every fund-raising since its uptake of 10% of EMED Mining’s stock and have maintained that 10% position.

The Král’ová prospect is one of the three regional targets previously identified as a priority by EMED Mining’s consultant Dr Richard Sillitoe, an acknowledged expert in the geology of epithermal and porphyry deposits. All the data currently available indicates that this is a discovery with similar geology to that at Biely Vrch and hence has similar gold potential. The scout drilling now being carried out will probably inform the next stage of the exploration program rather than produce any spectacular intersections, but it does show that EMED Mining is sufficiently confident in its new target to commit a drill rig, even if it is only in a short orientation program. Work continues to identify any further targets on EMED Mining’s 7 exploration licences always bearing in mind what has been learnt so far.

In non-geological news EMED Mining’s charm offensive continues. Following on from FD John Leach’s recent presentation to Mining Journal’s well attended 20:20 Copper Day, the MD, Harry Anagnostaras-Adams, recently appeared in a video update to shareholders where he states that there is only one hurdle left to restarting production at PRT (the Spanish Rio Tinto Copper Mine). That hurdle is gaining the signatures of the relevant government authorities to allow the restart, implying that the project has met all EMED’s internal technical and economic criteria and that it wishes to proceed to the next step of the optional acquisition of that mine. In the same video note Mr Anagnostaras-Adams also points out that Andalucía has a good recent record for mine starts and restarts and that the company feels confident that its efforts will not be in vain.

Investors have reacted very positively to the recent news flow and we believe that the increasing interest in EMED Mining is justified both in terms of having near production potential and in terms of having a successful exploration program with large, newly discovered, gold targets.

EMED Mining has announced its intention to seek a listing on either the TSX or ASX where it feels its gold discoveries would be further recognised. Trading yesterday saw 2.6 million shares change hands and the price rise by over 12%.

The information in this document has been obtained from sources believed to be reliable, but cannot be guaranteed. Hardman & Co. can accept no liability for its contents. In the UK, this information is provided for the use of ordinary business investors, market counterparties and sophisticated investors, as defined in the rules of the Regulator, and is not intended to be made available to unsophisticated individuals. Hardman & Co. does not undertake investment business in the UK and therefore does not buy or sell shares. Neither Hardman & Co nor the analysts concerned own shares in this company. Hardman & Co. is commissioned by companies to produce research material, but estimates and content are, in all cases, those of Hardman & Co., not the companies concerned. Past performance cannot be relied upon as a guide to future performance.