

24 September 2007

## **Ormonde Mining plc**

### **Interim Results for the Six Months Ended 30 June 2007**

DUBLIN & LONDON: 24 September 2007 - Ormonde Mining plc ("Ormonde" or "the Company"), the Spain-focused exploration and development company, is pleased to announce its unaudited interim results for the six months ended 30 June 2007.

#### **HIGHLIGHTS**

- Bankable Feasibility Study, due for completion by the end of the year, progressed on the La Zarza copper-gold-zinc Project
- Ormonde's interest in the Project increased to 100%
- Barruecopardo Tungsten Project in Salamanca upgraded to advanced project status; drilling continues to intersect high-grade tungsten mineralization
- Funding in place to support ongoing drilling programmes following capital raising of €1.7 million (net of expenses) in July
- Loss for the period of €284,111 (€235,927 for the 6 months to June 2006); management continues to maximize in-the-ground investment.

Mike Donoghue, Chairman of Ormonde commented,

"During the first six months of this year we have progressed the feasibility study at La Zarza, which is now in its final stages. We also significantly advanced the Barruecopardo Tungsten Project through drilling and initial metallurgical testwork, and believe that in Barruecopardo we have the potential for a high-grade underground tungsten mine".

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## **CHAIRMAN'S STATEMENT**

### **OPERATIONAL REVIEW**

During the first six months of 2007, the Bankable Feasibility Study on the La Zarza Cu-Au-Zn deposit in southwest Spain was progressed following the appointment of four well-established engineering firms, with Aker Kvaerner Engineering Services Ltd as overall Study Manager. The main aspects of the Study include metallurgical optimization and variability testwork, finalization of mill, mine and associated infrastructure designs, and compilation of the relevant environmental and regulatory requirements for permitting of a mining operation. This Study will be completed by the end of the year and will provide definitive costs for the development of an underground mine at La Zarza, producing metal concentrates containing copper, gold, zinc and silver.

Drilling of the zinc massive sulphide zone was initiated during the period, with the objective of moving a major part of the Inferred Resource of 2.9Mt grading 4.5% zinc (reported towards the end of 2006) to Indicated status, thereby enabling conversion to ore reserves under JORC Guidelines. This programme has now been completed and results will be reported when all assay results have been received. Drilling is now being carried out to test a zone of copper-rich massive sulphide 500 metres to the west of the currently defined resources at La Zarza.

During the period, the Company increased its equity interest in La Zarza from 70% to 100% through an acquisition that includes all the land holdings at La Zarza held by our joint venture partner Nueva Tharsis and a buy-out of a royalty interest, thereby allowing Ormonde shareholders to receive the full value from a mining operation at La Zarza.

The Company was also very active on its Salamanca Tungsten properties in the first half of the year, where drilling continues to establish the presence of high-grade tungsten mineralization in the northern extension to the previous Barruecopardo open-pit mine. Tungsten intersections range from 0.5-2.4% WO<sub>3</sub> over 1 to 3 metre intervals and the mineralization has now been established over a strike length of at least 600 metres. As a result of the positive drilling results, which exceeded our best expectations, and initial metallurgical tests which indicate that the tungsten minerals are coarse grained and can be concentrated effectively by traditional low cost gravity equipment, Barruecopardo has been upgraded to an advanced project.

The priority is now firmly on determining an initial tungsten resource on the northern extension at Barruecopardo, in addition to drilling investigation holes to the south beneath the old open-pit to identify the overall resource potential. Collection of a bulk sample for full metallurgical testing and flowsheet design will commence shortly. These activities will provide the fundamental information required in the short-term to evaluate the viability of an underground tungsten mining operation at Barruecopardo.

Our gold exploration activities in the Salamanca Project and elsewhere continued during the period, and we were pleased to report the intersection of narrow, but high-grade intervals on the Pino de Oro Prospect which include 18.9 and 16.6 g/t gold over metre intervals. This highlighted that although the Company's focus remains on the Feasibility Study at La Zarza and the fast-tracking of the Barruecopardo Tungsten Project, we also maintain an active gold exploration programme designed to develop the best opportunities to add to the Company's Spanish resource base

### **CORPORATE DEVELOPMENTS**

In April we engaged Bell Lawrie, a division of Brewin Dolphin Securities, as the Company's UK broker and financial advisor. Davy continues to be our Irish broker and Nomad. We also completed a small placing after the end of the period which raised €1.7 million (net of expenses) to fund ongoing drilling programmes and our acquisition of the 100% interest in La Zarza.

Ormonde's operating loss for the period was €284,111 (€235,927 for the 6 months to June 2006). Our management continues to maximize in-the-ground investment.

### **SUMMARY**

This has been a period where progress at La Zarza has taken the form of detailed design work on the Feasibility Study and consequently market newsflow on La Zarza has been accordingly limited. However, we

are now in the final stages of completion of this Study. In the interim, very significant progress has been made on the Barruecopardo Tungsten Project, which we are rapidly advancing, and we look forward to reporting further results from Barruecopardo between now and the end of the year as they become available.

Michael J. Donoghue  
Chairman  
21 September 2007

**Ormonde Mining plc**

**Consolidated Income Statement**

*Six months ended 30 June 2007*

	<i>(unaudited)</i> <b>6 months ended</b>	<i>(unaudited)</i> <b>6 months ended</b>	<i>(audited)</i> <b>Year ended</b>
	<b>30 June 2007</b> €000's	<b>30 June 2006</b> €000's	<b>31 December 2006</b> €000's
<b>Turnover</b>			
Administrative expenses	(310)	(252)	(601)
Exploration costs written off	-	-	(82)
<b>Operating (loss)</b>	<u>(310)</u>	<u>(252)</u>	<u>(683)</u>
Interest receivable	26	16	83
<b>(Loss) on ordinary activities</b>	<u>(284)</u>	<u>(236)</u>	<u>(600)</u>
Minority interest	-	-	3
<b>Retained (loss) for the period</b>	<u><u>(284)</u></u>	<u><u>(236)</u></u>	<u><u>(597)</u></u>
<b>Loss per share:</b>			
Basic	(€0.0017)	(€0.0015)	(€0.0037)
Diluted	(€0.0016)	(€0.0013)	(€0.0033)

**Ormonde Mining plc****Consolidated Balance Sheet***As At 30 June 2007*

	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
	<b>30 June 2007</b>	<b>30 June 2006</b>	<b>31 December 2006</b>
	€000's	€000's	€000's
<b>Non-Current Assets</b>			
Property, plant and equipment	15	17	10
Intangible assets - Deferred exploration costs	7,558	4,444	5,927
Intangible assets – Goodwill	230	112	230
	<u>7,803</u>	<u>4,573</u>	<u>6,167</u>
<b>Current Assets</b>			
Trade and other receivables	405	360	593
Cash and cash equivalents	1,672	5,034	3,391
	<u>2,077</u>	<u>5,394</u>	<u>3,984</u>
	<u>9,880</u>	<u>9,967</u>	<u>10,151</u>
<b>Total Assets</b>	<u>9,880</u>	<u>9,967</u>	<u>10,151</u>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Called up share capital	5,887	5,864	5,885
Share premium account	14,347	14,230	14,347
Reserves	39	36	39
Retained (losses)	(10,711)	(10,208)	(10,427)
	<u>9,562</u>	<u>9,922</u>	<u>9,844</u>
<b>Equity attributable to equity holders of the parent</b>	<u>9,562</u>	<u>9,922</u>	<u>9,844</u>
Minority interest	(3)	2	(3)
	<u>9,559</u>	<u>9,924</u>	<u>9,841</u>
<b>Total Equity</b>	<u>9,559</u>	<u>9,924</u>	<u>9,841</u>
<b>Current Liabilities</b>			
Trade and other payables	321	43	310
	<u>321</u>	<u>43</u>	<u>310</u>
<b>Total Liabilities</b>	<u>321</u>	<u>43</u>	<u>310</u>
	<u>9,880</u>	<u>9,967</u>	<u>10,151</u>
<b>Total Equity and Liabilities</b>	<u>9,880</u>	<u>9,967</u>	<u>10,151</u>

**Ormonde Mining plc**

**Consolidated Cash Flow Statement**

*Six months ended 30 June 2007*

	<i>(unaudited)</i> 6 months ended	<i>(unaudited)</i> 6 months ended	<i>(audited)</i> Year ended
	30 June 2007 €000's	30 June 2006 €000's	31 December 2006 €000's
<b>Net (loss) before interest and income tax</b>	(310)	(252)	(683)
<b>Adjustments for:</b>			
Exploration costs written off	-	-	82
Depreciation for - Property, plant and equipment	5	2	12
<b>Operating (loss) before working capital changes</b>	<u>(305)</u>	<u>(250)</u>	<u>(589)</u>
Decrease/(Increase) in trade receivables	188	211	(22)
(Decrease)/Increase in trade payables	11	(193)	74
<b>Cash generated from operations</b>	<u>(106)</u>	<u>(232)</u>	<u>(537)</u>
Interest received	26	16	83
<b>Net cash flow from operating activities</b>	<u>(80)</u>	<u>(216)</u>	<u>(454)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(10)	-	(4)
Purchase of intangible assets	(1,631)	(889)	(2,431)
<b>Net cash used in investing activities</b>	<u>(1,641)</u>	<u>(889)</u>	<u>(2,435)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	2	4,248	4,389
<b>Net cash received from financing activities</b>	<u>2</u>	<u>4,248</u>	<u>4,389</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,719)	3,143	1,500
<b>Cash and Cash equivalents at the beginning of the period</b>	3,391	1,891	1,891
<b>Cash and cash equivalents at the end of the period</b>	<u>1,672</u>	<u>5,034</u>	<u>3,391</u>

The financial information has been prepared under the historical cost convention in accordance with Irish law and International Financial Reporting Standards. This is the first financial period that the Group has adopted International Financial Reporting Standards. This did not result in any material amendment to the Group's accounting policies or the results previously presented.

The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €284,111 (June 2006 = €235,927) divided by the time-weighted average number of shares in issue during the period of 162,488,775 (June 2006 = 156,292,428).

No dividends were paid or proposed in respect of the six months ended 30 June 2007.