Ormonde Mining PLC

Annual Report 2003

Ormonde Mining plc is an Irish company listed on the Exploration Securities Market (ESM) of the Irish Stock Exchange and also trading in London on the SEAQ platform. The Company is focused on developing GOLD projects in Europe with a particular emphasis on SPAIN.

Ormonde's portfolio includes projects with existing gold resources, and properties where the Company anticipates that drilling will identify new resources. The Company has a strong local Spanish management, supported by a Board with extensive exploration and development experience.

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SALAMŒN

- Current resource of some 190,000 ounces of gold at an average grade of ~9 g/t gold.
- Ormonde can earn a minimum 51% interest in the deposit and 120 square kilometres of exploration ground.
- Carlin-style mineralization.
- Significant potential to increase resource; further drilling commenced in May 2004.

TRIVES

- Shear-zone hosted lode gold target.
- High gold grades from sampling of Roman workings and over 800 metres of strike suggested by soil sampling.
- Drilling rig mobilised in June 2004.

TRACIA

- Intrusion-related gold target.
- In JV with Swedish company IGE who are funding all exploration activities.
- Gold-bearing outcrop and float samples within extensive area of anomalous soil geochemistry.
- Drilling of geochemistry targets scheduled for Autumn 2004.

ANNUAL REPORT 2003

CHAIRMAN'S STATEMENT

On reviewing last year's Chairman's Statement, I am pleased to note that many of the objectives set out then have been achieved and have in fact been exceeded in some cases. It therefore gives the Board satisfaction to note that during the intervening period the realisation of these goals has been reflected in a marked increase in the share price and market capitalisation of your company.

Some twelve months ago the Board perceived that the extremely adverse market for resource stocks should improve during the latter part of 2003 and through 2004, and our efforts at establishing a key presence and ground holding in Spain would yield dividends. That strategy proved well founded, as we succeeded in raising €1 million (before expenses) in September 2003. This funding enabled us to consolidate our ground holdings in northern Spain, commence drilling programmes, and to continue to take advantage of our strong local management and experience in Spain to further our ground and advanced project acquisition strategy. Funding of exploration activities was also achieved through a Joint Venture on the Tracia property with Swedish company International Gold Exploration IGE AB, who has been funding all activities on this property since September 2003.

Following the fund raising and the finalisation of a Joint Venture agreement with Siemcalsa, a Spanish geological company, the first phase of drilling at the **Salamón Gold Deposit** in the León Region of northern Spain was completed. This first programme principally targeted the north-eastern extension of the main gold zone under investigation as per the terms of the Joint Venture agreement, whereby Ormonde has a right to earn a 51% interest in the deposit and surrounding exploration ground totalling some 120 square kilometres. The results of this drilling programme proved encouraging, yielding high-grade, but narrower, gold intersections than those encountered at surface. In conjunction with the drilling, trenching and outcrop sampling of rocks above and below the main Salamón deposit identified two additional horizons of high-grade gold mineralization. These results broaden the potential of Salamón, suggesting that we are now dealing with a gold deposit containing multiple mineralized high-grade horizons.

Fieldwork resumed at Salamón in April 2004, and drilling will be ongoing this summer. This drilling is exploring for depth extensions to the central zone in the main deposit and the new horizons above and below this zone. Overall, we are pleased with progress to-date on the Salamón Joint Venture.

Elsewhere, Ormonde has advanced its two gold projects in the Galicia Region in northwest Spain to the point where drilling is now warranted on both. Drilling to commence at **Trives** will test the continuation of a gold-bearing shear zone below two Roman surface workings at **Portas**, in addition to an 800 metre long gold-in-soil anomaly extending from the two pits. The 20 metre width of the mineralized shear zone exposed in the Roman workings, coupled with the gold values returned from sampling through the zone, make this an exciting and prospective target.

Work programmes on the **Tracia** permit have been accelerated, largely as a result of the Joint Venture with IGE. IGE has a right to earn a 50% interest by sole-funding exploration up to €260,000 over a two-year period. Ormonde remains Manager of all field and operating activity for the JV. To-date, soil sampling has defined two extensive gold anomalies where rock sampling by Ormonde had returned gold in both bedrock and float. These anomalies will provide the main targets for drilling. The nature of the gold mineralization at Tracia has similarities to that of the Salave deposit some 180 kilometres to the northeast, where a resource of 15 Mt grading 3.2 g/t gold for 1.5 million ounces of contained gold has been established and is now the subject of a feasibility study being carried out by Rio Narcea Gold Mines Ltd. As a consequence of the favourable results returned to date, drilling of the Tracia project should commence by Autumn this year.

CHAIRMAN'S STATEMENT

Although work programmes during the year clearly focused on Spain, the Company continued its presence in Morocco by maintaining its subsidiary Exprotra SARL. We believe that excellent potential exists for new discoveries in Morocco and Ormonde has therefore ideally positioned itself to investigate the most favourable opportunities as they arise.

As part of a general tidy-up of the Company's corporate structure and assets, the Board has decided to write-off investments in projects in Tanzania which were incurred prior to the restructuring of Ormonde in 2001; this write-off is the major contributor to the Company's operating loss registered for 2003.

During the year, Ormonde's broader strategy of **advanced and prospective project acquisition** has not been neglected. These activities by their nature take time, patience and effort, which necessarily go unreported unless and until successful. On-going acquisition endeavours continued during the year and, while success can never be guaranteed in this area, we are extremely hopeful that this work will culminate in at least one additional acquisition in the coming months.

Ormonde has also directed significant time to **corporate and shareholder relations**. Steps have been taken to ensure good communications with shareholders, promote awareness of the Company's activities, increase and diversify the shareholder base and improve share trading liquidity, all with a view to improving institutional recognition and the ability of the Company to access the equity markets. These activities included arranging for the cessation of Ormonde shares being quoted in units of 10 (previously an Irish Stock Exchange requirement) on 3 November 2003, and the commencement of trading in the normal individual share format. The Company website, **www.ormondemining.com**, has been upgraded to ensure up-to-date information is available to those accessing the site, and I would encourage shareholders to make the most of this resource.

Over the last twelve months, our liquidity has increased substantially and our shareholder base has also changed significantly, with some 45% of our shareholdings now UK held, compared with 24% previously. Institutional shareholders now account for some 20% of the Company, a dramatic rise on twelve months ago. The Board has been strengthened by the addition of a London-based Director, Mr. Andrew Bell, who has been involved with the mining industry since the 1970s, as an investment analyst, fund manager and financier. Mr Bell's considerable experience of the mining industry and excellent working knowledge of the London investment market has proven a considerable benefit to the Board.

I should summarise the year by stating that your Company is building up a portfolio of advanced assets in an area of favourable geology and sound investment regulations utilising an excellent acquisition and exploration team; it has initiated drilling and other exploration programmes which have yielded very encouraging results.

On behalf of the Board, I would like to thank our out-going Chairman, Colin Andrew, who joined the Company in that role in April 2001. He was instrumental in re-listing and funding the Company at that time, and in the introduction of the current management. I look forward to Mr. Andrew's ongoing involvement on the Board.

In closing, I would like to thank the shareholders for their continued support, without which we would not have had a successful year.

MICHAEL DONOGHUE
21 June 2004

SALAMŒN GOLD DEPOSIT

The Salamón gold deposit is located in the León Province of northern Spain. The resource estimate for the uppermost 100-120 metres of the carbonate-hosted deposit is 640,000 tonnes grading 9.1 g/t gold (187,000 ounces of gold). Following a three-month exclusivity period, Ormonde exercised an option to enter into a Joint Venture with the property's owner, SIEMCALSA, to earn a 51% interest in the gold deposit and 120 square kilometres of associated exploration ground.

Salamón is hosted within solution breccias in limestones of Upper Carboniferous age along the León Fault, a major regional structural feature. The mineralization has strong affinities with Carlin-style deposits, with typical characteristics including brecciation, decalcification and silicification, with structural controls being important.

Previous work by SIEMCALSA at Salamón outlined a high-grade, steeply-dipping gold deposit up to 22 metres thick over a strike length of at least 350 metres. The resource estimate is based on 29 drill holes predominantly in the Central sector, which include the following mineralized intersections:

29.0m @ 20.5 g/t gold from 70.5m depth (SS-31)

16.0m @ 7.6 g/t gold from 64.0m depth (SS-17)

14.0m @ 5.7 g/t gold from 24.0m depth (SS-6)

Drilling at Barmiguel in October 2003 (photo by SIEMCALSA).

Trenching by SIEMCALSA in the Barmiguel sector, which lies along strike to the northeast of the Central sector, returned high-grade gold intervals and subsequent drilling by Ormonde-SIEMCALSA during 2003 focused on Barmiguel; this drilling succeeded to intersect the depth extension of high-grade mineralization, although over narrower intervals. The drilling results show higher grade gold intervals typically occurring within broader lower grade zones and include the intersections listed in the table below.

Significant results from the Ormonde-SIEMCALSA 2003 drilling programme.

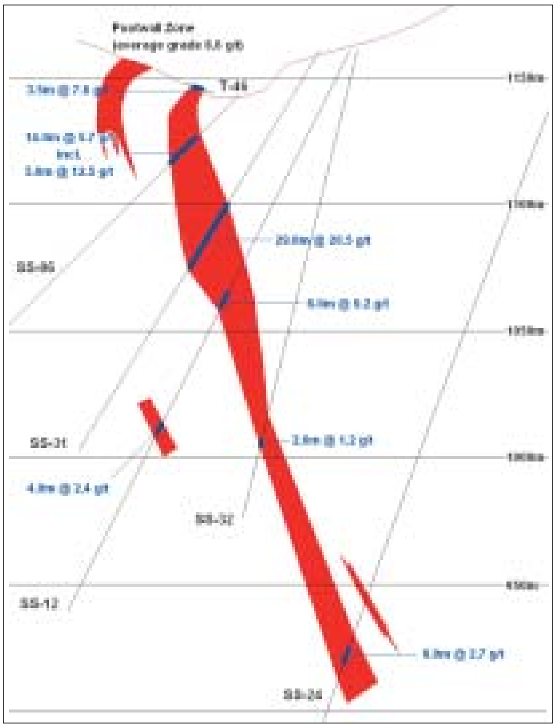
Hole	Interval (m)	Gold (g/t)	From (m)
BARMIGUEL			
SS-41	3.3	5.6	28.7
SS-43	2.4	12.0	40.8
SS-44	6.5	2.9	39.4
incl	1.7	8.5	42.8
SS-47	6.6	3.5	28.8
incl	3.0	4.5	28.8
SS-47	7.3	3.5	43.5
incl	3.9	5.0	43.5
SS-48	1.8	7.7	22.2
CENTRAL			
SS-40	14.3	3.6	46.6
incl	4.1	6.9	46.6
SS-50	1.0	13.7	103.7

The surface mineralization at Barmiguel may also extend a further 150 metres along strike to the east at Llueza, where samples from two closely-spaced localities have yielded average grades of 7.8 g/t (7 samples) and 16.9 g/t (3 samples) gold respectively.

In conjunction with the 2003 drilling programme, hangingwall and footwall zones (above and below the main mineralized zone, respectively) with indications of mineralization from historic sampling were sampled in more detail.

Twenty short surface channel samples (0.3 to 0.9 metres in length) were collected from two traverses through a 25 metre wide zone of silicification and dolomitization in the footwall. These samples returned an average grade of 8.6 g/t gold, with best values of 44.8, 26.8, 23.7, 12.9 and 10.9 g/t gold. Previous sampling of similar footwall alteration in three localities further to the east returned average grades of 31.1, 27.6 and 125.5 g/t gold, respectively, with a maximum value of 198.8 g/t (6.4 ozs) gold.

In the hangingwall, a thick sequence of conglomerates was also sampled where these rocks showed silicification and oxidation of sulphides. In the main area identified to-date, four samples returned grades of 9.7, 8.8, 7.0 and 3.2 g/t gold respectively.



Cross-section through Salamón Central zone, looking east. The red zone indicates the altered and broadly mineralized zone, with higher grade intervals highlighted in blue. Note that SS-24 is mineralized at over 200 metres depth, 100 metres below the current resource.

These mineralized hangingwall and footwall horizons represent new gold zones, and the Joint Venture has agreed to carry out detailed sampling of these units as a priority in the 2004 field programmes.

The second phase of Joint Venture drilling, commenced in May this year, will test for depth extensions to the Central zone in the deposit. A previous isolated hole, SS-24, intersected 6.0 metres grading 2.7 g/t gold (maximum grade of 4.7 g/t gold) within a 20 metre interval of alteration some 100 metres below the current resource; this provides a strong indication that the system continues to at least 200 metres depth. Interpretation of data collected to-date on the project shows that high-grade shoots can be found proximal to lower-grade mineralization like that in SS-24, justifying a thorough step-out drilling campaign based on this hole.

This investigation of the depth continuation of the Salamón gold system, in conjunction with detailed follow-up work on the hangingwall and footwall sequences and of the strike continuation of the mineralization at Barmiguel, are instrumental to Ormonde's objective of establishing a resource of 500,000 ounces of gold at a grade of ~9 g/t.

SALAMÓN REGION

Ormonde's Joint Venture with SIEMCALSA includes 120 square kilometres of exploration ground covering prospective Carboniferous rocks, incorporating a wide variety of mineral occurrences such as gold-arsenic-antimony and mercury workings, high-grade nickel-cobalt-copper-(gold) deposits and other occurrences along the León Fault and major structures.

As the gold mineralization at Salamón, and in Carlin-style deposits in general, characteristically has a strong structural control, Ormonde carried out a detailed regional structural and alteration study based on Landsat satellite imagery. The study identified a number of target areas where Salamón-type or other kinds of mineralization may be expected. Salamón occurs in a very distinct structural setting on the León Fault, and new areas along the León Fault and elsewhere have been highlighted as being prospective.

Panoramic view of the Salamón area annotated to show major structures and geological contacts (graphic by SIEMCALSA).

By integrating this structural interpretation with existing geochemistry and other regional data, target areas were ranked and tested in the field towards the end of 2003. This work is continuing during 2004; targets are being ranked in terms of priority using low-cost prospecting methods, with the most prospective areas to be followed-up by appropriate sampling and mapping programmes.

Prospecting is also being carried out on permits located some 35 kilometres west of Salamón where two important old workings exploited mineralization from sub-vertical pipes ("mantos") within limestones. Historic records documented high production grades of 1.5% nickel, 0.9% cobalt and 2.2% copper from one working, and 0.9% nickel, 0.7% cobalt and 1.6% copper from the other. Previous sampling of waste dump material at these workings returned gold assays of up to 22 g/t in the former and 51 g/t in the latter; an association with platinum group metals has also been recognised. Prospecting will prioritise on seeking possible extensions to, or repetitions of, this intriguing mineralization.

TRIVES

The Las Portas prospect in the Trives area is a highly promising and unexplored property in which Ormonde has the option to earn a 100% interest. The 2004 drilling campaign has been designed to investigate the depth extension of high-grade surface mineralization where no drilling has been carried out to-date.

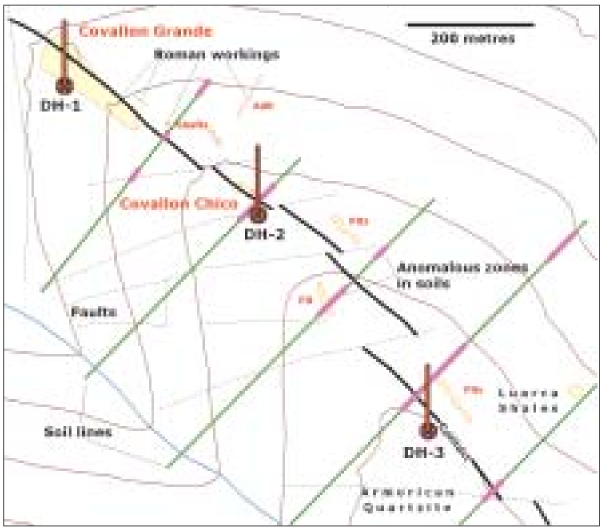
Activities during 2003 focused on the Salamón and Tracia projects whilst necessary documentation relating to Las Portas was being processed by the permitting authority. The required permits have now been granted, and a preliminary drilling campaign is being initiated.

This drilling represents the first modern exploration testing the depth and strike extensions of high-grade gold mineralization exposed in Roman workings. The gold occurs in a shear zone exposed in the faces of two workings, Covallon Grande and Covallon Chico, which are 350 metres apart and are broadly aligned in a northwest trend. Shafts and small surface workings also occur between the main pits, indicating that the shear zone, which occurs along a geological contact, is continuous.

The shear zone, as observed in the two workings, has a maximum width of some 20 metres. Gold mineralization occurs in two structural settings: sub-vertical lenses parallel to the main structural trend, and shallow-dipping cross-cutting veins. These structures were previously sampled separately and systematically to give representative and meaningful results.

The sub-vertical lenses returned composite grades of 8.0 metres @ 2.6 g/t gold, 4.0 metres @ 4.9 g/t gold and 2.5 metres @ 5.0 g/t gold. These samples were taken very carefully to exclude material from cross-cutting veins.

Specific samples of the cross-cutting veins returned grades including 7.1, 14.5, 17.2, 19.6, 28.6, 30.6 and 106.8 g/t gold.



Summary map of the Las Portas prospect showing soil lines and locations of anomalous zones, mapped Roman workings and initial drill holes.

The combination of both sets of structures results in a zone with considerable potential. This potential extends beyond the 350 metre strike length defined by the two pits, with a gold-in-soil geochemical anomaly extending further to the southeast to give a total inferred strike length of around 1,000 metres. The current drilling programme, originally designed to test only below the Covallon Grande and Covallon Chico pits, has been extended to test this anomaly.

Subsequent to the preliminary drilling programme, regional prospecting and mapping programmes will explore for similar shear zones, focusing on other Roman workings.

TRACIA

The principal target on the Tracia Investigation Permit is intrusion-related gold mineralization occurring in veins and highly altered, granitic host rock associated with arsenopyrite and minor pyrite. A Joint Venture with International Gold Exploration IGE AB has allowed significant progress to be made on the project since Autumn 2003.

A Joint Venture agreement was signed with IGE, a Swedish mining company listed on the Oslo Stock Exchange, in November 2003. IGE can earn a 50% interest in the Tracia Project by spending €260,000 over a two-year period, and is funding all ongoing exploration activities. Ormonde is the Operator, responsible for field and administrative activities over the Tracia permit and a surrounding Area of Interest.

Gold-bearing breccia outcropping proximal to Covallon Grande pit, Las Portas, Trives.

The first programme completed under the Joint Venture was a soil geochemistry survey over the two main areas (North Area and South Area) identified as being prospective by rock sampling and mapping by Ormonde, with gold values up to 58 g/t and surface features interpreted to be old workings. The sample spacing used was 100 x 100 metres.

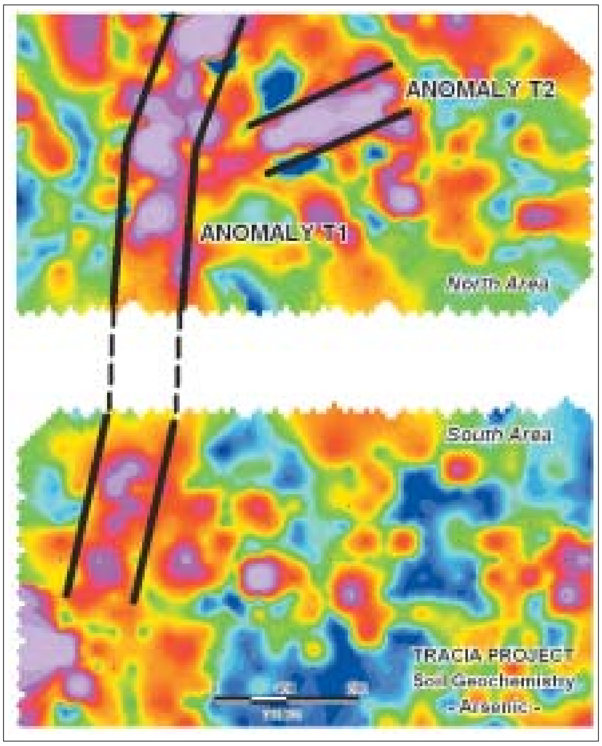
The soil geochemistry results have defined two large, coherent gold-arsenic anomalies that will form the basis of a drilling programme. Arsenic has been identified as an important gold indicator element in this area due to the proven association of gold with arsenopyrite veins.

North Area Results

The results show two large anomalies in the North Area, one with a north-south trending strike length of 1.2 kilometres (Anomaly T1), and the other with an east-west orientation and strike length of 750 metres (Anomaly T2). The maximum gold-in-soil values in the two anomalies are 639 ppb (parts per billion) and 379 ppb respectively.

South Area Results

In the South Area several other anomalies have been identified. One in particular is aligned with Anomaly T1 in the North Area, giving this zone a potential strike length of 3 kilometres.



Distribution of arsenic in soils across the two areas, North Area and South Area, sampled during 2003.

These results suggest that gold mineralization in bedrock at Tracia may be extensive. Together with the rock samples previously collected by Ormonde, this confirms the presence of a new gold system in a part of Spain overlooked by previous exploration campaigns.

The nature of the gold mineralization at Tracia is similar to that of the Salave deposit some 180 kilometres to the northeast, where a resource of 15 Mt grading 3.2 g/t Au for 1.5 million ounces of contained gold has been established.

The soil sampling has been carried out in conjunction with a detailed structural interpretation of the permit area and surrounding region using high quality satellite (ASTER and Landsat) imagery, which has also identified several structural targets.

Ongoing and future work at Tracia will include further sampling to confirm the continuity of Anomaly T1 between the North Area and South Area, and to extend other anomalies identified at the margins of the existing sampled areas. Diamond drilling is being planned to test both geochemical and structural targets.

A regional, reconnaissance stream sediment sampling programme is currently underway over an Area of Interest surrounding the Tracia permit to identify new mineralization in this unexplored area.

SPAIN – NEW OPPORTUNITIES

Ormonde has recognized that in addition to its current projects, Spain remains to be an excellent target for quality gold projects that could create real value for its shareholders.

Ormonde maintains a competitive advantage in Spain through its Spanish Executive team. The Spanish Executive uses its extensive experience and broad ranging contacts in the Spanish mineral exploration business to identify and review new opportunities on an ongoing basis. The team provides:

- Local knowledge and insight
- Personal experience
- Established contact networks
- Focused business goals.

Although company development activities, often involving lengthy negotiations and bureaucratic procedures, by Ormonde's Spanish Executive necessarily go unreported until deals have been concluded, their work is a central part of the Company's strategy to identify and develop the best value opportunities in Spain.

Report of the Directors

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Consolidated Financial Statements

The Directors have pleasure in submitting their Annual Report, together with the audited financial statements, for the year ended 31 December 2003. The format of the Report of the Directors and the financial statements reflect the requirements of the Companies Acts, 1963 to 2003, the European Communities (Companies : Group Accounts) Regulations 1992, and the Exploration Securities Market Listing Rules of the Irish Stock Exchange.

DIRECTORS' RESPONSIBILITY STATEMENT

Company law requires the Directors to prepare financial statements for each financial year in accordance with applicable Irish law and accounting standards, which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and Group and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2003, the European Communities (Companies: Group Accounts) Regulations, 1992 and the Exploration Securities Market Listing Rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOING CONCERN

The financial statements are prepared under the assumption that the Group is a going concern on the basis that the Directors are satisfied that further funding, primarily through share placings, will be available to bring such projects to production.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Company and its subsidiaries comprises acquisition, exploration, and development of mineral resource projects. Further details of the Company's affairs and activities are included in the Review of Activities included in this report.

RESULTS

The results for the year ended 31 December 2003 are set out in the Consolidated Profit and Loss Account in this Annual Report.

During the year, the Group expended €431,350 on mineral exploration and development. As all exploration and development costs to date have been deferred, no transfers to distributable reserves or dividends are recommended.

DIRECTORS

The current Directors are set out on the inside back cover.

On 14 October 2003, Andrew Bell was appointed as a Director. On 5 April 2004, Colin Andrew stepped down as non-executive Chairman and was replaced by Michael Donoghue. Colin Andrew has retained his position as a non-executive Director.

DIRECTORS' AND SECRETARY'S INTERESTS

The beneficial interests of the Directors and Secretary and their families in the issued share capital of the Company are as follows:

Directors	21 June 2004 Ordinary Shares	31 December 2003 Ordinary Shares	1 January 2003* Ordinary Shares
C. J. Andrew	1,053,328	1,053,328	1,053,328
I. K. Anderson	790,778	790,778	790,778
D. O'Beirne	938,099	938,099	938,099
J. A. Carroll ^ ~	2,121,093	2,121,093	2,121,093
M. J. Donoghue ^ ~ **	6,146,656	6,146,656	6,146,656
A. Bell	0	0	0

*Or at the date of appointment, if later.
** Mr. Donoghue's holdings include 5,400,210 Ordinary Shares registered in the name of Vidacos Nominees Limited.
^ Member of Audit Committee.
~ Member of Remuneration Committee.

Directors	31 December 2003 Share Options	1 January 2003** Share Options
C. J. Andrew	750,000*	750,000*
C. J. Andrew	150,000#	-
I. K. Anderson	750,000*	750,000*
I.K. Anderson	750,000#	-
D. O'Beirne	250,000*	250,000*
D. O'Beirne	150,000#	-
J. A. Carroll	750,000*	750,000*
J. A. Carroll	750,000#	-
M. J. Donoghue	750,000#	-
A. Bell	350,000#	-

No change in the above share options has occurred between 31 December 2003 and the date of approval of these financial statements.

* - Share options are exercisable at a price of €0.041 at any time up to 11 May 2011.
# - Share options are exercisable at a price of €0.034 at any time up to 13 August 2013.
** - Or date of appointment if later.

There has not been any contract or arrangement with the Company or any subsidiary during the period in which a Director of the Company was materially interested and which was significant in relation to the Group's business.

DETAILS OF EXECUTIVE DIRECTORS

Dr. I. Kerr Anderson (aged 42), is a geologist by profession, and has worked in the mining and exploration industry in Europe for 15 years. He was exploration manager with Navan Mining plc prior to joining Ormonde as Managing Director in May 2001.

DETAILS OF NON-EXECUTIVE DIRECTORS

Mr. David O'Beirne (aged 46), a founding member of the Company, is the Company Secretary and a non-executive Director of the Company and is a solicitor and partner in the Dublin legal firm of O'Donnell Sweeney. He has acted on behalf of a number of exploration companies and has considerable experience in the legal affairs of companies involved in the resource sector.

Mr. John A. Carroll (aged 55) is a non-executive Director of the Company. A chartered secretary by profession, he has over 30 years experience including seven years as a manager with KPMG in the Investment Company Department. He has widespread business contacts in Ireland and significant experience in the resource sector.

Mr. Colin J. Andrew (aged 49) is a non-executive Director of the Company. A chartered engineer and economic geologist by profession, he has extensive experience in the international mining and exploration sector. Mr Andrew was a founder Director of Navan Resources plc in 1987 and is currently Operations Director with both Hereward Ventures plc and Cambridge Minerals plc.

Mr. Michael J. Donoghue (aged 55) is a non-executive Director of the Company. A mining engineer by profession, he has wide experience in the evaluation, funding, development and operation of mines in Europe, Africa, South-East Asia, Australia and the Americas. His executive management experience includes an eight-year period as General Manager-Operations for Delta Gold, Sydney, Australia. Mr. Donoghue has previously been involved with Ormonde, having sat on the Board from 1996 until the strategic and financial restructuring in 2001. Mr. Donoghue was appointed non-executive Chairman in April 2004, in place of Mr. Colin Andrew.

Mr. Andrew R. McM. Bell (aged 49) was appointed to the Board of Directors as a non-executive Director on 14th October 2003. Mr Bell has been involved in the mining industry since the 1970s, involved mainly in investing and financing. He has extensive experience of international mining projects in both Europe and South-East Asia and is currently an executive Director St. Istvan Gold plc, a London based gold mining company operating in Hungary.

SUBSIDIARY AND ASSOCIATED COMPANIES

The information required by Section 158(4) of the Companies Act 1963 on Subsidiary and Associated Companies is contained in the information provided in respect of these companies as set out in the notes to the financial statements.

SIGNIFICANT SHAREHOLDINGS

At 31 December 2003, the Company had received notification of the following shareholders who directly or indirectly are interested in 3% or more of the issued share capital of the Company:

Name	Number of Shares	%
Vidacos Nominees Limited	7,953,799	7.37
Gartmore Investment Management Ltd	7,270,000	6.74
Pershing Keen Nominees Limited	6,000,000	5.56
J.P. Morgan Chase & Co	6,000,000	5.56
Desmond and Alice Burke	4,944,743	4.58

Apart from the foregoing, the Company had not been notified of any other person who held 3% or more of the issued share capital of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

The Directors had no interests in contracts during the period.

HEALTH AND SAFETY

It is the policy of the Group to comply with the Safety, Health and Welfare at Work Act, 1989. The Group endeavours at all times to observe proper environmental and safety practices in the work place.

CORPORATE GOVERNANCE STATEMENT

The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

Board: The Company currently has six Directors, comprising one executive Director and five non-executive Directors. The Board met formally on five occasions during 2003. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry. Appropriate training is provided on the first occasion that a new Director is appointed, if that person is without previous plc experience. Non-executive Directors are not appointed for specific terms. Each non-executive Director comes up for re-election every three years and each new Director is subject to election at the next Annual General Meeting following the date of appointment.

The following committees deal with the specific aspects of the Group affairs:

Audit Committee: During the year the Directors established an Audit Committee whose main functions are outlined here. This Committee comprises two non-executive Directors. The external auditors have the opportunity to meet with members of the Audit Committee without executive management present at least once a year. The duties of the Committee include the review of the accounting principles, policies and practices adopted in preparing the financial statements, external compliance matters and the review of the Group's financial results.

Nominations Committee: Given the current size of the group a Nominations Committee is not considered necessary. The Board reserves to itself the process by which a new Director is appointed.

Remuneration Committee: During the year the Directors established a Remuneration Committee whose main functions are outlined here. This Committee comprises two non-executive Directors. This Committee determines the contract terms, remuneration and other benefits of the executive Directors, non-executive Chairman and non-executive Directors. Further details of the Group's policies on remuneration, service contracts and compensation payments are given in the Remuneration Committee Report below.

Communications: The Group maintains regular contact with shareholders through publications such as the annual and half-year report and via press releases and the Group's website, www.ormondemining.com. The Directors are responsive to shareholder telephone enquiries throughout the year. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, Directors and management to meet and exchange views.

Internal Control

The Directors have overall responsibility for the Group's system of internal control and have delegated responsibility for the implementation of this system to executive management. This system includes financial controls that enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records.

The Group's system of internal financial control provides reasonable, though not absolute assurance that assets are safeguarded, transactions authorized and recorded properly and that material errors or irregularities are either prevented or detected within a timely period. Having made appropriate enquiries the Directors consider that the system of internal financial, operational and compliance controls and risk management operated effectively during the period covered by the financial statements and up to the date on which the financial statements were signed.

The internal control system includes the following key features, which have been designed to provide internal financial control appropriate to the Group's businesses:

- Budgets are prepared for approval by the Board
- Expenditure and income are compared to previously approved budgets
- A detailed investment approval process which requires Board approval of all major capital projects and regular review of the physical performance and expenditure on these projects.

Risk Management

Currency Risk Management

The Group operates mainly in geographical areas where the euro is the currency of operations. Euro costs are largely met out of funds held in euro. This avoids the Group being exposed to any material exchange rate risk. The Group has not entered into any currency hedge transactions.

Compliance

The Board is confident that it complies with Turnbull guidelines on the Combined Code except for the following:

- During the year there were two rather than three members of the Audit Committee.
- Certain share option arrangements are in place between the Company and the non-executive Directors. These arrangements reflect the high level of commitment and support given by them.
- No specific Nominations Committee has been established as the Board is small at present. The matter is under continuous review.

Remuneration Committee Report

The Group's policy on senior executive remuneration is designed to attract and retain people of the highest calibre who can bring their experienced and independent views to the policy, strategic decisions and governance of the Group.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other companies of similar size and scope. A key philosophy is that staff must be properly rewarded and motivated to perform in the best interests of the shareholders.

Remuneration during the year ended 31 December 2003 was as follows:

Euro €	Basic Salary	Fees	Pension	2003 Total	2002 Total
K. Anderson	46,667	-	-	46,667	53,692
C. Andrew	-	-	-	-	-
D. O'Beirne	-	-	-	-	-
J. Carroll	-	2,500	-	2,500	-
M. Donoghue	-	-	-	-	-
A. Bell	-	2,500	-	2,500	-
	46,667	5,000	-	51,667	53,692

BOOKS OF ACCOUNT

The measures that the Directors have taken to ensure compliance with Section 202 of the Companies Act 1990, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The books of account are maintained at the Company's office at Ormonde House, Metges Lane, Navan, Co. Meath.

AUDITORS

Deloitte & Touche resigned as auditors as of 12 December 2003 and reported to the Companies Office that there were no matters to be brought to the notice of the shareholders in connection with their resignation.
Casey McGrath & Associates were appointed as auditors by the Directors on 12 December 2003 and they have expressed their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the Board

John Carroll
Director
21 June 2004

Michael Donoghue
Director

TO THE MEMBERS OF ORMONDE MINING PLC

We have audited the financial statements on pages 20 to 35.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an independent auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, Auditing Standards as promulgated by the Auditing Practices Board in Ireland, the Exploration Securities Market Listing Rules of the Irish Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2003 and the European Communities (Companies: Group Accounts) Regulations, 1992. We also report to you whether in our opinion: proper books of account have been kept by the Company; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Report of the Directors is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the Company's balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Exploration Securities Market Listing Rules of the Irish Stock Exchange regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We review whether the corporate governance statement reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statement on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This information comprises only the Report of the Directors, including the corporate governance statement, and the Chairman's Statement. We consider the implications for our report if we became aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with the auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Deferred Exploration

In forming our opinion, we have considered the adequacy of the disclosures made in Note 6 to the financial statements in relation to the Director's assessment of the carrying value of the Group's deferred exploration costs amounting to €801,919. Our opinion is not qualified in this respect.

Going Concern

The Directors are satisfied that adequate finance will be available over the twelve months from the date of approval of these financial statements and have, accordingly, prepared the financial statements on a going concern basis (Note 21). The ability of the Group to continue in operational existence is dependent on it raising new finance for the successful development of it's mining interests. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 December 2003 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. The Company's balance sheet is in agreement with the books of account.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet of the Company are not more than half the amount of its called-up share capital and, in our opinion, on that basis there did exist at 31 December 2003 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, may require the convening of an extraordinary general meeting of the Company.

Casey McGrath & Associates,
Chartered Certified Accountants
and Registered Auditors,
14 Upper Fitzwilliam Street,
Dublin 2.

21 June 2004

The significant accounting policies adopted by the Group are:

(a) Basis of Preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board and with Irish statute comprising the Companies Acts, 1963 to 2003, the European Communities (Companies: Group Accounts) Regulations, 1992 and the Exploration Securities Market listing rules of the Irish Stock Exchange.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiary undertakings made up to 31 December; all intercompany transactions and balances have been eliminated in their preparation. Subsidiary undertakings are consolidated on the basis of acquisition accounting whereby fair values at the date of acquisition are attributed to the underlying identifiable assets (principally mineral interests) of the subsidiary undertakings. The Company evaluates the carrying value of these assets on an ongoing basis.

Where necessary, the financial statements of subsidiaries are adjusted to reflect the accounting policies adopted by the parent Company.

(c) Tangible fixed assets

Tangible fixed assets are recorded at cost and are depreciated over their estimated useful lives on a straight line basis at the following annual rates:

Plant and equipment	:	25%
Fixtures and fittings	:	33⅓%
Motor vehicles	:	16%
Computer equipment	:	33⅓%

(d) Intangible assets

Exploration Costs

Exploration costs include direct expenditure, the Group's share of joint venture exploration expenditure, and certain general and administration expenses incurred by the Company and its subsidiaries. These costs are capitalised until the results of the projects, which are based on geographical areas, mainly countries, are known. If a project is successful, the related expenditures will be amortised over the life of estimated reserves on the unit of production basis. Provision for impairment is made where a project is abandoned or considered to be of no further interest to the group or its anticipated income potential is less than carrying value of the project on the balance sheet.

(e) Foreign currencies

Transactions denominated in other currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in other currencies are translated at the year end exchange rates, except when subsequent settlements are made at less favourable exchange rates. Profits and losses arising on settlement of amounts payable in other currencies are dealt with through the profit and loss account. Exchange differences arising on consolidation of subsidiary companies denominated in currencies other than euro are shown as a movement in reserves.

(f) Financial fixed assets

Financial fixed assets, comprising unlisted securities, are stated at cost or the fair value on acquisition of a subsidiary. Provision is made where there is a permanent diminution in value.

(g) Reporting currency

The consolidated financial statements are expressed in euro as the majority of expenses of the Company are denominated in euro.

(h) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are only recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely that not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(i) Leased assets

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful lives. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on an annuity basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 €	2002 €
Administrative expenses		**(131,585)**	(150,402)
Operating income		**26,423**	12,697
Impairment of intangible fixed assets	6	**(345,763)**	-
OPERATING (LOSS)		**(450,925)**	(137,705)
Interest receivable		**1,542**	750
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1	**(449,383)**	(136,955)
Taxation	2	**-**	-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	3	**(449,383)**	(136,955)
Profit and loss account brought forward		**(8,726,667)**	(8,589,712)
Profit and loss account carried forward		**(9,176,050)**	(8,726,667)
(Loss) per share	4	**(€0.0052)**	(€0.0019)
(Loss) per share - diluted	4	**(€0.0052)**	(€0.0019)

The Group has no recognised gains or losses other than those reflected in the profit and loss account above.

On behalf of the Board

John Carroll
Director

Michael Donoghue
Director

21 June 2004

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2003

	Notes	**2003** €	2002 €
FIXED ASSETS			
Tangible assets	5	**27,214**	35,603
Intangible assets	6	**801,919**	716,332
		829,133	751,935
CURRENT ASSETS			
Debtors	9	**22,205**	82,747
Cash at bank and on hand		**472,919**	119,498
		495,124	202,245
CREDITORS : (Amounts falling due within one year)	10	**(46,514)**	(118,876)
NET CURRENT ASSETS		**448,610**	83,369
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,277,743**	835,304
CREDITORS: (Amounts falling due after more than one year)	11	**(19,606)**	(24,558)
NET ASSETS		**1,258,137**	810,746
CAPITAL AND RESERVES			
Called-up share capital	12	**4,370,712**	3,635,418
Share premium account	13	**6,027,300**	5,865,820
Capital conversion reserve fund		**28,928**	28,928
Capital reserve		**7,247**	7,247
Profit and loss account		**(9,176,050)**	(8,726,667)
SHAREHOLDERS' FUNDS		**1,258,137**	810,746
Analysed as follows:			
Equity		**(414,788)**	(862,179)
Non-equity		**1,672,925**	1,672,925
		1,258,137	810,746

On behalf of the Board

John Carroll
Director

Michael Donoghue
Director

21 June 2004

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2003

	Notes	2003 €	2002 €
FIXED ASSETS			
Tangible assets	5	**6,742**	10,593
Intangible assets	6	**218,291**	140,246
Financial assets	7	**618,976**	602,288
		844,009	753,127
CURRENT ASSETS			
Debtors	9	**12,145**	50,859
Cash at bank and on hand		**470,531**	97,771
		482,676	148,630
CREDITORS : (Amounts falling due within one year)	10	**(40,606)**	(108,057)
NET CURRENT ASSETS		**442,070**	40,573
NET ASSETS		**1,286,079**	793,700
CAPITAL AND RESERVES			
Called-up share capital	12	**4,370,712**	3,635,418
Share premium account	13	**6,027,300**	5,865,820
Capital conversion reserve fund		**28,928**	28,928
Capital reserve		**7,247**	7,247
Profit and loss account		**(9,148,108)**	(8,743,713)
SHAREHOLDERS' FUNDS		**1,286,079**	793,700
Analysed as follows:			
Equity		**(386,846)**	(879,225)
Non-equity		**1,672,925**	1,672,925
		1,286,079	793,700

On behalf of the Board

John Carroll
Director

Michael Donoghue
Director

21 June 2004

RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2003

	2003	2002
	€	€
Total recognised losses	**(449,383)**	(136,955)
Issued shares - at par	**735,294**	259,991
- share premium (net of share issue costs (Note 13))	**161,480**	265,558
Net change in shareholders' funds	**447,391**	388,594
Opening shareholders' funds	**810,746**	422,152
Closing shareholders' funds	**1,258,137**	810,746

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 €	2002 €
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	14	**(105,219)**	(212,197)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		**1,542**	750
Interest element of finance leases		**(935)**	(1,294)
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		**607**	(544)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Expenditure on intangible assets		**(431,350)**	(333,801)
Payments to acquire tangible fixed assets		**(2,429)**	(8,942)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		**(433,779)**	(342,743)
NET CASH OUTFLOW BEFORE FINANCING		**(538,391)**	(555,484)
FINANCING			
Issue of shares, net of expenses		**896,774**	525,550
Capital element of finance leases		**(4,962)**	(2,855)
NET CASH INFLOW FROM FINANCING		**891,812**	522,695
INCREASE/(DECREASE) IN CASH	16	**353,421**	(32,789)

1. STATUTORY AND OTHER INFORMATION

	2003	2002
	€	€
The (loss) before taxation is stated after charging / (crediting):		
Provision for impairment of intangibles	**345,763**	-
Directors' emoluments	**51,667**	53,962
Depreciation	**10,818**	6,922
Auditors' remuneration	**15,000**	15,000
Interest receivable	**(1,542)**	(750)

The average number of persons employed by the Group	**No.**	No.
during the period was	**3**	3

	€	€
The aggregate payroll costs of these persons were:		
Wages and salaries	**99,600**	82,207
Social welfare costs	**10,599**	37,337
	110,199	119,544

2. TAX ON ORDINARY ACTIVITIES

	2003	2002
	€	€
(a) Analysis of the tax charge for the year:		
Corporation tax refund on the loss for the year	**-**	-
(b) Reconciliation of factors affecting tax charge for the year:		
(Loss) from ordinary activities before taxation	**(449,383)**	(136,955)
Corporation tax at statutory rate: 2003: 12.5% (2002: 16%)	**-**	-
Taxation effects of:		
Cumulative operating losses	**-**	-
Current tax refund for the year	**-**	-

Deferred tax assets have not been recognised as the Directors consider that they would not be recoverable in the foreseeable future.

3. LOSS FOR THE YEAR

	2003	2002
	€	€
Dealt with in the accounts of the Company	**(404,395)**	(130,533)
(Loss) retained by subsidiaries	**(44,988)**	(6,422)
	(449,383)	(136,955)

As permitted by Section 43(2) of the European Communities (Companies: Group Accounts) Regulations 1992, the profit and loss account of the holding Company is not presented as part of the financial statements.

4. (LOSS) PER SHARE

	2003	2002
	€	€
(Loss) per share	**(0.0052)**	(0.0019)
(Loss) per share - diluted	**(0.0052)**	(0.0019)

The loss per share and the diluted loss per share have been calculated based on a loss after taxation of €449,383 (2002: €136,955) and a weighted average number of Ordinary Shares in issue for the period of 86,799,466 (2002: 72,097,339).

The loss per share and the fully diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive and is therefore excluded.

5. TANGIBLE FIXED ASSETS

Group and Company

	Plant and Equipment	Fixtures and Fittings	Motor* Vehicles	Computer Equipment	Total
	€	€	€	€	€
Cost:					
At 1 January 2003	23,637	15,814	25,356	12,668	77,475
Additions		-	-	2,429	2,429
Disposal in year	(23,637)	(10,146)	-	-	(33,783)
At 31 December 2003	-	5,668	25,356	15,097	46,121
Accumulated depreciation:					
At 1 January 2003	23,637	12,728	2,029	3,478	41,872
Charge for period	-	1,889	4,057	4,872	10,818
Disposal in year	(23,637)	(10,146)	-	-	(33,783)
At 31 December 2003	-	4,471	6,086	8,350	18,907
Net book amount:					
At 31 December 2003	**-**	**1,197**	**19,270**	**6,747**	**27,214**
At 31 December 2002	-	3,086	23,327	9,190	35,603

* The full amount included in motor vehicles is held under finance leases. The depreciation for the year was €4,057.

6. INTANGIBLE ASSETS (deferred exploration expenditure)

Group	Africa	Europe	Total
At cost:	€	€	€
At 1 January 2003	364,203	352,129	716,332
Expenditure incurred during the period	47,873	383,477	431,350
Provision for impairment	(345,763)	-	(345,763)
At 31 December 2003	**66,313**	**735,606**	**801,919**

Expenditure on exploration activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. The Directors are satisfied that this deferred expenditure is worth not less than cost and that the exploration projects and prospecting licences described above have the potential to achieve mine production and positive cash flows.

The provision for impairment relates to deferred expenditure in relation to Ormonde Mining (Tanzania) Limited, Adola Gold Limited and Mpingo (Bermuda) Limited which the Directors now feel will not achieve production and such costs are not expected to be recouped through successful development and exploration of these particular licence areas.

7. FINANCIAL ASSETS

	2003	2002
	€	€
Company		
Shares in Group companies - unlisted		
Shares at Directors' valuation	**3,006**	189,144
Loans advanced to Group companies (less provision)	**615,970**	413,144
	618,976	602,288

During the year, the Directors have written off the unlisted investments relating to geographical and licensing areas where the Group has ceased operations. In the opinion of the Directors, the value to the Company of the unlisted investments is not less than the net book amount shown above.

8. SHARES IN GROUP COMPANIES

Details of directly and indirectly wholly-owned subsidiary companies as at 31 December 2003 are as follows:

Name	Registered Office/ Operating Area	Nature of Business
Ormonde Espana, S.L.	Spain	Mineral exploration
Ormonde Mining (Tanzania) Limited	Tanzania	Mineral exploration

8. SHARES IN GROUP COMPANIES (CONTINUED)

In addition to the above wholly owned subsidiaries, the Group has advanced funds totalling €32,470 to a Morrocan company called Exprotra SARL. The Group has no shareholding in the company, however the company is controlled by a Director of Ormonde Mining plc. Exprotra SARL has expended funds on behalf of the Company. Exprotra SARL is considered by the Directors to be a quasi-subsidiary and has been consolidated within the Group as required under FRS 5. The net assets of Exprotra SARL as at 31 December 2003 comprised of cash balances of €1,319 and deferred development expenditure of €31,151.

9. DEBTORS

	Group		Company	
	2003	2002	**2003**	2002
	€	€	**€**	€
Amounts falling due within one year:				
VAT recoverable	**11,569**	23,408	**8,190**	1,675
Other debtors	**3,955**	51,723	**3,955**	49,184
Deferred finance charges	**6,681**	7,616	**-**	-
	22,205	82,747	**12,145**	50,859

10. CREDITORS : (Amounts falling due within one year)

	Group		Company	
	2003	2002	**2003**	2002
	€	€	**€**	€
Finance leases	**5,908**	6,853		-
Taxes and social security costs	**2,646**	-	**2,646**	-
Accruals	**37,960**	112,023	**37,960**	108,057
	46,514	118,876	**40,606**	108,057

11. CREDITORS : (Amounts falling due after more than one year)

	Group		Company	
	2003	2002	**2003**	2002
	€	€	**€**	€
Finance leases falling due between two and five years	**19,606**	24,558	**-**	-

12. CALLED-UP SHARE CAPITAL

	2003	2002
	€	€
Authorised :		
130,000,000 ordinary shares of 2.50c (2002: 2.50c) each	**3,250,000**	3,250,000
100,000,000 deferred shares of 3.809214c each	**3,809,214**	3,809,214
	7,059,214	7,059,214
Allotted, called-up and fully paid :		
At start of period:		
78,499,705 (2002: 68,180,607) ordinary shares		
of 2.50c (2002: 2.539476c) each	**1,962,493**	1,731,430
43,917,841 deferred shares of 3.809214c each	**1,672,925**	1,672,925
	3,635,418	3,404,355
Movements during the period:		
0 (2002: 5,099,507) ordinary shares		
issued of 2.539476c each	**-**	129,501
Transfer to capital conversion reserve fund	**-**	(28,928)
29,411,775 (2002: 5,219,591) ordinary shares		
issued of 2.50c each	**735,294**	130,490
	735,294	231,063
At end of period:		
107,911,480 (2002: 78,499,705) ordinary shares		
of 2.50c (2002: 2.50c) each	**2,697,787**	1,962,493
43,917,841 deferred shares of 3.809214c each	**1,672,925**	1,672,925
	4,370,712	3,635,418

12. CALLED-UP SHARE CAPITAL (Continued)

Shares issued during the period:

On 19 September 2003, the Company issued 29,411,775 Ordinary Shares of €0.025 for €0.034 each to raise cash to finance the Group's operations.

The Deferred Shares (which were created solely to facilitate a Group reorganisation) are not dealt in on the ESM, and have no voting rights, no right to a dividend and the right to only a very limited return of capital on liquidation. The Company's Articles of Association were consequently amended to reflect the existence of the Deferred Shares and the rights attaching to them. The Ordinary Shares retained essentially all of the rights (including voting, dividend rights and rights on a return of capital) attaching to the existing Shares at that time.

The Company had issued a total of 4,200,000 Options to employees and Directors of the Company and its subsidiary companies and other interested parties. Each Option entitles the holder to acquire one Ordinary Share of €0.025 each for consideration of €0.041 and are exercisable at any time up to 11 May 2011. During the year, the Company issued a further 3,500,000 Options to employees and Directors of the Company. Each Option entitles the holder to acquire one Ordinary Share of €0.025 each for consideration of €0.034 and are exercisable at any time up to 13 August 2013.

13. SHARE PREMIUM ACCOUNT

	2003	2002
	€	€
Group and Company		
At 1 January	**5,865,820**	5,600,262
Premium on shares issued during the year	**273,932**	289,964
Share issue costs	**(112,452)**	(24,406)
At 31 December	**6,027,300**	5,865,820

14. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003	2002
	€	€
Operating (loss)	**(450,925)**	(137,705)
Decrease/(increase) in debtors	**60,542**	(56,528)
(Decrease) in creditors	**(71,417)**	(24,886)
Impairment of intangible fixed assets	**345,763**	-
Depreciation	**10,818**	6,922
	(105,219)	(212,197)

15. ANALYSIS OF NET FUNDS

	At 31/12/2002	Cashflow	Other non-cash charges	**At 31/12/2003**
	€	€	€	**€**
Cash in hand and at bank	119,498	353,421	-	**472,919**
Finance leases	(31,411)	5,897	-	**(25,514)**
	88,087	359,318	-	**447,405**

16. RECONCILIATION OF NET CASH FLOW TO NET DEBT

	2003	2002
	€	€
Increase/(decrease) in cash in the period	**353,421**	(32,789)
Cash outflow from increase in debt financing	**5,897**	2,855
Change in net funds resulting from cashflows	**359,318**	(29,934)
New finance leases	**-**	(34,266)
Movement in net funds in the period	**359,318**	(64,200)
Net funds at start of period	**88,087**	152,287
Net funds at end of period	**447,405**	88,087

17. SEGMENTAL INFORMATION

The Group operates primarily in the mining industry. Operations in Europe and Africa include the exploration and development of precious metal properties in these regions. Information about the Group's expenses, profitability and assets by geographic region for the year ended 31 December 2003 is as follows:

	Africa	Europe	Total
	€	€	€
Administrative expenses	-	(131,585)	(131,585)
Other income	-	27,965	27,965
Impairment of intangible fixed assets	(345,763)	-	(345,763)
Net (loss)	(345,763)	(103,620)	(449,383)
Net assets	66,313	1,191,824	1,258,137

18. RISK MANAGEMENT

The Group's financial instruments comprise finance leases and various items such as trade debtors and trade creditors which arise directly from trading operations. The main purpose of these financial instruments is to provide working capital to finance Group operations.

The Group does not enter into any derivative transactions, and it is the Group's policy that no trading in financial instruments shall be undertaken.

The main financial risk arising from the Group's financial instruments is currency risk.

INTEREST RATE RISK

The Group primarily finances its operations through the issue of equity shares. The Group has fixed interest rate agreements in the form of finance leases, which are subject to fixed interest rates of 12.6% (2002: 12.6%). The Group's exposure to interest rate risk is not considered to be significant.

LIQUIDITY RISK

As regards liquidity, the Group's exposure is confined to meeting obligations under short term trade creditor agreements. This exposure is considered to be significant, and to date has been financed through additional issues of ordinary shares. The Group is planning to finance ongoing operations through further share placements.

18. RISK MANAGEMENT (CONTINUED)

FOREIGN CURRENCY RISK

Although the Group is based in the Republic of Ireland, amounts held as deferred development expenditure were originally expended in currencies other than Euro aligned currencies. However, this expenditure is not considered to be a monetary asset, and has been translated to the reporting currency at rates of exchange ruling at the dates of the original transactions. The Group does not hold significant foreign currency monetary assets or liabilities.

The Group also has transactional currency exposures. Such exposures arise from expenses incurred by the Group in currencies other than the functional currency. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates, and restricting the buying and selling of currencies to predetermined exchange rates within specified bands.

The Group does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities are considered and may be used where appropriate in the future.

The functional currency of the majority of the Group's operations is in Euro which is also the reporting currency. The net currency exposure of the net assets of the Group at the balance sheet dates was as follows:

	Total	Euro	Tanzanian Shillings	Morrocan Dirhams
	€	€	€	€
31 December 2003	1,258,137	1,225,667	-	32,470
31 December 2002	810,746	490,019	287,987	32,740

19. RELATED PARTY TRANSACTIONS

As outlined in note 8, Exprotra SARL is considered by the Directors of Ormonde Mining plc to be a quasi-subsidiary, and has been consolidated in accordance with FRS 5. Colin Andrew is a Director of Exprotra SARL. The Group has availed of the exemption available under FRS 8 "Related Party Disclosures" from disclosing details of transactions with Exprotra SARL as the Company has been consolidated with the Group.

Kerr Anderson is a director of Aurum Exploration Limited. During the year, Aurum Exploration Limited sub-let office space from Ormonde Mining plc for an amount of €12,244, under the terms of an arms length commercial agreement. Aurum Exploration Limited paid sums totalling €10,955 during the year. Ormonde Mining plc was owed from Aurum Exploration Limited €1, 289 at year-end.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

Colin Andrew has sub-let office space from Ormonde Mining plc under an arms length commercial agreement. On 1 January 2003 Colin Andrew owed to Ormonde Mining plc the sum of €5,079 in relation to this agreement. Ormonde Mining plc invoiced during the year the sum of €12,649 under the terms of the agreement and received sums totalling €15,062. Ormonde Mining plc was owed from Colin Andrew €2,666 at year-end.

20. FINANCIAL COMMITMENTS

At the balance sheet date, the Company and the Group had annual commitments under non-cancelable operating leases as set out below:

	2003	2002
	€	€
Annual rentals payable under operating leases which expire between 2 and 5 years	**11,477**	12,697

21. EVENTS SINCE THE YEAR END

Colin Andrew stepped down as non-executive Chairman of the Board of Directors on 5 April 2004 and was replaced by Michael Donoghue. Colin Andrew has retained his place on the Board of Directors as a non-executive Director.

On 14 June 2004, the Company raised €940,000 from the issue of 10,000,000 New Ordinary Shares to institutional and private investors in Ireland and U.K.

22. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved these financial statements on 21 June 2004.

NOTES

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ormonde Mining plc will be held at the offices of O'Donnell Sweeney Solicitors, 1 Earlsfort Centre, Earlsfort Terrace, Dublin 2 on Thursday 29th July 2004 at 11.00am for the purpose of considering and, if thought fit, passing the following Resolutions of which Resolutions numbered 1 to 7 inclusive will be proposed as Ordinary Resolutions and Resolution number 8 will be proposed as a Special Relolution.

Ordinary Business

1 To receive and consider the accounts for the year ended 31st December 2003, together with the reports of the Directors and Auditors thereon.

2 To re-elect Colin Andrew as a Director who is recommended by the Board for re-election as a Director and who retires in accordance with the Articles of Association.

3 To re-elect David O'Beirne as a Director who is recommended by the Board for re-election as a Director and who retires in accordance with the Articles of Association.

4 To re-elect Andrew Bell as a Director who was appointed to the Board since the last Annual General Meeting and who is recommended by the Board for re-election.

5 To authorise the Directors to fix the remuneration of the Auditors.

Special Business

6 That the authorised share capital of the Company be and is hereby increased from 130,000,000 Ordinary Shares of €0.025 each to 200,000,000 Ordinary Shares of €0.025 each by the creation of 70,000,000 Ordinary Shares of €0.025 each, such Ordinary Shares ranking pari passu with the existing issued and authorised Ordinary Shares of €0.025 each in the capital of the Company.

7 That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act, 1983 ('the Act') to exercise all powers of the Company to allot relevant securities (as defined by Section 20 of the Act) up to an amount equal to the authorised but as yet unissued share capital of the Company from time to time. The authority hereby conferred shall expire at the close of business on 29th day of October 2005, unless previously renewed, varied or revoked by the Company in general meeting provided however that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired. The authority hereby conferred shall be in substitution for any existing such authority.

8 Subject to the passing of Resolution No. 7 above, the Directors be and are hereby empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 (the "1983 Act") to allot equity securities (as defined by Section 23 of the 1983 Act) for cash pursuant to the authority conferred by Resolution No. 7 above as if Subsection (1) of the said Section 23 did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

(a) in connection with the exercise of any options or warrants granted by the Company; and

(b) (in addition to the authority conferred by paragraph (a) of this Resolution), up to an aggregate nominal value of €269,779, being 10% of the current issued share capital of the Company,

which power shall expire on the earlier of the date of the next annual general meeting of the Company held after the date of the passing of this resolution and the 29th day of October 2005, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

21 June 2004

BY ORDER OF THE BOARD
DAVID O'BEIRNE
Secretary

Registered Office:
The Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Notes: A member is entitled to appoint a proxy to attend, speak and vote instead of him. To be effective the form of proxy must be received at the office of the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 not later than 48 hours before commencement of the meeting. A proxy need not be a member of the Company.

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT 11.00AM ON 29 JULY 2004 AND AT ANY ADJOURMENT THEREOF

ORMONDE MINING PUBLIC LIMITED COMPANY

***Please indicate with an 'x' in the boxes below how you wish your votes to be cast, i.e. for or against the resolution. If you do not do so, the proxy will vote or abstain as he/she thinks fit.vote or abstain as he/she thinks fit.*

RESOLUTIONS (as set out in full in the Notice of Annual General Meeting dated 29 July 2004.	For**	Against**
1) To receive and consider the Statement of Accounts and the Directors' and Auditors Reports.		
2) To re-elect Colin Andrew as a Director.		
3) To re-elect David O'Beirne as a Director.		
4) To re-elect Andrew Bell as a Director.		
5) To authorise the Directors to fix the remuneration of the Auditors.		
6) To increase the authorised share capital of the Company.		
7) To authorise the Directors to allot relevant securities.		
8) To authorise the Directors to allot securities for cash and to disapply Section 23(1) of the Companies (Amendment) Act 1983.		

I/We the undersigned, being a member/ members of Ormonde Mining plc hereby appoint the Chairman of the Meeting* or

....

of: ....

....

....

as my/our proxy vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 29 July 2004 at 11.00am, at the offices of O'Donnell Sweeney Solicitors, 1 Earlsfort Centre, Earlsfort Terrace, Dublin 2 and at any adjournment thereof.

Please indicate with an X whether you wish your vote to be cast for or against the Resolution. In the absence of special instructions your proxy will vote or abstain from voting, as he thinks fit.

*** If it is desired to appoint another person as a proxy, the words "the Chairman of the Meeting" should be deleted and the name and address of the proxy, who need not be a member of the Company, inserted.**

DATED THIS .... **day of** **2004**

SIGNATURE ....

NAME IN FULL
(BLOCK LETTERS) ....

Notes

1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument of proxy, to be valid, must be received by the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than 48 hours before the time appointed for the holding of the Meeting.
3. In the case of a corporation this instrument may be either under the common seal or under the hand of an officer or attorney authorised in that behalf.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders and for this purpose seniority shall be determined by the order in which the name stands in the Register of Members in respect of the joint holding.
5. If a proxy is executed under a Power of Attorney such Power of Attorney must be deposited at the Registrar's office along with the instrument of proxy.
6. Completing and returning a Form of Proxy shall not preclude a member from attending and voting at the meeting should he/she so wish.

FOLD 2

The Company Registrar,
Ormonde Mining plc,
Computershare Investor Services (Ireland) Ltd.,
Heron House, Corrig Road,
Sandyford Industrial Estate,
Dublin 18,
Ireland.

FOLD 1

FOLD 3

DIRECTORS AND ADVISORS

DIRECTORS
Michael Donoghue *Non-Executive Chairman*
Kerr Anderson *Managing Director*
Colin Andrew *Non-Executive*
John Carroll *Non-Executive*
Andrew Bell *Non Executive*
David O'Beirne *Secretary*

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INCORPORATION NO.
96863

REGISTRARS
Computershare Investor Services (Ireland) Ltd
Heron House
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Sandyford Industrial Estate
Dublin 18
Ireland

AUDITORS
Casey McGrath & Associates
Chartered Certified Accountants
and Registered Auditors
14 Upper Fitzwilliam Street
Dublin 2
Ireland

FINANCIAL ADVISORS
Davy Corporate Finance Ltd
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Dublin 2
Ireland

STOCKBROKERS
Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

SOLICITORS
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Ireland

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OTHER COMPANY DATA
Primary Listing: Irish Stock Exchange
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