



ORAMONDE
MINING PLC

Annual Report 2002

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

Properties are selected with a bias towards high-grade and advanced resource potential. ORMONDE's portfolio includes projects with existing gold resources, and properties where the Company anticipates that drilling will identify new resources.

Key projects are located in NORTHERN SPAIN.

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● CHAIRMAN'S STATEMENT ●

In my last Chairman's Statement I was pleased to report that the Company had been re-listed, re-financed, had recruited a new management team and staff and had commenced the acquisition of prospective exploration properties. The emphasis of this acquisition exercise has been on gold in Spain, and to acquire at least one advanced project. I am therefore very pleased to be able to include the **Salamón** gold deposit as a key asset of the Company. The high gold grades and affinities with Carlin-style mineralization make this a very exciting project, which strongly enhances the Company's strategic position in Spain. The Salamón deposit shows considerable potential and we look forward to a resumption of drilling on the deposit in October of this year.

Through two share placements in 2002, the Company raised a total of ~ €530,000 net of expenses in a difficult market, which were used to carry out initial work programmes in Spain and Morocco. These works are summarised in the Review of Activities of this Annual Report. The Company has completed exploration programmes on its properties, although limited in places, through careful husbandry of its cash resources and a cost-consciousness of all of its activities.

In June of this year Ormonde signed a joint venture agreement with a Spanish geological company, SIEMCALSA, over the Salamón gold deposit and surrounding 120 square kilometres of highly prospective exploration ground. The Salamón licences are located in northern Spain some 100 kilometres from Rio Narcea's El Valle gold mine, which produced around 180,000 ounces of gold in 2002. Ormonde has the right to earn a 51% interest in the Salamón deposit by funding and

managing the next phase of drilling. SIEMCALSA's current resource estimate for Salamón is 640,000 tonnes grading 9.1 grammes per tonne gold and the deposit is open down dip and partially along strike. This resource equates to approximately 187,000 contained troy ounces of gold in the first 100 to 120 metres of depth covered by the drilling. Particularly attractive features of this deposit are its high grade and significant intersection widths of up to 22 metres. The Company believes that at these grades and widths, if the resource can be proven to extend in size, Salamón has the potential to become a profitable underground mine.

The many old workings and gold showings in the surrounding ground demonstrate the potential for further occurrences of this type of gold mineralization within the large exploration licence area. Trenching on one of these gold occurrences, located 1.8 kilometres west of Salamón, returned 11.5 metres grading 4.1 grammes per tonne gold, and Ormonde plans to extend this trenching with a view to defining drilling targets.

I am also pleased to note that our exploration endeavours have also advanced the Trives property in Galicia, Spain, to the point where it is now ready for drilling. Sampling across steeply dipping gold-bearing zones within a prominent 20 metre wide shear zone exposed in Roman workings, returned encouraging mineralized intervals, such as 2.0m at 7.3 grammes per tonne gold (within 8.0m @ 2.6 g/t gold), and 4.0m at 4.9 grammes per tonne gold. Separate sampling of multiple, narrow, sub-horizontal veins, which cut across the steeply dipping zones, returned values of 7.1, 17.2, 19.6 and 28.6 grammes per tonne gold. Drilling is now scheduled for later this year to establish the true

● CHAIRMAN'S STATEMENT ●

thickness of this 800 metre long mineralized zone and the weighted average gold grade of the two styles of mineralization.

Exploration on the Tracia permit, also in Galicia, has yielded encouraging results, with the location of several zones exhibiting gold mineralization and returning best results of 22.7 and 58.0 grammes per tonne gold. It is intended to conduct soil sampling and trenching in these areas with a view to advancing them to the drilling stage in 2004.

In Morocco activities were carried out in joint venture with the BRPM, the state company responsible for minerals development, on the Tamlalt project in the northeast of the country. Drilling by the BRPM in 2002 returned intervals including 19.0m grading 2.7 grammes per tonne gold (including 4.0m grading 9.9 g/t gold) and 16.0m grading 2.5 grammes per tonne gold (including 6.0m grading 4.5 g/t gold). A detailed structural interpretation and elucidation of the alteration associated with the mineralization was carried out towards the end of 2002, which identified several further target areas for follow-up work. However, as the Company focuses its efforts on northern Spain and the Salamón deposit, it is assessing the direction of its work programmes in Morocco.

I believe that the market is starting to turn for the better for junior exploration companies and a number of recent fundings have been completed by the sector. With the acquisition of the Salamón high-grade gold deposit and the advancement of the Trives project your Company is well placed for a most interesting year. The Company's activities will be consolidated around Spain and the Salamón

project, with the bulk of exploration being focussed on drilling programmes. I believe that we now have exciting assets and sufficient direction to successfully seek funding and to look to move the Company's listing to a larger market. The Board has examined a number of funding alternatives at this stage and is progressing on putting the necessary funding structure in place.

I would like to most sincerely thank our shareholders for their patience and for their support whilst the Company conducted its activities during the year. Your Board remains dedicated to returning this trust and patience by sustained capital growth through acquisition, exploration and mine development. The recent completion of the joint venture over the Salamón gold deposit demonstrates that your Company has the ability to advance and add to shareholder value.

I would also like to thank Dr. Kerr Anderson and his team for their efforts over the past year, as, without their dedication, the Company would not have progressed to the advantageous position it now holds.



Colin J. Andrew
Chairman
27 June 2003



SALAMÓN

Ormonde has recently signed a Heads of Terms with SIEMCALSA, a Spanish geological company, relating to the Salamón gold deposit and surrounding exploration permits totalling some 120 square kilometres in the León Province of northern Spain. Under the terms of this agreement, Ormonde has a three-month exclusivity period to examine existing SIEMCALSA data and resource models followed by the option to enter into a joint venture and earn a 51% interest in the properties. SIEMCALSA's most recent resource estimate for the uppermost 100-120 metres of the Salamón deposit is 640,000 tonnes grading 9.1 g/t gold (187,000 troy ounces of gold).

Trenching and drilling by SIEMCALSA at Salamón have outlined a high-grade 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 which include the following mineralized intersections:

- 29.0m @ 20.5 g/t gold from 70.5m depth (S-31)
- 16.0m @ 7.6 g/t gold from 64.0m depth (S-17)
- 14.0m @ 5.7 g/t gold from 24.0m depth (S-6)

The steeply-dipping deposit is open at depth and along strike to the northeast, where recent trenching has returned intervals including 26.5m @ 13.4 g/t gold and 13.2m @ 25.8 g/t gold.

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

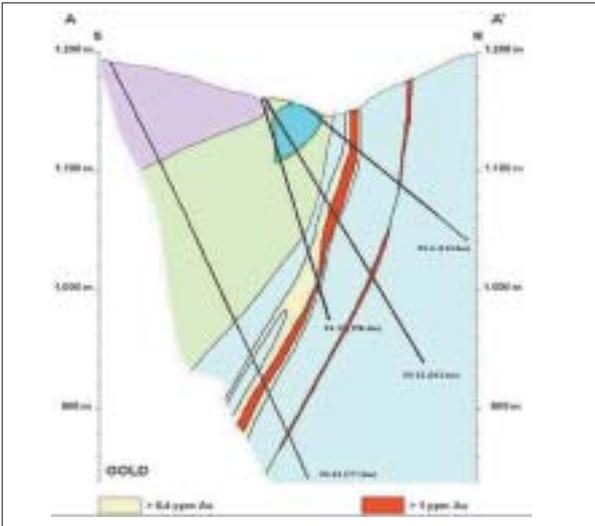
The surrounding exploration ground covers prospective Carboniferous rocks, including gold-arsenic-antimony and mercury workings and occurrences along the León Fault and other major structures. Recent trenching on one prospect some 1.8 kilometres to the west of Salamón returned an intersection of 11.5m @ 4.1 g/t gold, and further work on this project is considered to be a priority.



Mineralized drill core from a 29m interval grading 20.5 g/t Au in hole S-31, Salamón deposit (SIEMCALSA photo).

In addition to evaluation of the mineral resource, Ormonde is currently carrying out a detailed regional structural and alteration study, incorporating existing geochemical data.

Further drilling at Salamón will be carried out with the objective of establishing a resource of over 500,000 ounces of gold, sufficient to support a medium-sized mining operation.



Cross-section, Salamón deposit (SIEMCALSA drawing). Red zone indicates gold grade in excess of 1 g/t.

TRIVES

The Trives exploration properties in the Galicia region of northwest Spain are located some 115 kilometres southwest of Rio Narcea Gold Mines Ltd's El Valle and Carles operations which produced approximately 180,000 ounces of gold in 2002. Ormonde has agreements in place to acquire a 100% interest in several Investigation Permits covering a total of 40 square kilometres.

The Trives area is located at the southern end of the Puentedeme Alignment, a major north-northwest trending structural zone along which many gold deposits and occurrences have been identified (e.g. Monfero, Aranga, Roñon). The geology of the Trives area comprises a late Precambrian to Ordovician stratigraphic sequence intruded by Hercynian-age granites, with the permits being located on the eastern limb of a major north-northwest trending anticline.

Roman pits throughout the Trives area exploited bedrock gold from structural zones within both gneisses and overlying metasediments. The main

workings of interest are found at two localities, Las Portas and Junquedo, where they cover extensive areas.

At **Las Portas**, two Roman pits known as Covallon Grande (CG) and Covallon Chico (CC), some 350 metres apart, are broadly aligned in a northwest trend. Shafts and small surface workings also occur between the main pits.

A prominent deformation zone is exposed in the face of the two pits with a maximum width of around 20 metres at the contact between quartzites and schists. Within this zone gold mineralization occurs in two settings: sub-vertical lenses parallel to the structural trend and stacked, narrow, shallow-dipping cross-cutting veins. These two mineralization styles have been sampled and assayed separately in surface workings, returning the following relevant results:

Sub-vertical lenses

8.0m @ 2.6 g/t gold including 2.0m @ 7.3 g/t gold (CG)
 4.0m @ 4.9 g/t gold (CG)
 2.5m @ 5.0 g/t gold (CC)

Cross-cutting veins

7.1, 14.5, 17.2, 19.6, 28.6, 30.6 and 106.8 g/t gold over narrow (up to 20cm) intervals.

View of the sampled rock face in Covallon Grande pit, Trives



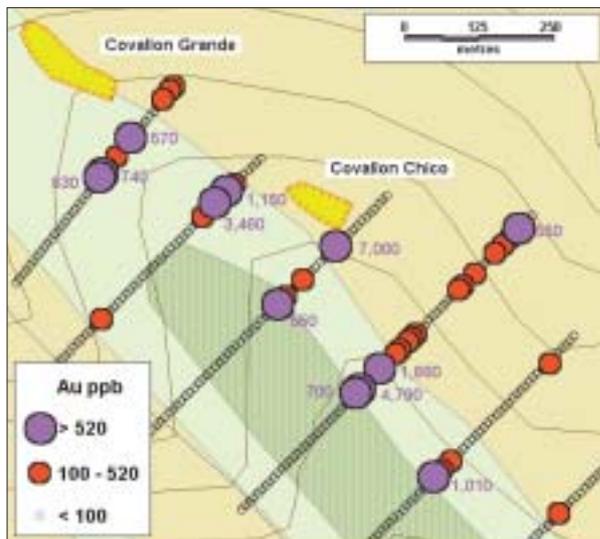
The inclusion of the cross-cutting veins with the intersections through the sub-vertical lenses clearly increases the overall grade; true widths and average gold grades, however, can only be determined using suitably oriented core drilling.

In addition to these positive sample results, a gold in soil geochemical anomaly, with values up to 7 g/t gold, extends from Covallon Grande in a southeast direction for a total strike length of around one kilometre.

No drilling or modern exploration has yet tested the depth and strike extensions of this surface mineralization.

The Company believes that in the Trives Permits it has one of the most promising unexplored gold properties in Spain, with the potential for discovery of an economic deposit in the short-term. The first phase of drilling will be designed to investigate the viability of defining an initial, open-pitiable resource that could be developed at minimal cost and rapidly brought into production to generate cash flow.

Soil sampling results, Las Portas prospect area (Trives).



TRACIA

The Tracia Investigation Permit covers an area of 32.8 square kilometres some 25 kilometres north of Pontevedra in the Galicia province. The principal target is intrusion-related gold mineralization occurring in veins and highly altered, granitic host rock associated with arsenopyrite and minor pyrite.



Arsenopyrite veinlets in altered granite, Tracia, Spain.

A total of 26 samples of outcrop and float have been collected by the Company over the permit area. Of these, 12 samples returned gold grades exceeding 0.5 g/t, with best values of 10.3, 11.1, 22.7 and 58.0 g/t gold.

Based on the mapping and prospecting to-date, the target envisaged is a bulk tonnage gold deposit. The Salave deposit in Asturias (15.2 Mt @ 3.09 g/t gold, for a total resource of 1.5 million ounces; Newmont estimate, 1991) demonstrates that that this type of system could be developed at Tracia, where virtually no previous exploration has been carried out. These deposits typically have a large surface geochemical expression, therefore it is proposed to conduct a soil sampling programme at Tracia, initially focusing on the zones which yielded positive prospecting samples, followed by trenching and appropriate drilling campaigns.

MOROCCO

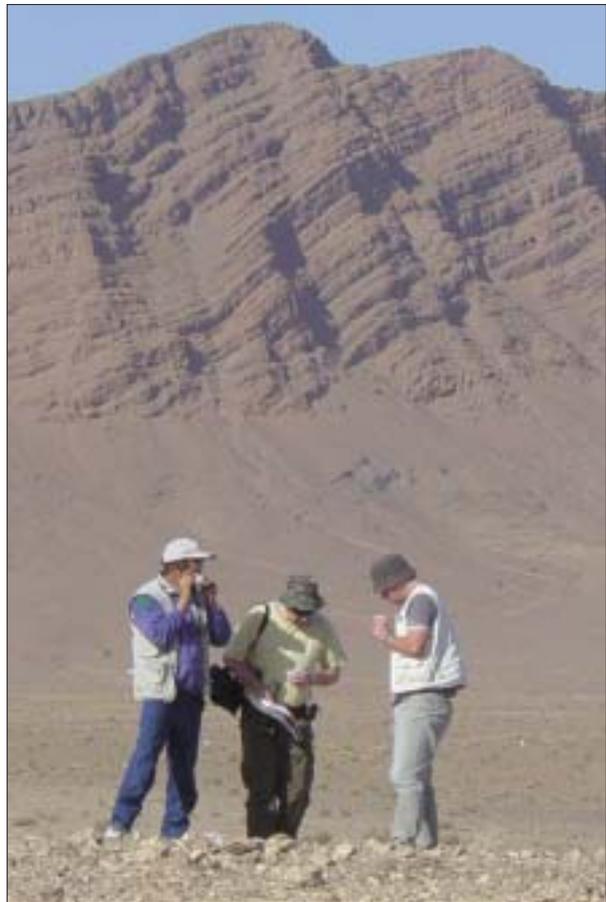
Morocco's mineral industry accounts for about 35% of the state's foreign trade and around 6% of its GDP. The North African country boasts a wealth of natural resources, including precious metals, and a number of economic gold deposits have been discovered and developed, such as those at Iourim and Tiout. As much of the country is unexplored using modern techniques, there remains excellent potential for new discoveries.

Ormonde has a permanent exploration base in the country and is therefore ideally positioned to investigate the most favourable opportunities as they arise, and also to conduct its own research on the most prospective areas for gold discovery.

The most favourable zones for gold exploration are the Precambrian inliers of the Anti-Atlas Mountains where orogenic lode gold type mineralization is the primary target. The ancient volcanic sequences in these areas have affinities to the highly prospective "greenstone belts" that host major deposits worldwide, and a great number of mineral occurrences with complex structural controls have yet to be investigated using modern methods and models.

Activities during 2002 were carried out in joint venture with BRPM, the state company responsible for minerals development in Morocco, on the Tamlalt project in the northeast of the country. Drilling by BRPM in 2002 returned intervals including 19.0m grading 2.7 g/t gold (including

4.0m grading 9.9 g/t gold) and 16.0m grading 2.5 g/t gold (including 6.0m grading 4.5 g/t gold). A detailed structural and alteration interpretation was carried using ASTER satellite imagery, which identified several further target areas for follow-up work.



Studying mineralized outcrops at Tamlalt, Morocco.



**Report of the Directors
&
Consolidated Financial Statements**

● **REPORT OF THE DIRECTORS** ●

The Directors have pleasure in submitting their Annual Report together with the audited financial statements for the year ended 31 December 2002. The format of the Report of the Directors and the financial statements reflect the requirements of the Companies Acts, 1963 to 2001, the European Communities (Companies : Group Accounts) Regulations 1992, and the Exploration Securities Market Listing Rules of the Irish Stock Exchange.

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.

Additional funding is required to advance the Group's projects. The Directors have plans to raise further finance and are confident that this can be achieved.

RESULTS

The results for year ended 31 December 2002 are set out on in the Consolidated Profit and Loss Account in this annual report.

During the year, the company expended €335,095 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 present Directors are set out on page 2.

On 12 May 2001, Michael Donoghue, then Chairman and acting Managing Director resigned from the Board. Michael Donoghue re-joined the Board as a director on 10 December 2002.

DIRECTORS' AND SECRETARY'S OTHER INTERESTS

The beneficial interests of the Directors and Secretary and their families in the share capital of the Company at 31 December 2002, were as follows:

Directors	31 May 2003	31 December 2002	31 December 2001*
	Ordinary Shares	Ordinary Shares	Ordinary Shares
C. J. Andrew	1,053,328	1,053,328	469,247
I. K. Anderson	790,778	790,778	211,629
D. O'Beirne	938,099	938,099	938,099
J. A. Carroll	2,121,093	2,121,093	1,468,611
M. J. Donoghue **	6,146,656	6,146,656	5,721,124

*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.

DIRECTORS' AND SECRETARY'S OTHER INTERESTS (CONTINUED)

Directors	31 December 2002	31 December 2001
	Share Options	Share Options
C. J. Andrew	750,000	750,000
I. K. Anderson	750,000	750,000
D. O'Beirne	250,000	250,000
J. A. Carroll	750,000	750,000
M. J. Donoghue	-	-

No change in the above share options has occurred between 31 December 2002 and the date of approval of these financial statements.

All share options are exercisable at a price of €0.041 at any time up to 11 May 2011.

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 41), is a geologist by profession, and has worked in the mining and exploration industry in Europe for 14 years. He was exploration manager with Navan Mining plc prior to joining Ormonde in May 2001.

DETAILS OF NON-EXECUTIVE DIRECTORS

Mr. David O'Beirne (aged 45), a founding member of the Company is the 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 54) 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 47) is the non-executive Chairman 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 Mineral Resources plc.

Mr. Michael J. Donoghue (aged 54) 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.

● **REPORT OF THE DIRECTORS** ●

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.

SUBSTANTIAL SHAREHOLDINGS

At 31 December 2002, 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	10.13
Desmond and Alice Burke	4,944,743	6.30
Davy Nominees Limited	2,696,894	3.44

Apart from the foregoing, the Company has not been notified of any other person who holds 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.

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

The Auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160(2) of the Companies Act 1963 (Ireland).

Signed on behalf of the Board

C.J. Andrew *Chairman*

J.A. Carroll *Director*

Date: 27 June 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and 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 Company 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 to 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 2001, 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.

To the Members of Ormonde Mining plc

We have audited the financial statements of Ormonde Mining Plc for the year ended 31 December 2002 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Reconciliation of Movement in Consolidated Shareholders' Funds, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

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 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 2001 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 Directors' report 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 read the Chairman's Statement, the Review of Activities and the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with the auditing standards issued by the Auditing Practices Board and generally accepted in Ireland. 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 Company, and 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.

Valuation of intangible assets and investments

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the uncertainty of the valuation of intangible assets of €716,332 in the consolidated balance sheet and intangible assets of €126,216 and financial assets of €602,288 in the Company balance sheet.

As set out in Note 1 to the financial statements, the value of intangible assets and financial assets is dependent on the successful development of exploration projects and prospecting licences resulting in early mine production and positive cash flows. The financial statements do not include any adjustments to reduce the value of assets to their recoverable amounts and to provide for future liabilities that may arise which would result from a failure to meet these conditions.

Going concern

In addition, while the Directors are satisfied that adequate finance will be available over the twelve month period from the date of approval of these financial statements, and have, accordingly, prepared the financial statements on a going concern basis (Note 1), the ability of the Group to continue in operational existence is dependent on it raising new finance for the successful development of these interests.

In view of the significance of these matters to the preparation of the financial statements on a going concern basis, we consider that they should be drawn to your attention but 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 2002 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 2001 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 2002, 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.

Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin

27 June 2003

● **STATEMENT OF ACCOUNTING POLICIES** ●

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 2001, 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 a co-terminus accounting date.

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	:	33 $\frac{1}{3}$ %
Motor vehicles	:	16%
Computer equipment	:	33 $\frac{1}{3}$ %

(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 the costs in an area are considered to be of no value, these costs are written off in full. Costs of successful exploration are amortised against related revenue over the expected useful life of the asset.

● **STATEMENT OF ACCOUNTING POLICIES** ●

(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

During the year, the group adopted FRS 19 "Deferred Tax".

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 than 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 PERIOD ENDED 31 DECEMBER 2002

	Notes	12 months ended 31/12/2002 €	18 Months ended 31/12/2001 €
Administrative expenses		(150,402)	(104,539)
Other operating income		12,697	-
Write-down of exploration costs	2	-	(704,748)
Exceptional item (cost of re-listing)		-	(68,225)
OPERATING LOSS		(137,705)	(877,512)
Interest income		750	1,568
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(136,955)	(875,944)
Taxation	4	-	3,204
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	5	(136,955)	(872,740)
Profit and loss account brought forward - (deficit)		(8,589,712)	(7,716,972)
Profit and loss account carried forward - (deficit)		(8,726,667)	(8,589,712)
Loss per share	6	(€0.0019)	(€0.0161)
Loss per share - diluted	6	(€0.0019)	(€0.0161)

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

All expenditure arises from continuing operations.

The financial statements were approved by the Board of Directors on 27 June 2003 and signed on its behalf by:

C.J. Andrew	<i>Chairman</i>
J.A. Carroll	<i>Director</i>

● **CONSOLIDATED BALANCE SHEET** ●
AS AT 31 DECEMBER 2002

	Notes	12 months ended 31/12/2002 €	18 Months ended 31/12/2001 €
FIXED ASSETS			
Tangible assets	7	35,603	8,227
Intangible assets	8	716,332	381,237
		751,935	389,464
CURRENT ASSETS			
Debtors	11	82,747	18,603
Cash at bank and on hand		119,498	152,287
		202,245	170,890
CREDITORS : (Amounts falling due within one year)	12	(118,876)	(138,202)
NET CURRENT ASSETS		83,369	32,688
CREDITORS: (Amounts falling due after more than one year)	13	(24,558)	-
NET ASSETS		810,746	422,152
CAPITAL AND RESERVES			
Called-up share capital	14	3,635,418	3,404,355
Share premium account	15	5,865,820	5,600,262
Capital conversion reserve fund	14	28,928	-
Capital reserve		7,247	7,247
Profit and loss account - (deficit)		(8,726,667)	(8,589,712)
SHAREHOLDERS' FUNDS		810,746	422,152
Analysed as follows:			
Equity		(862,179)	(1,250,773)
Non-equity		1,672,925	1,672,925
		810,746	422,152

The financial statements were approved by the Board of Directors on 27 June 2003 and signed on its behalf by:

C.J. Andrew *Chairman*
J.A. Carroll *Director*

● COMPANY BALANCE SHEET ●
AS AT 31 DECEMBER 2002

	Notes	31/12/2002 €	31/12/2001 €
FIXED ASSETS			
Tangible assets	7	10,593	8,227
Intangible assets	8	126,216	-
Financial assets	9	602,288	380,200
		<u>739,097</u>	<u>388,427</u>
CURRENT ASSETS			
Debtors	11	64,889	9,836
Cash at bank and on hand		97,771	141,473
		<u>162,660</u>	<u>151,309</u>
CREDITORS : (Amounts falling due within one year)	12	<u>(108,057)</u>	<u>(148,299)</u>
NET CURRENT ASSETS		<u>54,603</u>	<u>3,010</u>
NET ASSETS		<u>793,700</u>	<u>391,437</u>
CAPITAL AND RESERVES			
Called-up share capital	14	3,635,418	3,404,355
Share premium account	15	5,865,820	5,600,262
Capital conversion reserve fund	14	28,928	-
Capital reserve		7,247	7,247
Profit and loss account - (deficit)		<u>(8,743,713)</u>	<u>(8,613,180)</u>
SHAREHOLDERS' FUNDS		<u>793,700</u>	<u>391,437</u>
Analysed as follows:			
Equity		(879,225)	(1,281,488)
Non-equity		1,672,925	1,672,925
		<u>793,700</u>	<u>391,437</u>

The financial statements were approved by the Board of Directors on 27 June 2003 and signed on its behalf by:

C.J. Andrew *Chairman*
J.A. Carroll *Director*

● **RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

	12 Months ended 31/12/2002 €	18 Months ended 30/6/2001 €
Total recognised losses	(136,955)	(872,740)
Issued shares - at par	259,991	616,147
- share premium (net of share issue costs (Note 15))	265,558	15,102
Net change in shareholders' funds	388,594	(241,491)
Opening shareholders' funds	422,152	663,643
Closing shareholders' funds	810,746	422,152

● **CONSOLIDATED CASH FLOW STATEMENT** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

	Notes	12 Months ended 31/12/2002 €	18 Months ended 31/12/2001 €
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16	(212,197)	(107,740)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		750	1,568
Interest element of finance leases		(1,294)	-
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(544)	1,568
TAXATION REFUND RECEIVED		-	825
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Exploration costs incurred		(333,801)	(93,250)
Payments to acquire tangible fixed assets		(8,942)	(9,394)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(342,743)	(102,644)
NET CASH OUTFLOW BEFORE FINANCING		(555,484)	(207,991)
FINANCING			
Issue of ordinary share capital (Net of expenses)		525,550	400,117
Capital element of finance leases		(2,855)	-
NET CASH INFLOW FROM FINANCING		522,695	400,117
(DECREASE)/INCREASE IN CASH	17	(32,789)	192,126

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

1. BASIS OF PREPARATION

Value of Intangible Assets

The Group has acquired significant interests in exploration projects and prospecting licences in Spain, Morocco and Tanzania. In addition, significant contacts have been made in a number of other countries, which may lead to the development of future projects. On this basis, the Directors are satisfied that the deferred expenditure, described in Note 8, 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.

Going concern assumption

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.

2. WRITE-DOWN OF EXPLORATION COSTS

In 2001 the Directors were of the opinion that costs incurred on certain projects (Note 8) did not have the potential to achieve mine production and positive cash flows and therefore decided to write-off these expenditures in that year.

3. STATUTORY AND OTHER INFORMATION

	12 Months ended 31/12/2002	18 Months ended 31/12/2001
	€	€
The loss before taxation is stated after charging / (crediting):		
Directors' emoluments	53,962	55,475
Depreciation	6,922	7,980
Auditors' remuneration	15,000	15,000
Interest income	(750)	(1,568)
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

In addition, lease finance charges totalling €1,294 (2001: €Nil) relating to fixed assets used for exploration activities, have been capitalised as deferred development expenditure.

	No.	No.
The average number of persons employed by the Group during the period was	3	2
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

At 31 December 2002 the Group had 3 employees (2001 : 2).

The aggregate payroll costs of these persons were:

Wages and salaries	82,207	57,408
Social welfare costs	37,337	5,780
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	119,544	63,188
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

4. TAX ON ORDINARY ACTIVITIES	12 Months ended 31/12/2002 €	18 Months ended 31/12/2001 €
(a) Analysis of the tax charge for the year:		
Corporation tax refund on the loss for the year	-	(3,204)
(b) Reconciliation of factors affecting tax charge for the year:		
Loss from ordinary activities before taxation	<u>(136,955)</u>	<u>(875,944)</u>
Corporation tax at statutory rate: 2002 : 16% (2001 : 20%)	-	-
Taxation effects of:		
Cumulative operating losses	-	(3,204)
Current tax refund for the year	<u>-</u>	<u>(3,204)</u>
Deferred tax assets have not been recognised as the Directors consider that they would not be recoverable.		
5. LOSS FOR THE PERIOD	12 Months ended 31/12/2002 €	18 Months ended 31/12/2001 €
Dealt with in the accounts of the Company	(130,533)	(889,733)
(Loss)/profit retained by subsidiaries	<u>(6,422)</u>	<u>16,993</u>
	<u>(136,955)</u>	<u>(872,740)</u>

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.

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

6. LOSS PER SHARE	12 Months ended 31/12/2002	18 Months ended 31/12/2001
	€	€
Loss per share	0.0019	0.0161
Loss per share - diluted	0.0019	0.0161

The loss per share and the basic loss per share have been calculated based on a loss after taxation of €136,955 (2001 : €872,740) and a weighted average number of Ordinary Shares in issue for the period of 72,097,339 (2001 : 54,153,893).

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.

7. TANGIBLE FIXED ASSETS

Group and Company

	Plant and Equipment €	Fixtures and Fittings €	Motor* Vehicles €	Computer Equipment €	Total €
Cost:					
At 31.12.2001	23,637	15,439	-	4,101	43,177
Additions	-	375	25,356	8,567	34,298
Write off	-	-	-	-	-
At 31.12.2002	23,637	15,814	25,356	12,668	77,475
Accumulated depreciation:					
At 31.12.2001	23,637	10,971	-	342	34,950
Charge for period	-	1,757	2,029	3,136	6,922
Write off	-	-	-	-	-
At 31.12.2002	23,637	12,728	2,029	3,478	41,872
Net book amount:					
At 31.12.2002	-	4,468	-	10,978	35,603
At 31.12.2001	-	4,468	-	3,759	8,227

* The full amount included in motor vehicles is held under finance leases. The depreciation for the year was €2,029.

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

8. INTANGIBLE ASSETS (deferred exploration expenditure)

Group	Africa	Europe	Total
	€	€	€
At cost:			
Opening balance 31/12/2001	287,987	93,250	381,237
Expenditure incurred during the period	-	335,095	335,095
Closing balance 31/12/2002	<u>287,987</u>	<u>428,345</u>	<u>716,332</u>

9. FINANCIAL ASSETS

	31/12/2002	31/12/2001
	€	€
Company		
Shares in Group companies - unlisted		
Shares at Directors valuation	189,144	189,144
Loans advanced to Group companies (less provision)	413,144	191,056
	<u>602,288</u>	<u>380,200</u>

Information in relation to the historic cost of investments and loans advanced to Group companies is not available to the Directors. 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.

10. SHARES IN GROUP COMPANIES

Details of directly and indirectly wholly-owned subsidiary companies as at 31 December 2002 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
Ramone Limited	Ireland	Mineral exploration
Adola Gold Limited	Bermuda	Holding Company
Mpingo (Bermuda) Limited	Bermuda	Holding Company

This structure is in the process of being rationalised and some of the subsidiaries listed above may be wound up or disposed of.

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

10. SHARES IN GROUP COMPANIES (CONTINUED)

In addition to the above wholly owned subsidiaries, the Group has advanced funds totaling €32,470 to a Moroccan company called Exprotra SARL. The Group has no shareholding in the company, however the company is controlled by the directors 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-subsiary and has been consolidated within the Group as required under FRS 5. The net assets of Exprotra SARL as at 31 December 2002 comprised of cash balances of €14,030 and deferred development expenditure of €18,440.

11. DEBTORS

	Group		Company	
	31/12/2002	31/12/2001	31/12/2002	31/12/2001
	€	€	€	€
Amounts falling due within one year:				
Recoverable tax	-	3,204	-	-
VAT recoverable	23,408	7,097	1,675	4,073
Other debtors	51,723	8,302	49,184	5,763
Deferred finance charges	7,616	-	-	-
	<u>82,747</u>	<u>18,603</u>	<u>50,859</u>	<u>9,836</u>

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

	Group		Company	
	31/12/2002	31/12/2001	31/12/2002	31/12/2001
	€	€	€	€
Finance leases	6,853	-	-	-
Accruals	112,023	138,202	108,057	138,141
Other creditors	-	-	-	10,158
	<u>118,876</u>	<u>138,202</u>	<u>108,057</u>	<u>148,299</u>

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

	Group		Company	
	31/12/2002	31/12/2001	31/12/2002	31/12/2001
	€	€	€	€
Finance leases falling due between two and five years	<u>24,558</u>	-	-	-

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

14. CALLED-UP SHARE CAPITAL	12 Months ended 31/12/2002 €	18 Months ended 31/12/2001 €
Authorised :		
130,000,000 ordinary shares of 2.50c (2001: 2.539476c) each	3,250,000	3,301,319
100,000,000 deferred shares of 3.809214c each	3,809,214	3,809,214
	<u>7,059,214</u>	<u>7,110,533</u>
Allotted, called-up and fully paid :		
At start of period:		
68,180,607 (2001: 43,917,841) ordinary shares of 2.539476c each	1,731,430	1,115,283
43,917,841 deferred shares of 3.809214c each	1,672,925	1,672,925
	<u>3,404,355</u>	<u>2,788,208</u>
Movements during the period:		
5,099,507 (2001: 24,262,776) ordinary shares issued of 2.539476c each	129,501	616,147
Transfer to capital conversion reserve fund	(28,928)	-
5,219,591 ordinary shares issued of 2.50c each	130,490	-
	<u>231,063</u>	<u>616,147</u>
At end of period:		
78,499,705 (2001: 68,180,607) ordinary shares of 2.50c (2001: 2.539476c) each	1,962,493	1,731,430
43,917,841 deferred shares of 3.809214c each	1,672,925	1,672,925
	<u>3,635,418</u>	<u>3,404,355</u>

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

14. CALLED-UP SHARE CAPITAL (Continued)

Shares issued during the period:

On 24 May 2002, the Company issued 5,099,507 Ordinary Shares of 2.539476c for 6.0c each to raise cash to finance the Group's operations.

On 5 November 2002, the Company issued a further 5,219,591 Ordinary Shares of 2.50c for 4.7c to finance ongoing exploration in Spain and Morocco.

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 re-nominalised the issued share capital through a resolution at the Annual General Meeting of the company on 24 July 2002 as follows:

Ordinary Shares of €0.02539476 are re-nominalised to units of €0.025

An amount equivalent to the net reduction in share capital has been transferred from the share capital account to a capital conversion reserve fund.

The Company has 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.

15. SHARE PREMIUM ACCOUNT	31/12/2002	31/12/2001
	€	€
Group and Company		
Opening balance	5,600,262	5,585,160
Premium on shares issued during the year	289,964	20,182
Share issue costs	(24,406)	(5,080)
Closing balance	<u>5,865,820</u>	<u>5,600,262</u>

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

**16. RECONCILIATION OF OPERATING LOSS TO
NET CASH OUTFLOW FROM**

	12 Months ended 31/12/2002	18 Months ended 31/12/2001
	€	€
Operating activities		
Operating loss	(137,705)	(877,512)
Movement in debtors	(56,528)	(6,717)
Movement in creditors	(24,886)	56,126
Write down of exploration costs	-	704,748
Depreciation and write down of tangible fixed assets	6,922	15,615
	<u>(212,197)</u>	<u>(107,740)</u>

17. ANALYSIS OF NET FUNDS

	Other 31/12/2001	At Cashflow	non-cash charges	At 31/12/2002
	€	€	€	€
Cash in hand and at bank	152,287	(32,789)	-	119,498
Finance leases	-	2,855	(34,266)	(31,411)
	<u>152,287</u>	<u>(29,934)</u>	<u>(34,266)</u>	<u>88,087</u>

**18. RECONCILIATION OF NET CASH FLOW
TO NET DEBT**

	12 Months ended 31/12/2002	18 Months ended 31/12/2001
	€	€
(Decrease)/increase in cash in the period	(32,789)	192,126
Cash outflow from increase in debt financing	2,855	-
Change in net funds resulting from cashflows	(29,934)	192,126
New finance leases	(34,266)	-
Movement in net funds in the period	(64,200)	192,126
Net funds at start of period	152,287	(39,839)
Net funds at end of period	<u>88,087</u>	<u>152,287</u>

● **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

19. 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 2002 is as follows:

	Africa €	Europe €	Total €
Administrative expenses	-	(137,705)	(137,705)
Other income	-	750	750
Net loss	<u>-</u>	<u>(136,955)</u>	<u>(136,955)</u>
Net assets	<u>287,987</u>	<u>522,759</u>	<u>810,746</u>

20. 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% (2001: Nil). The Group's exposures 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 from operating cashflow, or where this was insufficient during the development stage, through additional issues of ordinary equity shares. The Group is planning to finance ongoing operations through further share placements.

● NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS ●
FOR THE PERIOD ENDED 31 DECEMBER 2002

20. 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	Moroccan Dirhams
	€	€	€	€
31 December 2002	810,746	490,019	287,987	32,740
31 December 2001	422,152	134,165	287,987	-

21. MATERIAL NON-CASH TRANSACTIONS

During the year, the Group issued shares totalling €17,470 in value in exchange for exploration costs incurred through Exprotra SARL.

22. RELATED PARTY TRANSACTIONS

As outlined in note 10, 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 have 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.

23. FINANCIAL COMMITMENTS

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

	2002	2001
	€	€
Annual rentals payable under operating leases which expire between 2 and 5 years	12,697	12,697

● 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, The Earlsfort Centre, Earlsfort Terrace, Dublin 2 on Friday 8th August 2003 at 11.00am for the transaction of the following business, viz:

Ordinary Business

- 1 To receive and consider the accounts for the period ended 31st December 2002, together with the reports of the Directors and Auditors thereon.
- 2 To re-elect John Carroll 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 Michael Donoghue 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.
- 4 To authorise the Directors to fix the remuneration of the Auditors.

Special Business

To consider and, if thought fit, to pass the following resolutions:

- 5 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 8th day of November 2004, 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.
- 6 Subject to the passing of Resolution No. 5 above, the Directors be and are hereby empowered by Sections 23 and 23(1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred by Resolution No. 5 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 €196,249, being 10% of the current issued share capital of the Company,

which authority 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 8th day of November 2004, 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.

3 July 2003

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 8 AUGUST 2003 AND
AT ANY ADJOURNMENT 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.*

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

RESOLUTIONS <small>(as set out in full in the Notice of Annual General Meeting dated 8 August 2003.</small>	For**	Against**
1) To receive and consider the Statement of Accounts and the Directors' and Auditors Reports.	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect John Carroll as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect Michael Donoghue as a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4) To authorise the Directors to fix the remuneration of the Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
5) To authorise the Directors to allot relevant securities.	<input type="checkbox"/>	<input type="checkbox"/>
6) To authorise the Directors to allot securities for cash.	<input type="checkbox"/>	<input type="checkbox"/>

.....
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 8 August 2003 at 11.00am, at the offices of O'Donnell Sweeney Solicitors, The 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** **2003**

SIGNATURE

NAME IN FULL
(BLOCK LETTERS)

<p>Notes</p> <ol style="list-style-type: none"> 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

Colin J Andrew
NON-EXECUTIVE CHAIRMAN

Kerr Anderson
MANAGING

John Carroll
NON-EXECUTIVE

Michael Donoghue
NON-EXECUTIVE

David O'Beirne
SECRETARY

Company Office

Ormonde House,
Metges Lane,
Navan,
Co. Meath,
Ireland.

Registered Office

The Earlsfort Centre,
Earlsfort Terrace,
Dublin 2,
Ireland.

Registrars

Computershare Investor Services (Ireland) Ltd,
Heron House, Corrig Road,
Sandyford Industrial Estate,
Dublin 18,
Ireland.

Auditors

Deloitte & Touche,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2,
Ireland.

Financial Advisers

Davy Corporate Finance Limited,
Davy House, 49 Dawson Street,
Dublin 2,
Ireland.

Solicitors

O'Donnell Sweeney Solicitors,
The Earlsfort Centre, Earlsfort Terrace,
Dublin 2,
Ireland.

Landwell,
Paseo de la Castellana, No. 53,
28046 Madrid,
Spain.

Bankers

AIB Bank plc,
Market Square, Navan,
Co. Meath,
Ireland.

Banco Bilbao Viscaya Argentaria (BBVA),
Calle Cononigo Molina Alonso 6,
04004 Almeria,
Spain.

Brokers

Davy Stockbrokers,
Davy House,
49 Dawson Street,
Dublin 2,
Ireland.

Company E-mail and Website

info@ormondemining.com
www.ormondemining.com

Incorporation No.

96863

