

22 September 2008

## **Ormonde Mining plc**

### **Interim Results for the Six Months Ended 30 June 2008**

DUBLIN & LONDON: 22 September 2008 - 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 2008.

Michael Donoghue, Chairman of the Company, commented today,

"During the period our activities have been largely focussed on fast-tracking the Barruecopardo Tungsten Project and reviewing the La Zarza development options. In particular, progress on our Barruecopardo Tungsten Project has greatly exceeded our expectations in terms of both the technical results and the increasing size and economic potential of this project. We will now focus on finalising the technical evaluation to advance the Barruecopardo Project to the permitting and funding stage with a view to development."

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## **CHAIRMAN'S STATEMENT**

### **OPERATIONAL REVIEW**

During the last six months our activities have been largely focussed on fast-tracking the Barruecopardo Tungsten Project and reviewing the La Zarza development options. Exploration activity outside these areas has been somewhat limited as efforts were strongly concentrated on the two development projects.

#### **Barruecopardo Project**

In my operational review published in May 2008 of this year in the Annual Report I commented on progress at our Barruecopardo Tungsten Project. At that time we were confident that the 1.0 million tonne resource would grow and we should be in a position to implement a selective underground mining method at the rate of 200,000 tonne per year (tpy) to produce 90,000 metric tonne units of tungsten per year, as proposed in our Order-of-Magnitude Study. Consequently, I am now most pleased to note that shareholders funds have, in the interim, been well expended in expanding the resource to 3 million tonnes, or 6 million tonnes at a lower cut-off grade.

In fact, the situation is even better than this increase suggests for a number of reasons that are becoming increasingly apparent:

- 1) The critical drillhole results which contributed most in increasing the resource intersected up to 20-60 metres of mineralisation with internal high grade zones. These holes are all concentrated in one area of the Filon Principal Zone and this opens up the option of a higher mining rate in this portion of the

resource. The current drilling required for the mining design and finalising of process plant throughputs is largely targeted on this thick zone of mineralisation.

2) Even a limited bulk-mining possibility would in turn facilitate an increase in the production rate to allow us to avail of economies of scale, increase the yearly tungsten production levels and achieve improved cashflows.

3) The 3 million tonne resource, based on our relatively shallow drilling to date, equates to 1.8 million tonnes per 100 metres of vertical depth from surface (a greater tonnage at the lower cut-off). Consequently, proving depth extensions to the mineralisation by further drilling or by future mining operations, could very significantly increase the possible size of the resource, suggesting the potential for a long life mining operation.

As a consequence of these very favourable results, we have redirected our mining studies to focus on higher production rates than the 200,000 tpy previously considered. The metallurgical test-work programme, which is providing excellent results in terms of metal recoveries, is ongoing and on completion will lead immediately into the design of the treatment plant.

In anticipating the completion of the evaluation and mine design work we have been active in pursuing the commercial and funding options for the Project. Ormonde has established contacts with potential tungsten concentrate end-users and various parties potentially interested in participating in the capital funding of Barruecopardo. The level of interest in this project is most encouraging. The Company has also joined the International Tungsten Industry Association (the ITIA) to further these objectives.

In looking at the development of Barruecopardo and the external economic environment, it is reassuring to note that the prognosis for metal commodities remains strong. Indeed the outlook for tungsten remains positive and strategic factors are serving to further support the underlying supply-demand fundamentals. Chinese and Japanese investment in tungsten operations, and indeed exploration projects, continues. It is of note that the US government has in August given notice that it "has concerns for strategic and critical materials" and is reviewing downwards its sales of minor metals from its stockpiles, stating that "sales of these commodities will continue but selected quantities of ....**tungsten ores and concentrates, tungsten metal powder** and ... will no longer be available for sale".

### **La Zarza Project**

The two recommendations made in the feasibility study have been pursued through both in-house and external sub-studies. The focus of work has been on the reduced or staged capital option, on a development based initially on mining and treating only the copper-gold mineralisation, as this is the lowest capital cost option that would likely present the least difficulties for capital funding.

Results to-date have shown that the project capital can be significantly reduced by mining and treating only the copper and copper-gold ores. However, it is likely that additional copper resources will be required to make this option adequately profitable to facilitate debt funding for the capital investment stage of this project. Several areas of mineralisation have already been identified which have the potential to increase these copper resources and drill programmes are required in these areas. While the Company continues to look at economic optimisation and funding possibilities for the project, it is in the meantime continuing the process of preparing the relevant documentation for permitting and regulatory approvals for La Zarza and has engaged a Spanish consulting group to carry out this work.

## **CORPORATE**

Our current assets at 30 June comprised €619k in cash and trade and other receivables of €373k. We completed a placing in July in what was a very difficult market, which raised €1.64 million (net of expenses) largely to fund the evaluation and final infill drilling programme at Barruecopardo.

Ormonde's operating loss for the period was €379k (€284k for the 6 months to June 2007). This increased loss was largely attributable to increased corporate costs associated with managing two advanced-stage assets.

Whilst moving both our development projects forward, the Board is focused upon the need to ensure cashflow at the earliest opportunity and we have therefore prioritised our project development endeavours to minimise shareholder dilution. Work for the remainder of 2008 will be directed towards completing the required drilling

and mining/processing design at Barruecopardo. In pursuing the further evaluation of La Zarza, we will seek to explore options for project specific funding rather than via shareholder equity dilution.

In closing, we look forward to reporting some significant developments on our projects during the coming months. In particular, progress on our Barruecopardo Tungsten Project has greatly exceeded our expectations in terms of both the technical results and the increasing size and economic potential of this project. We will now focus on finalising the technical evaluation to advance the Barruecopardo Project to the permitting and funding stage with a view to development.

Michael J. Donoghue  
Chairman  
22 September 2008

## Ormonde Mining plc

### Group Income Statement

*Six months ended 30 June 2008*

	unaudited 6 months ended 30-Jun-08 €000s	unaudited 6 months ended 30-Jun-07 €000s	audited Year ended 31-Dec-07 €000s
<b>Turnover</b>	-	-	-
Administration expenses	(389)	(310)	(649)
Exploration costs written off	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating loss</b>	<b>(389)</b>	<b>(310)</b>	<b>(649)</b>
Interest receivable	<u>12</u>	<u>26</u>	<u>71</u>
<b>Loss on Ordinary Activities</b>	<b>(377)</b>	<b>(284)</b>	<b>(578)</b>
Minority Interest	<u>(2)</u>	<u>0</u>	<u>(2)</u>
<b>Loss for the Period</b>	<b><u>(379)</u></b>	<b><u>(284)</u></b>	<b><u>(580)</u></b>
<b>Loss per share</b>			
Basic	€(0.0019)	€(0.0017)	€(0.0034)
Diluted	€(0.0018)	€(0.0016)	€(0.0032)

# Ormonde Mining plc

## Group Balance Sheet

As At 30 June 2008

	unaudited 30-Jun-08 €000s	unaudited 30-Jun-07 €000s	audited 31-Dec-07 €000s
<b>Assets</b>			
<b>Non-Current assets</b>			
Property, plant & equipment	21	15	8
Intangible assets	<u>11,854</u>	<u>7,788</u>	<u>10,408</u>
	<b>11,875</b>	<b>7,803</b>	<b>10,416</b>
<b>Current assets</b>			
Trade and other receivables	373	405	568
Cash and cash equivalents	<u>619</u>	<u>1,672</u>	<u>2,441</u>
	<b><u>992</u></b>	<b><u>2,077</u></b>	<b><u>3,009</u></b>
<b>Total assets</b>	<b><u>12,867</u></b>	<b><u>9,880</u></b>	<b><u>13,425</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Called up share capital	6,617	5,887	6,617
Share premium account	17,507	14,347	17,507
Reserves	35	39	35
Profit and loss account	<u>(11,385)</u>	<u>(10,711)</u>	<u>(11,006)</u>
<b>Attributable to equity shareholders</b>	12,774	9,562	13,153
Minority Interest	<u>2</u>	<u>(3)</u>	<u>2</u>
	12,776	9,559	13,155
<b>Current Liabilities</b>			
Trade and other payables	<u>91</u>	<u>321</u>	<u>270</u>
Total liabilities	<u>91</u>	<u>321</u>	<u>270</u>
<b>Total Equity and Liabilities</b>	<b><u>12,867</u></b>	<b><u>9,880</u></b>	<b><u>13,425</u></b>

## Ormonde Mining plc

### Group Cash Flow Statement

Six months ended 30 June 2008

	unaudited 6 months ended 30-Jun-08 €000s	unaudited 6 months ended 30-Jun-07 €000s	audited year ended 31-Dec-07 €000s
<b>Cash flows from operating activities</b>			
Net loss before interest & tax	(389)	(310)	(649)
Adjustments for:			
Depreciation	5	5	13
Unrealised exchange gain	0	0	2
Change in receivables	195	188	25
Change in liabilities	<u>(180)</u>	<u>11</u>	<u>(40)</u>
<b>Net cash from operating activities</b>	<b>(369)</b>	<b>(106)</b>	<b>(649)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	<u>0</u>	<u>2</u>	<u>3,826</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	(19)	(10)	(10)
Interest received	12	26	71
Expenditure on exploration activities	<u>(1,446)</u>	<u>(1,631)</u>	<u>(4,188)</u>
<b>Net cash flow from financing activities</b>	<b><u>(1,453)</u></b>	<b><u>(1,615)</u></b>	<b><u>(4,127)</u></b>
<b>Net (decrease) in cash</b>	<b>(1,822)</b>	<b>(1,719)</b>	<b>(950)</b>
<b>Cash at beginning of period</b>	<b><u>2,441</u></b>	<b><u>3,391</u></b>	<b><u>3,391</u></b>
<b>Cash at end of period</b>	<b><u><u>619</u></u></b>	<b><u><u>1,672</u></u></b>	<b><u><u>2,441</u></u></b>

The financial information has been prepared under the historical cost convention in accordance with Irish law and International Financial Reporting Standards.

The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €378,643 (June 2007 = €284,111) divided by the time-weighted average number of shares in issue during the period of 197,781,586 (June 2007 = 162,488,775).

No dividends were paid or proposed in respect of the six months ended 30 June 2008.

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