ORMONDE

MINING PLC

ANNUAL REPORT & ACCOUNTS 2011

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Chairman's Review

The objectives that your Company set itself at the end of 2010 were: to complete the feasibility study evaluation for our Barruecopardo Tungsten Project and advance its permitting and funding to ensure development; to secure new exploration ground and recommence exploration on La Zarza through the Antofagasta Joint Venture; and to advance the evaluation of our gold licences in the Salamanca and Zamora Provinces. I am pleased to report that we have made good progress on all of these objectives, and in particular on our flagship Barruecopardo Project.

The feasibility study on the Barruecopardo Project in the Salamanca Province was carried out during the year and the results reported in late February 2012. The outcome was very positive, demonstrating a technically viable, initially open pit mining operation which would benefit from low capital costs and low operating costs. This will result in a project with exceptional economics at prudent tungsten prices, well below both recent and future prices forecast by international metals market research companies. With this milestone achieved, Ormonde is in a position to advance the remaining objectives during 2012, including capital funding and off-take arrangements, permitting and mine development.

The feasibility study has facilitated due diligence on the project. This in turn has enabled earlier discussions with several third parties in relation to capital funding and off-take arrangements to be advanced, whereby the Directors are confident of finalising these arrangements over the coming months.

The final stage of pre-development, the detailed engineering design work, will be initiated as soon as the current metallurgical testwork is completed. This testwork serves two objectives, firstly to provide larger testwork runs to meet the needs of the process plant manufacturers so that they can supply equipment performance guarantees, and secondly to supply sufficient samples to facilitate agreement with concentrate off-takers. Completion of this work will allow for the commencement of the detailed engineering stage ahead of mine development.

The first stage of permitting, the Documento Inicial, was completed successfully during 2011 and the final permitting documentation, incorporating all responses and guidance provided by the relevant regulatory bodies to the Documento Inicial, is now being readied for submission in early July. While this planned submission is somewhat behind the schedule previously envisaged, its timing reflects the detailed work in incorporating the proposed mining operation as defined in the feasibility study (along with a comprehensive Environmental Impact Assessment), currently being updated to reflect recent modifications to Spanish legislation applicable to mining operations. It is this final submission which will be reviewed by all relevant regulatory departments prior to a decision on the granting of a mining concession on Barruecopardo, and therefore ensuring that it fully addresses and anticipates all requirements is essential to facilitate the granting of the mining licence. As a consequence, the project development schedule has now been extended such that plant commissioning has moved from Q3 to Q4 2013.

The external environment for tungsten remains healthy. Uncertainty in the global economy has resulted in a slight easing of APT prices from the US$440-450 per mtu "plateau" during 2011 to an average price of some US$410 during the last few months. Medium to long term price forecasts remain firm.

Two fundamental structural problems appear to have developed in the tungsten industry; firstly the supply-demand imbalance resulting in significant supply shortages, and secondly the reliance on Chinese supplies of intermediate powders such as APT is being brought into sharp focus by the fact that Chinese exports of APT are predicted to reduce and possibly be phased out over the coming years (as previously happened with the supply of Chinese tungsten concentrates). The withdrawal of Chinese primary concentrates from the market place affected the secondary powder processors and encouraged them to become more involved upstream with primary mine producers. However, the reduction in Chinese APT supply will directly affect the much larger downstream tungsten tool and steel manufacturers and one is starting to see these manufacturers moving upstream to become involved with primary producers.

These supply issues have been highlighted by the EU in its report "Critical Raw Materials for the EU" (May 2010) where tungsten was listed as a "critical raw material" due to its "high economic importance and high relative supply risk" and more recently by the British Geological Survey who have ranked tungsten in the joint highest position in its "Current Supply Risk Index" of metals.

At our La Zarza Copper Project, documentation to support the transfer of the mining rights from the underlying holder Nueva Tharsis to our Spanish subsidiary Ormonde Espana SL was compiled and submitted in December 2011. Ormonde is presently liaising with the Mines Department in Huelva as this application is progressed.

Four new investigation permits, which cover substantial areas along strike of the La Zarza system, were issued during 2011 and incorporated into the Antofagasta Joint Venture activities. An airborne geophysical (electro-magnetic) survey and a ground gravity survey were completed over the permit areas and a significant number of targets identified. Early in 2012 a drilling programme was initiated over these targets and this programme is expected to conclude in the summer of 2012.

In March 2011, the Company entered into a joint venture with Aurum Mining Plc ("Aurum") to further explore four permit areas held by Ormonde in the Salamanca and Zamora Provinces. Aurum is spending €500k to earn a majority position in these permits. An initial three-hole drilling programme carried out by the Joint Venture during 2011 encountered very encouraging results on the El Facho gold structure in Zamora. This led on to a larger nine-hole programme to test the extent of the El Facho structure which was completed in March 2012. Results from the first holes of this programme support the initial drilling and we await the remaining results.

The Company expended a total of €4,320,818 on its activities during 2011, as detailed in the Accounts. The Company has reported a loss of €966,369 for the year which has narrowed from a loss of €1,088,451 in 2010. The Company is well-funded for its current activities ahead of capital funding for Barruecopardo having successfully raised £3.39 million in a placing announced in March 2012.

I would like to thank our shareholders, staff and advisers for their continued support during 2011.

Michael J. Donoghue
Chairman

6 June 2012

Review of Activities

Barruecopardo

The Barruecopardo Tungsten Project in the Salamanca Province of western Spain, with its good grades, low capital and operating costs and potential long mine life, is now clearly positioned as one of the leading tungsten development projects outside of China. Ormonde made significant progress at Barruecopardo during the year, culminating in the reporting of the Definitive Feasibility Study ("DFS") in February 2012. Work for the DFS included the completion of an infill drilling programme (leading to an expanded and upgraded Mineral Resource Estimate), a Cost & Definition Study ("C&D Study") and definitive metallurgical testwork programmes. The Company is now well positioned to move forward with various critical activities over the coming year, with a view to commencing commissioning towards the end of 2013.

Crusher Station dump point in main open pit, circa 1970

In September 2010, the Company reported the results of an Independent Technical and Economic Review and Optimisation Study carried out by Scott Wilson Mining. This study considered a "Base Case" open pit mining operation, based on the Indicated Mineral Resource which had been defined at that time, with a production rate of 0.5 million tonnes per annum (Mtpa), yielding an averaged annual production of 130,000 metric tonne units ("mtus") over a 10 year period, which estimated a capital cost of Euro 29.9M. This initial study also highlighted that higher production rates could be possible from a larger open pit shell, if further drilling upgraded Inferred Resources to the Indicated category, although it estimated that this higher production rate would result in a higher total capital cost of around Euro 40M.

Following the results of the Scott Wilson Study, Ormonde proceeded with the required infill drilling and definitive metallurgical testwork programmes, and in May 2011 selected a subsidiary of Jacobs Engineering Group Inc. to carry out a Cost and Definition Study for the process plant and associated surface infrastructure for Barruecopardo and to co-ordinate the overall Definitive Feasibility Study. The initial part of this work comprised a "trade-off study" to assess the economics of various production rates. At this time, Ormonde also engaged CSA Global Ltd. ("CSA") to carry out a revised mineral resource estimate and open pit mining studies. The trade-off study identified an optimum plant throughput of 1.1 Mtpa, to yield an average of 227,000 mtus of tungsten trioxide ("WO_3") per annum over a nine-year period, for a total of 2.1 million mtus produced over the life of the open pit; a substantial increase on the 130,000 mtus WO_3 per annum production rate estimated in the Scott Wilson Study "Base Case".

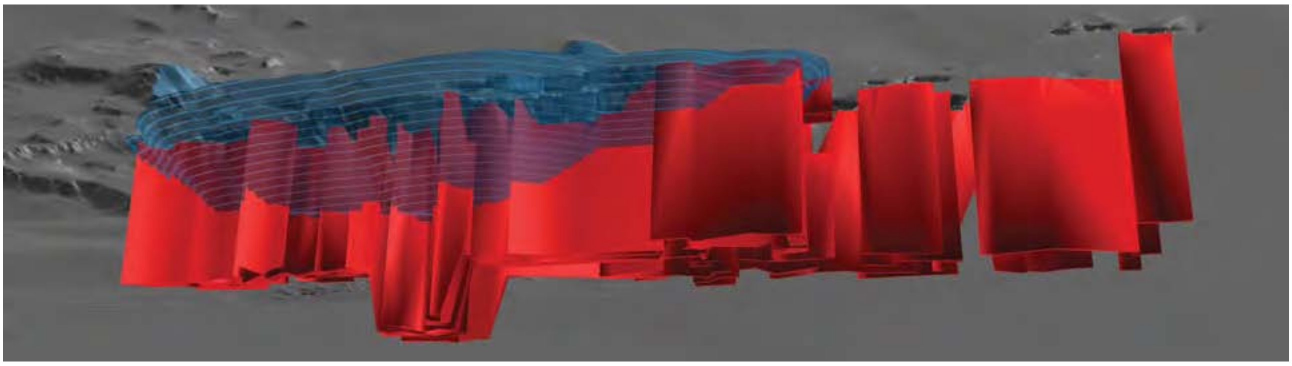
Mineral Resources

Classification	Tonnes (million)	Grade (WO_3%)	Contained mtus (WO_3)
Measured	5.47	0.34	1.86 million
Indicated	12.33	0.26	3.20 million
Inferred	9.59	0.23	2.20 million
TOTAL	27.39	0.26	7.12 million

Ore Reserves

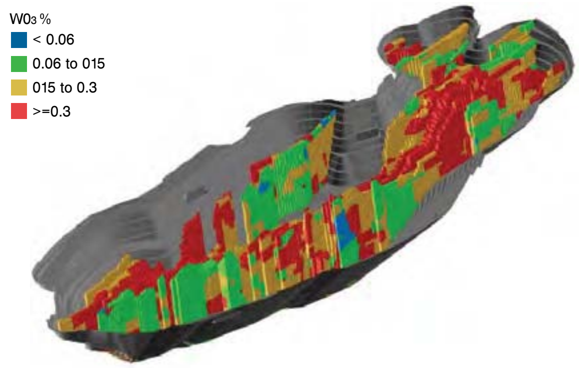
Classification	Tonnes (million)	Grade (WO_3%)	Contained mtus (WO_3)
Proven	4.96	0.33	1.64 million
Probable	3.73	0.26	0.98 million
TOTAL	8.69	0.30	2.61 million

A twenty one-hole infill drilling programme (totalling 4,331 metres) was carried out with the intention of upgrading the resources within the open pit to a higher resource classification, providing a greater level of confidence in those



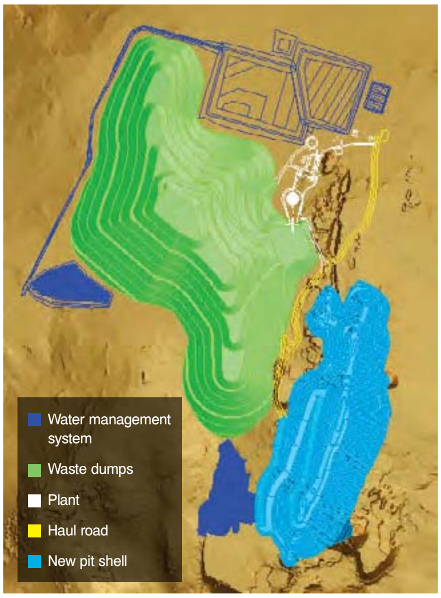
Model view of total mineral resources (red) and open pit shell (blue) at Barruecopardo

resources, thus enabling them to be included in the mine design. The infill drilling results proved to be very positive and lead to a new upgraded Mineral Resource Estimate ("MRE"), as reported by CSA, of 27.39 million tonnes grading 0.26% WO_3. This new MRE increased the total global tungsten resources by 40% and further increased the confidence in those resources with the upgrading of a large portion of the resource into the highest confidence "Measured" Resource category.



Block model of resources within the Barruecopardo open pit

The completion of the infill drilling programme and the upgrading of the resource allowed the Company to complete the Definitive Feasibility Study. This was compiled with inputs from several independent international consulting engineering groups and contractors, based upon a final averaged 227,000 mtus of WO_3 production per year, and confirmed both the technical viability and robust economics of the project at APT prices well below current levels. The DFS, which focused only on the open pit portion of the resource, defined an optimised open pit shell (virtually unchanged from shells defined in earlier studies) which contains Measured and Indicated Resources of 8.71Mt grading 0.32% WO_3, converting to a Mining Reserve of 8.69Mt grading 0.30% WO_3 for a total of 2.61 million mtus of WO_3.



Plan view of mine layout at Barruecopardo

These Ore Reserves allow for a nine year open pit mining operation, with the potential to extend the open pit life in the event that any of the additional Inferred material contained within the open pit design (0.82Mt grading 0.22% WO_3) prove to be suitable process plant feed.

Mining will be carried out by conventional open pit methods using a competent open pit mining contractor, adopting traditional "drill and blast" mining with shovel and truck operations. Processing of the ore is relatively simple, with testwork demonstrating that crushing the ore to minus 5mm followed by separation of the heavy tungsten mineral (using a gravity pre-concentration circuit consisting of jigs and spirals) facilitates the rejection of 99% of the feedstock, with just the 1% "heavies" concentrate requiring to be processed further through a very small clean-up circuit. The combination of open pit mining and simple processing results in a relatively low cash operating cost of €99 per mtu of WO_3 and a low capital cost for the Project of €48.5M.

From a financial perspective the DFS has shown the Project to have exceptional economics. At an APT price of \$350/mtu (currently \$405/mtu) used in the DFS the Project will deliver average annual pre-tax net operating cash flows of €29M. At this tungsten price the Project has a pre-tax NPV (8% discount rate) of €120M and an IRR of 52%. Significantly the Project has also been shown to work well at tungsten prices considerably lower than that used in the DFS, giving considerable comfort to both Ormonde and its potential capital funders. The low capital costs and high relative annual cash flows result in a short capital payback period of 2 years.

In January 2011, the first stage of permitting documentation (the "Documento Inicial") was submitted to the Provincial Mining Department. Responses were received from all the relevant regional regulatory authorities, and their requirements and guidance have been incorporated into the final permitting submission. This is detailed documentation incorporating the proposed mining operation as refined in the feasibility study (along with a comprehensive Environmental Impact Assessment). As it is this final submission which will be reviewed by all relevant regulatory departments prior to a decision on the granting of a mining concession on Barruecopardo, it is important to ensure that it fully addresses and anticipates all requirements to facilitate the granting of the mining licence.

	Tungsten APT Price		
	US\$250	**US\$350 Base Case**	**US\$450**
Euro/US\$	1.30	1.30	1.30
Pre-tax ungeared NPV (8% discount rate)	€28M	€120M	€212M
Pre-tax IRR	19.9%	52.0%	80.3%
Average annual pre-tax net operating cash flow	€13M	€29M	€45M
Pre-tax net operating cash flows over life of open pit	€120M	€261M	€403M
Capital Payback Period (Years)	3.9	2.0	1.5

Barruecopardo DFS - Financial Projections

About Tungsten

Tungsten is a strategic high performance metal with unique properties making it an essential component in many industrial applications. Its critical properties include a very high melting point (3,422°C – the highest of all metals), very high density, a hardness close to that of diamonds, and excellent electrical conductivity. When taken together, these properties result in there being limited substitutes for many of tungsten's key applications.

Drill bits

The primary use of tungsten is to produce hardmetals. Another important use is as an alloying constituent in steels and super alloys, and a significant proportion of production is also utilised in manufacture of mill products, much of which is used in the electrical/electronic industry. Hardmetals, or cemented carbides are used in the drilling, cutting and machining of metals, wood, plastics, rock, composites etc.. and in wear parts, tools, moulds and machine components associated with the working of these materials. Alloyed steels are primarily used in working, cutting and forming of metal components. Tungsten added to steel increases metal strength, tensile resilience, hardness and flexibility. Superalloys are used in various applications, particularly where high temperature tolerances are required, such as jet engine turbines, exhaust gas assemblies, furnaces etc. As such, the use of tungsten spans the full range of industrial activity from aerospace, automotive, mining, oil & gas, chemical, manufacturing, construction and defence to medical, electronic and sports industries.

Tungsten Market

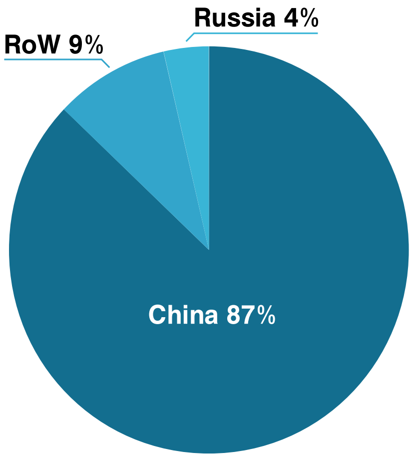
China is the dominant player in the tungsten market, producing circa 85% of world production in 2010 and supplying over 70% of the rest of world demand.

Industry analysts anticipate that World demand for tungsten will grow at approx. 5-8% per annum over the next five years, much of which will be driven by increasing demand from China and the emerging economies. This increasing demand is expected to lead to western processors and end users of tungsten finding it increasingly difficult to secure supplies of this essential metal. These supply risks have been acknowledged by the EU in their report "Critical Raw Materials for the EU" (May'10) where tungsten was listed as a "critical raw material" due to its "high economic importance and high relative supply risk" and more recently by the British Geological Survey (2011) who have ranked tungsten in joint highest position in its "Current Supply Risk Index" of metals which are of economic value.

Having traded in a range of US$200-280 per metric tonne unit of APT between 2006-2009, tungsten prices have increased significantly over the past couple of years, hitting highs in excess of US$450 before settling in the region of US$400-410 over recent months.

Detailed research on the tungsten market carried out by Roskill, a leading metals market research company, has led them to a forecast average tungsten APT price of US$415 over the period 2012-2016.

World Mine Production - 2010



2010 Source: ITIA

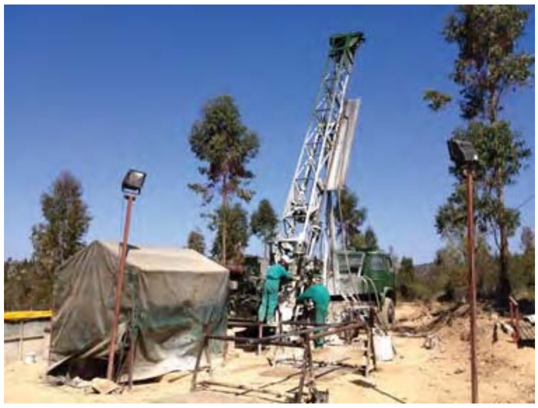
VTEM airborne survey, October 2011

La Zarza

The La Zarza Project is located within the Iberian Pyrite Belt, a prominent copper mining district with some 142k tonnes of copper produced in 2011 largely from three mines, Neves Corvo, Las Cruces and Aguas Tenidas.

During the year, Ormonde's wholly owned Spanish subsidiary, Ormonde Espana SL ("OESL"), submitted final documentation to the provincial mining authority (December 2011) to facilitate the transfer of the mining rights for La Zarza from the underlying holder (Nueva Tharsis) to OESL. Ormonde is presently liasing with the Mines Department in Huelva as this application is progressed.

In October 2009, Ormonde entered into a joint venture with Antofagasta Minerals SA, under the terms of which Antofagasta has the right to earn a 51% interest in La Zarza by spending US$7 million on an expanded exploration programme and subsequent evaluation activities. Subject to the completion of the earn-in, Antofagasta would have the right to increase its interest in La Zarza to 75% by the completion of a feasibility study on a mining project that meets its investment criteria.



Drilling on one of the targets identified by the Joint Venture

Prior to the Joint Venture Ormonde had evaluated a mining operation at La Zarza based principally upon the copper-gold “Silicatado” resources of 9.9Mt grading 1.0% Cu, 1.6g/t Au, 1.0% Pb, 3.0% Zn and 38.9g/t Ag, at the eastern end of the deposit. The Antofagasta-Ormonde Joint Venture activities are designed to investigate the possibility of a significantly larger copper resource base.

A new structural interpretation in 2010 formed the basis for an in-house estimation by the Joint Venture of an initial global resource extending well beyond the boundaries of the Silicatado resource. This new, unclassified, non-JORC compliant resource totalled 61Mt grading 0.80% Cu, 0.9g/t Au, 0.56% Pb, 1.96% Zn, 5.7g/t Ag (1.34% CuEq cut-off). In order to explore for an expansion to this resource base, Ormonde submitted applications to the provincial mining authority for additional permits largely covering the western strike extension of the La Zarza system and controlling structures, the total permit area applied for being some 95 square kilometres. These new permits were granted in August 2011 and were included in the Joint Venture, with a works programme funded by Antofagasta, which included an airborne geophysical survey (VTEM method) supported by a ground gravity survey.

Following receipt, modelling and integration of the results from these geophysical surveys, supported by a geological interpretation, several priority drilling targets were identified and these are being drill tested in the first half of 2012. These targets are in the same stratigraphic units as the known La Zarza mineralisation.

Gold Projects

Following last year’s Board decision to separate Ormonde’s gold projects into gold-tungsten and gold-only prospects, the Company entered into a joint venture with Aurum Mining PLC (“Aurum”) on the gold-only permits. Under the terms of this Agreement Aurum is earning a 60% interest in two permits in the Zamora Province and a 54% interest in a further two permits in the Salamanca Province by spending €500,000 on exploration activities over an 18 month period.

Two drill rigs operating on El Facho structure, Zamora

Activities have been focused in the Zamora area, and in particular on a gold structure termed “El Facho”. Here, previous drilling by Ormonde had returned intervals including 23m grading 1.1 grammes per tonne (g/t) gold from 51 metres depth (including a high-grade interval of one metre grading 16.6 g/t gold), with the gold mineralisation hosted in steeply-dipping structures (within granite) characterised by quartz veining, silicification and alteration.

The Joint Venture’s initial drilling programme had the objective of testing for extensions to the known gold intervals and in particular ascertaining whether broader mineralised intervals could be delineated. Two holes drilled at Facho (ORMP-10 and 11) intersected significant gold mineralisation in veined and altered granites. The interval in hole ORMP-10 (12 metres grading 3.4 g/t gold within an overall interval of 30 metres grading 1.6g/t gold), in particular, was wider than those identified prior to this drilling programme and was a very positive development.

Based on this successful initial campaign the Joint Venture agreed an expanded drilling programme, with the aim of further testing and extending the structure over a strike length of some 600 metres. Assay results for the first three holes, from the subsequent nine-hole programme, were reported in March 2012, with all holes encountering gold mineralisation, the most significant of which was the interval of 22 metres grading 1.94 g/t gold within an overall interval of 49 metres grading 1.16g/t gold, returned from hole ORMP-15.

REPORT OF THE DIRECTORS
& FINANCIAL STATEMENTS

2011

Report of the Directors

The Directors present their Annual Report and audited financial statements for the year ended 31 December 2011 of Ormonde Mining Plc ("the Company") and its subsidiaries (collectively "the Group").

Principal Activity

The principal activity of the Company and its subsidiaries comprises acquisition, exploration, and development of mineral resource projects in Spain.

Review of Business and Future Developments

A detailed review of activities for the year and future prospects of the Group is contained in the Chairman's Review and Review of Activities.

Principal Risks and Uncertainties

The Group's activities are carried out in Spain and Ireland. Accordingly the principal risks and uncertainties are considered to be the following:

Exploration Risk

Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular; climatic conditions, performance of joint venture partners or suppliers, availability, delays or failures in installing and commissioning plant and equipment; unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

Commodity Price Risk

The demand for, and price of, gold, copper, tungsten, base metals and other minerals is dependent on global and local supply and demand, actions of governments or cartels and general global economic and political developments.

Political Risk

As a consequence of activities in different parts of the world, the Group may be subject to political, economic and other uncertainties, including but not limited to terrorism, war or unrest, changes in national laws and energy policies and exposure to different legal systems.

Financial Risk

Financial risks are explained in greater detail in Note 20.

Share Price

The share price movement in the year ranged from a low of €0.07 to a high of €0.14 (2010: €0.04 to €0.11). The share price at the year end was €0.09 (2010: €0.11).

Results and Dividends

The results for the year ended 31 December 2011 are set out in the Consolidated Statement of Comprehensive Income on page 23 of this Annual Report.

As all exploration and development costs to date have been deferred, no transfers to distributable reserves or dividends are recommended.

Future Developments

A review of future developments of the business is included within the Chairman's Review and Review of Activities.

Directors

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

In accordance with the Articles of Association, John Carroll retires from the Board and being eligible offers himself for re-election.

Details of Executive Directors

Dr. I. Kerr Anderson (aged 50) is a geologist by profession, and has worked in the mining and exploration industry in Europe for over 23 years. He was Exploration Manager with Navan Mining Plc prior to joining Ormonde as Managing Director in May 2001.

Mr. Michael J. Donoghue (aged 62) is a mining engineer by profession, with 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. Stephen J. Nicol (aged 48) is a mining engineer with over 25 years experience in the mining industry, initially in operations and subsequently in mine evaluation and development projects. He has held production supervisory roles in various underground and open pit mines in Australia and Europe. More recently, prior to joining Ormonde, he had been operating as an independent consultant working on gold and base metal mine evaluation and development projects in countries including Romania, Greece, Italy, Kazakhstan and Canada.

Details of Non Executive Directors

Mr. John A. Carroll (aged 63) is a chartered secretary by profession, and 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.

Directors and Secretary and their Interests

The interests (all of which are beneficial) of the Directors, who held office at 1 January 2011 and 31 December 2011 and 6 June 2012, and their families in the share capital of the Company were:

Directors	**06/06/12**	**31/12/11**	**01/01/11**
	Ordinary Shares	Ordinary Shares	Ordinary Shares
Kerr Anderson	904,414	904,414	904,414
John Carroll	2,121,093	2,121,093	2,121,093
Michael Donoghue	3,244,994	2,744,994	9,637,376
Stephen Nicol	113,626	113,626	113,626

Directors	**31/12/11**	**01/01/11**
	Share Options	Share Options
Kerr Anderson	750,000 *	750,000 *
Kerr Anderson	750,000 #	750,000 #
Kerr Anderson	700,000 ^	700,000 ^
Kerr Anderson	1,000,000 \	1,000,000 \
John Carroll	750,000 *	750,000 *
John Carroll	750,000 #	750,000 #
John Carroll	700,000 ^	700,000 ^
John Carroll	750,000 \	750,000 \
Michael Donoghue	750,000 #	750,000 #
Michael Donoghue	700,000 ^	700,000 ^
Michael Donoghue	300,000 ~	300,000 ~
Michael Donoghue	1,000,000 \	1,000,000 \
Stephen Nicol	1,000,000 “	1,000,000 “
Stephen Nicol	2,000,000 \	2,000,000 \

No change in the above share options has occurred between 31 December 2011 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 2016.

- Share options are exercisable at a price of €0.034 at any time up to 13 August 2013.

^ - Share options are exercisable at a price of €0.13 at any time up to 22 October 2014.

~ - Share options are exercisable at a price of €0.21 at any time up to 26 October 2016.

“ - Share options are exercisable at a price of €0.109 at any time up to 14 April 2018.

\ - Share options are exercisable at a price of €0.068 at any time up to 3 October 2020.

All the above shareholdings are beneficially held. No Director, Secretary or any member of their immediate families had an interest in any subsidiary.

See Note 17 for details of the share option scheme. In addition, the rules of the Company's share option scheme are available for inspection at the registered office of the Company on request.

Transactions Involving Directors

There have been no contracts or arrangements of significance during the year in which Directors of the Company were interested other than as disclosed in Note 18 to the financial statements.

Significant Shareholders

The Company has been informed, or is aware that, in addition to the interests of the Directors, at 31 December 2011 and the date of this report, the following shareholders own 3% or more of the issued share capital of the Company:

	Percentage of issued share capital	
	06/06/12	**31/12/11**
JP Morgan Asset Management UK Limited	6.76%	6.40%
Jupiter Asset Management	6.02%	6.16%
Blackrock Investment Management UK Limited	5.46%	5.47%
Fidelity International (FIL Limited)	4.22%	4.65%
Saracen Fund Managers	3.35%	3.91%
Lynchwood Nominees	3.09%	3.02%

The Directors are not aware of any other holding of 3% or more of the share capital of the Company.

Subsidiary Undertakings

Details of the Company's subsidiaries are set out in Note 10 to the financial statements.

Political Donations

There were no political donations during the year (2010: Nil).

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. As required by AIM and ESM rules and as permitted by company law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU (EU IFRS) and have elected to prepare the Company financial statements in accordance with EU IFRS, as applied in accordance with the provisions of the Irish Companies Acts, 1963 to 2009 ("the Companies Acts").

The Group and Company financial statements are required by law and EU IFRS to present fairly the financial position and performance of the Group; the Companies Acts provide, in relation to such financial statements, that references in the relevant part of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. Under applicable law and the requirements of the ESM rules issued by the Irish Stock Exchange, the Directors are also responsible for preparing a Directors' Report and reports relating to Directors' remuneration and corporate governance that comply with that law and those rules.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

As further disclosed in Note 1 the Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, are confident that the Company and the Group should be in a position to have adequate financial resources to continue in operational existence for the foreseeable future.

The future of the Company and the Group is also dependent on the successful future outcome of its exploration interests and of the availability of further funding to bring these interests to production.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Post Balance Sheet Event

On 12 March 2012, the Company placed 33,910,896 new ordinary shares of nominal value of €0.025 each in the capital of the Company at a price of Stg10p per share raising in aggregate Stg£3.39 million (approximately €4.04 million) before expenses.

Corporate Governance

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.

The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has four Directors, comprising three executive Directors and one non-executive Director. The Board met formally on nine occasions during the year ended 31 December 2011. 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. Non-executive Directors are not appointed for specific terms, with one third of non-executive Directors up for re-election each year 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: This Committee comprises one non-executive Director and one executive Director. 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: This Committee comprises one non-executive Director and one executive Director. This Committee determines the contract terms, remuneration and other benefits of the executive Directors, 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 interim report and via press releases and the Group's website, www.ormondemining.com. The Directors are responsive to shareholder telephone and e-mail 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 Board is responsible for maintaining the Group's system of internal control to safeguard shareholders investments and Group assets.

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 authorised 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 year 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;
- all commitments for expenditure and payments are compared to previously approved budgets and are subject to approval by personnel designated by the Board of Directors;
- cash flow forecasting is performed on an ongoing basis to ensure efficient use of cash resources;
- the Directors, through the Audit Committee, review the effectiveness of the Group's system of internal financial control.

Remuneration Committee Report

The Group's policy on senior executive remuneration is designed to attract and retain individuals of the highest calibre who can bring their experience 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.

Total remuneration to Directors during the year ended 2011 was €356,909 (2010: €303,182). The highest paid Director received remuneration of €150,000 (2010: €115,731).

In 2011, €113,696 (2010 €432,000) was recognised in the Consolidated Statement of Comprehensive Income in respect of share options granted to Directors and staff.

Books and Accounting Records

The Directors are responsible for ensuring proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. The Directors, through the use of appropriate procedures and systems and the employment of competent persons, have ensured that measures are in place to secure compliance with these requirements. These books and accounting records are maintained at 9 Abbey House, Main Street, Clonee, Co Meath, Ireland.

Auditors

The auditors, LHM Casey McGrath, have indicated 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

Mike Donoghue
Director

6 June 2012

Independent Auditors' Report

We have audited the Group and Company financial statements (the "Financial Statements") of Ormonde Mining Plc for the year ended 31 December 2011 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Company Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out on pages 18 - 22.

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 the audit 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 or 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union (EU IFRSs), are set out in the Directors' Responsibility Statement on page 13.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union and are properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you whether in our opinion: proper books of account have been kept by the Company; whether at the Statement of Financial Position 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 the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law or the listing rules of AIM regarding Directors' remuneration and Directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Review. We consider the implications for our audit report if we become 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 International Standards on Auditing (UK and Ireland) 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 Group's and Company's circumstances, 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 also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2011 and of its loss for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2009, of the state of the Company's affairs as at 31 December 2011; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Emphasis of Matter - Realisation of Assets

Without qualifying our opinion, we draw your attention to Notes 8, 10 and 12 to the financial statements concerning the valuation of intangible assets, investments in subsidiaries and amounts due from Group undertakings. The realisation of intangible assets of €16,763,531 (31 December 2010: €12,442,713), investments in subsidiaries €9,900,506 (31 December 2010: €3,103,516) and amounts due from Group undertakings of €10,265,708 (31 December 2010: €12,454,899) included in the Company Statement of Financial Position is dependent on the discovery and successful development of economic reserves including the ability of the Group to raise sufficient finance to develop its projects.

Emphasis of Matter - Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements as detailed in Note 1 concerning the preparation of the financial statements on the going concern basis for the year under review. In view of the significance of this matter we feel that this should be brought to your attention. Our opinion is not qualified in this respect.

Other Matters

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company Statement of Financial Position is in agreement with the books of account.

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

The net assets of the Company, as at the Financial Position date, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983, may require the convening of an extraordinary meeting of the Company.

Fergal McGrath
For and on behalf of LHM Casey McGrath
Chartered Certified Accountants
and Registered Auditors
6 Northbrook Road
Dublin 6
Ireland

6 June 2012

Statement of Accounting Policies

Ormonde Mining Plc ("the Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Group and Company financial statements were authorised for issue by the Directors on 6 June 2012. The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Statement of Compliance

As permitted by the European Union and in accordance with AIM and ESM rules, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS). The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2009 which permits a company, that publishes its company and group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company Statement of Comprehensive Income and related notes that form part of the approved Company Financial Statements.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 December 2011.

Forthcoming Requirements

There are a number of new standards, amendments to standards and interpretations published but not yet effective, and not applied in preparing these consolidated financial statements. These new standards and interpretations which are effective from the beginning of the year outlined below and which have not been adopted in these financial statements include:

- Disclosures - Transfers of Financial Assets (amendments to IFRS 7) with an effective date of 1 July 2011.
- IFRS 9 Financial Instruments (IFRS 9 (2010)) with an effective date of 1 January 2015.
- Deferred Tax: Recovery of Underlying Assets - amendments to IAS 12, with an effective date of 1 January 2012.
- IFRS 10 Consolidated Financial Statements, IFRS 11 Joint arrangements, IFRS 12 Disclosures of interests in other entities and IFRS 13 Fair Value Measurement, which all have an effective date of 1 January 2013.
- IAS 27 Separate Financial Statement (2011), which supersedes IAS 27 (2008) and IAS 28 Investments in Associates and Joint Ventures (2011), which supersedes IAS 28 (2008), which both have an effective date of 1 January 2013.
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1 Presentation of Financial statements), with an effective date of 1 July 2012.
- IAS 19 Employee Benefits which supersedes IAS 19 (1998) with an effective date of 1 January 2013.

These new standards and interpretations are not expected to have a material impact on the Group financial statements.

Basis of Preparation

The Group and Company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS's) as adopted by the E.U. The Group and Company financial statements are prepared on the historical cost basis, except for available-for-sale assets, which are carried at fair value. The accounting policies have been applied consistently by Group entities.

Functional and Presentation Currency

These consolidated financial statements are presented in Euro (€), which is the Company's functional currency.

Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following areas:

- Note 7 - Income Tax Expense - Deferred Tax
- Note 8 - Intangible Assets
- Note 17 - Share-Based Payments

Revenue Recognition - Finance Revenue

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest rate method.

Consolidation

The consolidated financial statements comprise the financial statements of Ormonde Mining Plc and its subsidiaries for the year ended 31 December 2011.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent that they provide evidence of impairment.

Exploration and Evaluation Assets

In accordance with International Financial Reporting Standard 6 - Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licences not in production is capitalised and is carried forward in the Statement of Financial Position under intangible assets in respect of each area of interest where:

(i) the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or

(ii) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it is considered representative of the residual value of the Group's interest therein.

Impairment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Property, Plant and Equipment

Property, plant and equipment are stated at cost or valuation, less accumulated depreciation. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment	- 33% Straight line
Fixtures and fittings	- 33% Straight line
Motor vehicles	- 20% Straight line

The residual value and useful lives of the property, plant and equipment are reviewed annually and adjusted if appropriate at each Statement of Financial Position date.

On disposal of property, plant and equipment the cost and the related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Statement of Comprehensive Income.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Foreign Currencies

Monetary assets and liabilities denominated in a foreign currency are translated into Euro at the exchange rate ruling at the Statement of Financial Position date. Revenues, costs and non monetary assets are translated at the exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiary companies are translated into Euro at the rates of exchange prevailing at the Statement of Financial Position date. Exchange differences arising from the restatement of the opening Statement of Financial Position of these subsidiary companies are dealt with through reserves. The operating results of overseas subsidiary companies are translated into Euro at the average rates applicable during the year.

Group Companies

The consolidated financial statements are presented in Euros, which is the Group's presentational currency. The Euro is also the Group's functional currency of all the Group entities. Transactions in foreign currencies are translated into the presentation currency as follows:

- monetary assets and liabilities for each Statement of Financial Position presented are presented at the closing rate at the date of that Statement of Financial Position. Non-monetary items are measured at the exchange rate in effect at the historical transaction date and are not translated at each Statement of Financial Position date;

- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction); and

- all resulting exchange differences are recognised as a separate component of equity. On consolidation, exchange differences arising from the translation of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders equity. When a foreign operation is sold, such exchange differences are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

Share Based Payments

The Group has applied the requirements of IFRS 2 - Share Based Payments. The Group issues share options as an incentive to certain key management and staff (including Directors). The fair value of share options granted to Directors and employees under the Company's share option scheme is recognised as an expense with a corresponding credit to the share based payment reserve. The fair value is measured at grant date and spread over the period during which the awards vest, using the Black-Scholes-Merton formula.

The options issued by the Group are subject to both market-based and non-market based vesting conditions. Market conditions are included in the calculation of fair value at the date of the grant. Non-market vesting conditions are not taken into account when estimating the fair value of awards as at grant date; such conditions are taken into account through adjusting the equity instruments that are expected to vest.

The proceeds received net of any directly attributable transaction costs will be credited to share capital (nominal value) and share premium when options are converted into ordinary shares.

Issue Expenses and Share Premium Account

Issue expenses are written off against the premium arising on the issue of share capital.

Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants received in respect of non-current assets have been deducted from the cost of the asset to arrive at the carrying value of the asset.

Financial Instruments

Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cashflows.

Trade and Other Receivables / Payables

Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

Share Capital

Incremental costs directly attributable to the issue of ordinary shares and shares options are recognised directly in equity.

Segmental Information

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. The Group has one reportable segment which is the Group's strategic business unit, which is exploration and mining development in Spain. Other operations include cash resources held by the Group, interest income earned and other operational expenditure incurred by the Group. These have been allocated to Spain.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2011

Continuing Operations	Notes	2011 €	2010 €
Administrative expenses		**(981,925)**	(1,061,026)
Exploration costs written off		**-**	(31,562)
Finance Income	4	**14,837**	5,648
Loss for the year before tax		**(967,088)**	(1,086,940)
Income tax expense	7	**719**	(1,511)
Total Comprehensive Income for the year		**(966,369)**	(1,088,451)

Loss attributable to:

Owners of the Company		**(966,369)**	(1,088,451)
		(966,369)	(1,088,451)

Total Comprehensive Income attributable to:

Owners of the Company		**(966,369)**	(1,088,451)
		(966,369)	(1,088,451)

Earnings per share from continuing operations

Basic loss per share (in cent)	6	**(0.30)**	(0.43)
Diluted loss per share (in cent)	6	**(0.29)**	(0.43)

All activities derive from continuing operations. All losses and total comprehensive loss for the year are attributable to the owners of the Company.

The Company had no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Consolidated Statement of Financial Position

as at 31 December 2011

	Notes	2011 €	2010 €
Assets			
Non-Current Assets			
Intangible assets	8	**16,763,531**	12,442,713
Property, plant and equipment	9	**3,805**	21,735
Total Non-Current Assets		**16,767,336**	12,464,448
Current Assets			
Trade and other receivables	12	**427,268**	149,741
Cash and cash equivalents	11	**1,989,933**	1,944,132
Total Current Assets		**2,417,201**	2,093,873
Total Assets		**19,184,537**	14,558,321
Equity and Liabilities			
Capital and Reserves			
Issued capital	14	**10,150,650**	9,041,906
Share premium account	14	**24,174,138**	20,889,163
Capital conversion reserve fund	15	**28,928**	28,928
Capital redemption reserve fund	15	**7,247**	7,247
Share based payment reserve	15	**777,416**	663,720
Foreign currency translation reserve	15	**1,230**	1,230
Retained loss	16	**(17,313,164)**	(16,346,795)
Equity Attributable to Owners of the Company		**17,826,445**	14,285,399
Total Equity		**17,826,445**	14,285,399
Current Liabilities			
Trade and other payables	13	**1,358,092**	272,922
Total Current Liabilities		**1,358,092**	272,922
Total Liabilities		**1,358,092**	272,922
Total Equity and Liabilities		**19,184,537**	14,558,321

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Company Statement of Financial Position

as at 31 December 2011

	Notes	2011 €	2010 €
Assets			
Non-Current Assets			
Property, plant and equipment	9	**730**	1,548
Investment in subsidiaries	10	**9,900,506**	3,103,516
Total Non-Current Assets		**9,901,236**	3,105,064
Current Assets			
Trade and other receivables	12	**10,310,301**	12,481,174
Cash and cash equivalents	11	**1,504,717**	1,886,786
Total Current Assets		**11,815,018**	14,367,960
Total Assets		**21,716,254**	17,473,024
Equity and Liabilities			
Capital and Reserves			
Issued capital	14	**10,150,650**	9,041,906
Share premium account	14	**24,174,138**	20,889,163
Capital conversion reserve fund	15	**28,928**	28,928
Capital redemption reserve fund	15	**7,247**	7,247
Share based payment reserve	15	**777,416**	663,720
Retained loss	16	**(14,146,668)**	(13,344,448)
Equity Attributable to Owners of the Company		**20,991,711**	17,286,516
Total Equity		**20,991,711**	17,286,516
Current Liabilities			
Trade and other payables	13	**724,543**	186,508
Total Current Liabilities		**724,543**	186,508
Total Liabilities		**724,543**	186,508
Total Equity and Liabilities		**21,716,254**	17,473,024

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Consolidated Statement of Cashflows

for the year ended 31 December 2011

	Notes	2011 €	2010 €
Cashflows from operating activities			
Loss for the year before taxation		**(967,088)**	(1,086,940)
Adjustments for:			
Depreciation		**3,451**	6,020
Write down of exploration and evaluation assets		**-**	31,562
Share based payment		**113,696**	432,000
Investment revenue recognised in profit or loss		**(14,837)**	(5,648)
		(864,778)	(623,006)
Movement in working capital			
(Increase) in debtors		**(277,527)**	(40,817)
(Decrease) / Increase in creditors		**1,086,681**	(501,112)
Income taxes paid		**(792)**	(1,428)
Net cash used in operating activities		**(56,416)**	(1,166,363)
Cashflows from financing activities			
Proceeds of issue of share capital		**4,393,719**	3,468,028
Cashflows from investing activities			
Expenditure on intangible assets		**(4,320,818)**	(842,344)
Movement of property, plant and equipment		**14,479**	(18,494)
Interest received		**14,837**	5,648
Net cash used in investing activities		**(4,291,502)**	(855,190)
Net increase in cash and cash equivalents		**45,801**	1,446,475
Cash and cash equivalents at the beginning of the year	11	**1,944,132**	497,657
Cash and cash equivalents at the end of the year	11	**1,989,933**	1,944,132

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Company Statement of Cashflows

for the year ended 31 December 2011

	Notes	2011 €	2010 €
Cashflows from operating activities			
Loss for the year before taxation		**(802,219)**	(1,017,903)
Adjustments for:			
Depreciation		**817**	817
Write down of exploration and evaluation assets		**-**	31,562
Investment revenue recognised in profit or loss		**(14,118)**	(5,648)
Share based payment		**113,696**	432,000
		(701,824)	(559,172)
Movement in working capital			
(Increase) / Decrease in debtors		**2,170,873**	(913,478)
Increase / (Decrease) in creditors		**538,035**	(542,254)
Income taxes paid		**-**	-
Net cash (used in) / generated by operating activities		**2,007,084**	(2,014,904)
Cashflows from financing activities			
Proceeds of issue of share capital		**4,393,719**	3,468,028
Cashflows from investing activities			
Expenditure on intangible assets		**-**	(876)
Investment in subsidiary undertakings		**(6,796,990)**	(3,010)
Interest received		**14,118**	5,648
Net cash (used in) / generated by investing activities		**(6,782,872)**	1,762
Net movement in cash and cash equivalents		**(382,069)**	1,454,886
Cash and cash equivalents at the beginning of the year	11	**1,886,786**	431,900
Cash and cash equivalents at the end of the year	11	**1,504,717**	1,886,786

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Consolidated Statement of Changes in Equity

for the year ended 31 December 2011

	Share Capital	Share Premium	Share Based Payment Reserve	Other Reserves	Retained Loss	Total
	€	€	€	€	€	€
Balance at 1 January 2010	7,446,899	19,016,142	231,720	37,405	(15,258,344)	11,473,822
Loss for the year	-	-	-	-	(1,088,451)	(1,088,451)
Recognition of share based payments	-	-	432,000	-	-	432,000
Proceeds of share issue	1,595,007	1,873,021	-	-	-	3,468,028
Balance at 31 December 2010	9,041,906	20,889,163	663,720	37,405	(16,346,795)	14,285,399
Balance at 1 January 2011	9,041,906	20,889,163	663,720	37,405	(16,346,795)	14,285,399
Loss for the year	-	-	-	-	(966,369)	(966,369)
Recognition of share based payments	-	-	113,696	-	-	113,696
Proceeds of share issue	1,108,744	3,284,975	-	-	-	4,393,719
Balance at 31 December 2011	10,150,650	24,174,138	777,416	37,405	(17,313,164)	17,826,445

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

Company Statement of Changes in Equity

for the year ended 31 December 2011

	Share Capital	Share Premium	Share Based Payment Reserve	Other Reserves	Retained Loss	Total
	€	€	€	€	€	€
Balance at 1 January 2010	7,446,899	19,016,142	231,720	36,175	(12,325,034)	14,405,902
Loss for the year	-	-	-	-	(1,019,414)	(1,019,414)
Recognition of share based payments	-	-	432,000	-	-	432,000
Proceeds of share issue	1,595,007	1,873,021	-	-	-	3,468,028
Balance at 31 December 2010	9,041,906	20,889,163	663,720	36,175	(13,344,448)	17,286,516
Balance at 1 January 2011	9,041,906	20,889,163	663,720	36,175	(13,344,448)	17,286,516
Loss for the year	-	-	-	-	(802,220)	(802,220)
Recognition of share based payments	-	-	113,696	-	-	113,696
Proceeds of share issue	1,108,744	3,284,975	-	-	-	4,393,719
Balance at 31 December 2011	10,150,650	24,174,138	777,416	36,175	(14,146,668)	20,991,711

The accompanying notes on pages 30 - 48 form an integral part of these financial statements.

On behalf of the Board

John Carroll
Director

Mike Donoghue
Director

6 June 2012

1. Going Concern

The financial statements have been prepared on the going concern basis, which assumes that Ormonde Mining Plc will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the following:
The Directors intend to raise additional finance during 2012 through a combination of investment of funds by third parties directly in the Spanish projects and the issuing of new share capital to Investors. Current cash resources and this additional finance will be used to continue the development of its projects in Spain and fund the administrative expenses of the Group.

The financial statements do not include any adjustments that would result if the investment of funds by third parties is not received or if the additional finance from the issuing of share capital is not raised. Whilst taking the uncertainties described above into consideration, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

2. Segment Information

Segment Revenues and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Loss	
	2011	2010	**2011**	2010
	€	€	€	€
Exploration - Spain	**-**	-	**(981,925)**	(1,092,588)
Total for continuing operations	**-**	-	**(981,925)**	(1,092,588)
Finance Income			**14,837**	5,648
Finance costs			**-**	-
Loss before tax (continuing operations)			**(967,088)**	(1,086,940)

Segment Assets and Liabilities

	2011	2010
	€	€
Segment Assets		
Exploration - Spain	**19,184,537**	14,558,321
Consolidated assets	**19,184,537**	14,558,321
Segment Liabilities		
Exploration - Spain	**1,358,092**	272,922
Consolidated liabilities	**1,358,092**	272,922

Other Segment Information

	Depreciation and amortisation		Additions to non-current assets	
	2011	2010	**2011**	2010
	€	€	€	€
Exploration - Spain	**3,451**	6,020	**4,302,888**	842,344

Revenue from major products and services

The only revenue that the Group received during the year related to bank interest, which has been allocated to Spain.

Geographical information

The Group operates in two principal geographical areas - Ireland (Country of residence of Ormonde Mining Plc), Spain (Country of residence of Ormonde Espana S.L., Saloro S.L.U., Ormonde Mineria Iberica S.L.U. and Valomet S.L.U.).

The Group does not have revenue from external customers. Information about its non-current assets by geographical location are detailed below:

	Non-Current Assets	
	2011	2010
	€	€
Spain	**16,767,336**	12,464,448
	16,767,336	12,464,448

3. Statutory Information

	2011	2010
	€	€
The loss for the financial year is stated after charging:		
Exploration costs written off	**-**	31,562
Depreciation of tangible assets	**3,451**	6,020
Loss on foreign currencies	**-**	5,761
Auditors' remuneration	**21,500**	21,500
Auditors' remuneration from non-audit work	**-**	4,200
and after crediting:		
Profit on foreign currencies	**43,172**	-

4. Finance Income

	2011	2010
	€	€
Interest Income	**14,837**	5,648
	14,837	5,648

5. Employees

Number of employees

The average monthly number of employees (including the Directors) during the year were:

	2011	2010
	Number	Number
Directors	**4**	5
Administration / Technical	**10**	3
	14	8

Employment costs (Including Directors)

	2011	2010
	€	€
Wages and salaries	**568,242**	307,649
Social welfare costs	**95,955**	25,076
Directors fees	**47,916**	30,001
Share based payment	**113,696**	432,000
	825,809	794,726

During the year wages and salaries of €285,673 (2010: €52,975) were capitalised as intangible assets.

5.1 Directors' emoluments

	2011	2010
	€	€
Remuneration and other emoluments	**308,993**	273,181
Employers PRSI	**23,515**	21,743
Directors fees	**47,916**	30,001
Share based payment	**113,696**	432,000
	494,120	756,925

6. Loss per Share

Basic earnings per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2011	2010
	€	**€**
Loss for the year attributable to equity holders of the parent	**(966,369)**	(1,088,451)
Weighted average number of ordinary shares for the purposes of basic earning per share	**324,122,481**	250,388,186
Basic loss per ordinary share (in cent)	**(0.30)**	(0.43)

Diluted earnings per share

The earnings used in the calculation of the diluted earnings per share are the same as those for the basic earnings per share as outlined above.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2011	2010
	€	**€**
Weighted average number of shares used in the calculation of basic earnings per share	**324,122,481**	250,388,186
Shares deemed to be issued for no consideration in respect of: Employee options	**6,957,464**	3,298,611
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**331,079,945**	253,686,797
Diluted loss per ordinary share (in cent)	**(0.29)**	(0.43)

The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:

	2011	2010
	€	**€**
Employee options	**6,200,000**	7,200,000

7. Income Tax Expense

	2011	2010
	€	**€**
Current tax		
Current tax expense in respect of the current year	**-**	1,511
Adjustments recognised in the current year in relation to the current tax of prior years	**(719)**	-
Total tax (gain) / charge	**(719)**	1,511

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 12.5% to the loss before tax is as follows:

	2011	2010
	€	**€**
Loss from continuing operations	**(966,369)**	(1,088,451)
Income tax expense calculated at 12.5% (31 December 2010: 12.5%)	**(120,796)**	(136,056)
Effects of:		
Adjustment in respect of prior period	**(719)**	
Depreciation in excess of capital allowances	**431**	(147)
Tax relief granted at source on medical insurance premiums payable to Revenue	**-**	1,511
Investment Income taxable at a different rate	**1,855**	941
Expenses not allowable	**14,209**	54,000
Losses utilised	**-**	(1,883)
Unused tax losses not recognised as deferred tax assets	**104,301**	83,145
Income tax (gain) / expense recognised in the profit or loss	**(719)**	1,511

The tax rate used for the year end reconciliations above is the corporate rate of 12.5% payable by entities in Ireland on taxable profits under tax law in that jurisdiction.

At the Statement of Financial Position date, the Group had unused tax losses of €5,245,580 (31 December 2010: €4,411,172) available for offset against future profits which equates to a deferred tax asset of €655,698 (31 December 2010: €551,397). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

8. Intangible Assets

Intangible Assets - Group

	31/12/11	31/12/10	01/01/10
	€	€	€
Cost	**16,763,531**	12,442,713	11,631,931
	16,763,531	12,442,713	11,631,931

	Exploration & Evaluation Assets	**Total**
	€	€
Cost		
At 1 January 2010	11,631,931	11,631,931
Additions	842,344	842,344
Disposals	(31,562)	(31,562)
At 31 December 2010	12,442,713	12,442,713
Additions	4,320,818	4,320,818
Disposals	-	-
At 31 December 2011	**16,763,531**	**16,763,531**

Intangible Assets - Company

	31/12/11	31/12/10	01/01/10
	€	€	€
Cost	-	31,562	30,686
Accumulated amortisation and impairment	-	(31,562)	-
	-	-	30,686

	Exploration & Evaluation Assets	**Total**
	€	€
Cost		
At 1 January 2010	31,562	31,562
Additions	-	-
Disposals	(31,562)	(31,562)
At 31 December 2010	-	-
Additions	-	-
Disposals	-	-
At 31 December 2011	**-**	**-**

Expenditure on exploration and evaluation activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. No amortisation has been charged during the year. The Directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated and not impaired at 31 December 2011.

The recoverability of the intangible assets is dependent on the future realisation or disposal of the tungsten, copper, gold and other mineral resources.

9. Property, Plant and Equipment

Property, Plant and Equipment - Group

	31/12/11	31/12/10	01/01/10
	€	**€**	**€**
Cost or Valuation	**89,032**	103,511	85,017
Accumulated depreciation and impairment	**(85,227)**	(81,776)	(75,756)
	3,805	21,735	9,261

Fixtures & fittings	**3,075**	-	-
Computer equipment	**730**	1,548	2,365
Motor vehicles	**-**	20,187	6,896
	3,805	21,735	9,261

	Fixtures & Fittings	**Computer Equipment**	**Motor Vehicles**	**Total**
	€	**€**	**€**	**€**
Cost or Valuation				
At 1 January 2010	22,384	44,551	18,082	85,017
Additions	-	-	18,494	18,494
At 31 December 2010	22,384	44,551	36,576	103,511
Additions	3,689	-	-	3,689
Disposals	-	-	(18,168)	(18,168)
At 31 December 2011	**26,073**	**44,551**	**18,408**	**89,032**
Accumulated Depreciation and Impairment				
At 1 January 2010	22,384	42,186	11,186	75,756
Depreciation expense	-	817	5,203	6,020
At 31 December 2010	22,384	43,003	16,389	81,776
Depreciation expense	614	818	2,019	3,451
At 31 December 2011	**22,998**	**43,821**	**18,408**	**85,227**

Property, Plant and Equipment - Company

	31/12/11	31/12/10	01/01/10
	€	**€**	**€**
Cost or Valuation	**37,509**	37,509	56,581
Accumulated depreciation and impairment	**(36,779)**	(35,961)	(54,216)
	730	1,548	2,365

Fixtures & fittings	**-**	-	-
Computer equipment	**730**	1,548	2,365
	730	1,548	2,365

	Fixtures & Fittings	**Computer Equipment**	**Total**
	€	**€**	**€**
Cost or Valuation			
At 1 January 2010	20,318	36,263	56,581
Additions	-	-	-
Disposals		(19,072)	(19,072)
At 31 December 2010	20,318	17,191	37,509
Additions	-	-	-
At 31 December 2011	**20,318**	**17,191**	**37,509**
Accumulated Amortisation and Impairment			
At 1 January 2010	20,318	33,898	54,216
Depreciation eliminated on disposal	-	(19,072)	(19,072)
Depreciation expense	-	817	817
At 31 December 2010	20,318	15,643	35,961
Depreciation expense	-	818	818
At 31 December 2011	**20,318**	**16,461**	**36,779**

10. Financial Assets - Company

	Subsidiary Undertakings Shares	Total
	€	€
Cost		
At 1 January 2010	3,191,215	3,191,215
Additions	3,010	3,010
At 31 December 2010	3,194,225	3,194,225
Additions	6,796,990	6,796,990
At 31 December 2011	**9,991,215**	**9,991,215**
Accumulated Amortisation and Impairment		
At 1 January 2010	(90,709)	(90,709)
Impairment losses recognised in profit and loss	-	-
At 31 December 2010	(90,709)	(90,709)
Movement	-	-
At 31 December 2011	(90,709)	(90,709)
Net book values		
At 31 December 2011	**9,900,506**	**9,900,506**
At 31 December 2010	3,103,516	3,103,516

At 31 December 2011 the Company had the following subsidiary undertakings:

Subsidiary	Activity	Incorporated in	Proportion of ownership interest and voting power held 31/12/11	31/12/10
Ormonde Espana, S.L.	Mineral Exploration	Spain	100%	100%
Saloro, S.L.U.	Mineral Exploration	Spain	100%	100%
Ormonde Mineria Iberica, S.L.U.	Mineral Exploration	Spain	100%	100%
Valomet S.L.U.	Mineral Exploration	Spain	100%	100%
Exprotra, S.A.R.L.	Mineral Exploration	Morocco	100%	100%

The value of the investments is dependent on the discovery and successful development of evaluation and exploration assets, as set out in Note 8. Should the development of the evaluation and exploration assets prove unsuccessful, the carrying value in the Statement of Financial Position will be written off. In the opinion of the Directors' the carrying value of the investments is appropriate. No impairment has been recognised in 2011 in respect of the above investments.

Saloro SLU has 100% rights to ten Investigation Permits in the Salamanca and Zamora Provinces of western Spain as set out below. Of these ten permits, six (including the Saldeana permit which contains the Barruecopardo Tungsten Deposit) are subject to staged payments to SIEMCALSA in relation to the acquisition of their 10% holding in the joint venture governing these permits (announced on 4 April 2011), of which the remaining €0.5M is payable in September 2012 and a further €1.8M payable out of the first 3 years of production from a mine at Barruecopardo.

In addition, four permits are the subject of a joint venture with Aurum Mining Plc (announced 11 March 2011) which has the right to earn a 54% to 60% interest in these permits by spending €0.5M over an eighteen month period ending 11 September 2012.

Permit	Province
Saldeana *	Salamanca
Milano *	Salamanca
Cortegana *	Salamanca
Almonaster *	Salamanca
Aracena *	Salamanca
Peralonso *#	Salamanca
Cabeza de Caballo #	Salamanca
Villasbuenas	Salamanca
Antogagasta #	Zamora
Cueva Negra #	Zamora

* = subject to agreement (4 April 2011) with SIEMCALSA
# = subject to agreement (11 March 2011) with Aurum Mining PLC

Ormonde Espana SL holds four Investigation Permits in Huelva Province which are presently in a joint venture with Antofagasta Minerals SA. Ormonde Espana also has rights to 100% ownership of the suspended Mining Concessions covering the old La Zarza Mine, subject to staged payments to Nueva Tharsis SA, of which the remaining €1.3M is payable in stages, on arrangement of capital funding, full permitting and shipment of first concentrates (announced 12 July 2007). Under certain conditions Ormonde Espana's rights to the mining concessions could be reduced to 70% and monies paid by Ormonde to Nueva Tharsis refunded. These concessions have previously been renewed annually, at the discretion of the Mines Department in the Huelva Province, and are presently subject to an application for their transfer from Nueva Tharsis SA to Ormonde Espana SL. These mining concessions are also included in the Antofagfasta Joint Venture.

Under the terms of the joint venture with Antofagasta, Antofagasta can earn an initial 51% interest in both the Investigation Permits and Mining Concessions by spending a total of US$7 million on drilling and other exploration activities by 11 April 2015. Antofagasta can acquire a further 24% interest by funding a feasibility study.

11. Cash and Cash Equivalents

	Group 2011	Group 2010	**Company 2011**	Company 2010
	€	€	€	€
Cash at bank	**1,989,933**	1,944,132	**1,504,717**	1,886,786
	1,989,933	1,944,132	**1,504,717**	1,886,786

12. Trade and Other Receivables

	Group 2011	Group 2010	**Company 2011**	Company 2010
	€	€	€	€
Amounts falling due within one year:				
Amounts owed by Group undertakings	**-**	-	**10,265,708**	12,454,899
Other debtors	**393,081**	128,733	**10,406**	5,267
Prepayments and accrued income	**34,187**	21,008	**34,187**	21,008
	427,268	149,741	**10,310,301**	12,481,174

All receivables are current and there have been no impairment losses during the year (2010: Nil).

13. Trade and Other Payables

	Group 2011	Group 2010	**Company 2011**	Company 2010
	€	€	€	€
Bank loans and overdrafts	**-**	-	**-**	14
Net obligations under finance leases and hire purchase contracts	**21,377**	-		
Trade creditors	**666,382**	15,279	**307,645**	15,279
Corporation tax	**-**	1,511	**-**	1,511
Other taxes and social welfare costs	**15,558**	27,513	**15,558**	27,513
Other creditors	**612,543**	100,000	**358,736**	100,000
Accruals and deferred income	**42,232**	128,619	**42,604**	42,191
	1,358,092	272,922	**724,543**	186,508

Some trade creditors had reserved title to goods supplied to the Company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

Other taxes and social welfare costs:

	Group 2011	Group 2010	Company 2011	Company 2010
	€	€	€	€
P.A.Y.E./P.R.S.I.	**15,558**	27,513	**15,558**	27,513
	15,558	27,513	**15,558**	27,513

The Group's exposure to currency and liquidity risks related to trade and other payables is set out in Note 20.

14. Share Capital - Group and Company

	31/12/11	31/12/10	01/01/10
	€	€	€
Authorised equity			
450,000,000 Ordinary shares of 2.5 cent each	**11,250,000**	11,250,000	7,500,000
100,000,000 Deferred shares of 3.809214 cent each	**3,809,214**	3,809,214	3,809,214
	15,059,214	15,059,214	11,309,214
Issued capital			
Share capital	**10,150,650**	9,041,906	7,446,899
Share premium	**24,174,138**	20,889,163	19,016,142
	34,324,788	29,931,069	26,463,041
Issued capital comprises:			
339,108,959 fully paid ordinary shares (31/12/10: 294,759,248 and 01/01/10: 230,958,959)	**8,477,725**	7,368,981	5,773,974
43,917,841 fully paid Deferred shares (31/12/10: 43,917,841 and 01/01/10: 43,917,841)	**1,672,925**	1,672,925	1,672,925
	10,150,650	9,041,906	7,446,899

14. Share Capital - Group and Company (contd.)

Fully paid ordinary shares	Number of shares	Share Capital	Share Premium
		€	€
Balance at 1 January 2010	230,958,959	5,773,974	19,016,142
Issue of shares for cash	63,800,289	1,595,007	2,055,192
Share issue costs	-	-	(182,171)
Balance at 31 December 2010	294,759,248	7,368,981	20,889,163
Issue of shares for cash	44,349,711	1,108,744	3,507,695
Share issue costs	-	-	(222,720)
Balance at 31 December 2011	**339,108,959**	**8,477,725**	**24,174,138**

Fully paid ordinary shares, which have a par value of €0.025, carry one vote and carry a right to dividends.

Deferred shares	Number of shares	Share Capital	Share Premium
		€	€
Balance at 1 January 2010	3,809,214	1,672,925	-
Issue of shares for cash	-	-	-
Balance at 31 December 2010	3,809,214	1,672,925	-
Issue of shares for cash	-	-	-
Balance at 31 December 2011	**3,809,214**	**1,672,925**	**-**

The holders of the Deferred Shares shall not have the right to receive notice of any general meeting of the Company, or the right to attend, speak or vote at any general meeting. The holders of the deferred shares shall not be entitled to any dividend or other distribution. The Deferred Shares shall, on a return of assets in a winding up, entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid on the Ordinary Shares plus the payment of €12,697 per Ordinary share. The Company may, at its option at any time purchase all or any of the Deferred Shares in issue, at a price not exceeding €0.0127 for all the Deferred Shares so purchased.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain future developments of the business. There were no changes in the Group's approach to capital management during the year. The Group deems its shareholders' funds to be its capital.

It is Group Policy to incentivise the Directors through the award of share options. At the year end, the Directors hold 1.74% of ordinary shares, or 5.00% assuming that all outstanding share options vest and are exercised. The upper limit on the number of share options that can be granted, including options granted under the existing scheme (see Note 17), is 10% of issued share capital.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

15. Other Reserves - Group and Company

	Share Based Payment Reserve	Capital Conversion Reserve	Capital Redemption Reserve	Foreign Currency Translation Reserve
	€	€	€	€
Balance at 1 January 2010	231,720	28,928	7,247	1,230
Recognition of share based payments	432,000	-	-	-
Balance at 31 December 2010	663,720	28,928	7,247	1,230
Balance at 1 January 2011	663,720	28,928	7,247	1,230
Recognition of share based payments	113,696	-	-	-
Balance at 31 December 2011	**777,416**	**28,928**	**7,247**	**1,230**

16. Retained Loss

	Group 2011	Group 2010	**Company 2011**	Company 2010
	€	€	€	€
Deficit at beginning of year	**(16,346,795)**	(15,258,344)	**(13,344,448)**	(12,325,034)
Loss for the year	**(966,369)**	(1,088,451)	**(802,220)**	(1,019,414)
Deficit at end of year	**(17,313,164)**	(16,346,795)	**(14,146,668)**	(13,344,448)

In accordance with the provisions of the Companies (Amendment) Act 1986, the Company has not presented the Company Statement of Comprehensive Income. A loss for the year of €802,220 (2010 - loss of €1,019,414) has been dealt with in the Statement of Comprehensive Income of the Group.

17. Share-based Payments

Employee share option plan

The Group has an ownership-based compensation scheme for executives and senior employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous general meeting, executives and senior employees may be granted options to purchase ordinary shares.

Each share option converts into one ordinary share of Ormonde Mining Plc on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share based payment arrangements were brought into existence or extended during the current and comparative reporting years:

Option Series	Number	Grant date	Expiry date	Exercise price	Fair Value at Grant date
Option Series 1 Issued 2001 (*)	1,500,000	12/05/11	11/05/16	€0.041	€0.0757
Option Series 6 Issued 5 October 2010 (*)	6,000,000	04/10/10	03/10/20	€0.068	€0.072

(*) In accordance with the terms of the share-based arrangement, options issued during the financial year ended 31 December 2011, vest at their date of issue.

The weighted average fair value of the share options granted during the financial year ended 31 December 2011 is €0.0757. Options were priced using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attaching to the option), and behavioural considerations. Expected volatility is based on the historical share price from 1 April 2005 to 3 October 2011.

	Option Series	
Inputs into the model	Series 1	Series 6
Grant date share price	€0.11	€0.072
Exercise price	€0.041	€0.068
Expected volatility	41.5%	75%
Option life	4 years	10 years
Dividend yield	0%	0%
Risk-free interest rate	3.00%	4.59%

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the financial year:

	2011		2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance at beginning of the financial year	19,500,000	€0.089	13,500,000	€0.0986
Granted during the year	-	-	6,000,000	€0.068
Forfeited during the financial year	(1,000,000)	-	-	-
Exercised during the financial year	(2,150,000)	-	-	-
Expired during the financial year	(50,000)	-	-	-
Balance at end of the financial year	16,300,000	€0.089	19,500,000	€0.089
Exercisable at end of the financial year	16,300,000	€0.089	19,500,000	€0.089

Exercised during the year

During the year 2,150,000 options were exercised, 1,000,000 were forfeited and 50,000 expired.

Balance at end of the financial year

The share options outstanding at the end of the financial year had the following exercise prices:

	Number of Options Outstanding	Exercise Price
Option series 1	1,500,000	€0.041
Option series 2	2,600,000	€0.034
Option series 3	4,000,000	€0.130
Option series 4	1,200,000	€0.210
Option series 5	1,000,000	€0.109
Option Series 6	6,000,000	€0.068

The options outstanding at 31 December 2011 had a remaining average contractual life of 5.3 years.

18. Related Party Transactions

Details of subsidiary undertakings are shown in Note 10. In accordance with International Accounting Standard 4 - Related Party Disclosures, transactions between Group entities that have been eliminated on consolidation are not disclosed.

Kerr Anderson is a director of Aurum Exploration Limited. At 31 December 2010 Ormonde Mining Plc owed €2,213 to Aurum Exploration Limited. During the year, Aurum Exploration Limited provided services to Ormonde Mining PLC and subsidiary companies to the value of €84,192. At 31 December 2011, Ormonde Mining Plc and subsidiary companies owed Aurum Exploration Limited €13,676.

On 18 December 2011, the Group entered into an amendment of Dr. Kerr Anderson's service agreement where subject to certain conditions including a successful feasibility study, participation in a successful capital funding for the project development, final permitting and pre-development engineering, and successful development and commission of a mine at Barruecopardo during 2013 and 2014 a bonus of up to €600,000 will be paid.

Stephen Nicol is a director of Simprenta S.L. At 31 December 2010, Ormonde Mining Plc owed €nil to Simprenta S.L. During the year Simprenta S.L provided services to the value of €153,333 to the Ormonde Mining Group. During the year the Ormonde Mining Group made payments to the value of €127,736 to Simprenta S.L. At 31 December 2011 Simprenta S.L was owed €25,597 by the Ormonde Mining Group.

On 18 December 2011, the Group entered into an amendment of Simprenta S.L's service agreement where subject to certain conditions including a successful feasibility study, participation in a successful capital funding for the project development, final permitting and pre-development engineering, and successful development and commission of a mine at Barruecopardo during 2013 and 2014 a bonus of up to €600,000 will be paid.

19. Post Balance Sheet Events

On 12 March 2012, the Company placed 33,910,896 new ordinary shares of nominal value of €0.025 each in the capital of the Company at a price of Stg10p per share raising in aggregate Stg£3.39 million (approximately €4.04 million) before expenses.

20. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout 2011 and 2010, the Group and Company's policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts where appropriate. The exposure to exchange rate fluctuations is limited as the Company's subsidiaries operate mainly within the Euro Zone.

At the years ended 31 December 2011 and 31 December 2010, the Group had no outstanding forward exchange contracts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its Consolidated Statement of Financial Position.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 31 December 2011.

The Group and Company's financial liabilities as at 31 December 2011 and 31 December 2010 were all payable on demand.

The expected maturity of the Group and Company's financial assets (excluding prepayments) as at 31 December 2011 and 31 December 2010 was less than one month.

The Group expects to meet its other obligations from operating cash flows with an appropriate mix of funds and equity instruments. The Group further mitigates liquidity risk by maintaining an insurance programme to minimise exposure to insurable losses.

The Group had no derivative financial instruments as at 31 December 2011 and 31 December 2010.

Interest rate risk

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company's policy as part of its disciplined management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

The effect of a 10% fall in interest rates obtainable on cash and short term deposits would be to increase the loss before tax by €565.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt.

20. Financial Instruments and Financial Risk Management (contd.)

No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses, as disclosed in the Consolidated Statement of Changes in Equity.

Fair values

The carrying amount of the Group and Company's financial assets and financial liabilities is a reasonable approximation of the fair value.

Hedging

At the year ended 31 December 2011 and 31 December 2010, the Group had no outstanding contracts designated as hedges.

21. Approval of Financial Statements

The financial statements were approved by the Board on 6 June 2012.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ormonde Mining plc will be held at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2 on 27 July 2012 at 11.00am for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions numbered 1 to 4 inclusive will be proposed as Ordinary Resolutions and Resolution number 5 will be proposed as a Special Resolution.

Ordinary Business

1) To receive and consider the accounts for the year ended 31 December 2011, together with the reports of the Directors and Auditors thereon (Resolution 1).

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 (Resolution 2).

3) To authorise the Directors to fix the remuneration of the auditors for the year ending 31 December 2011 (Resolution 3).

Special Business

4) As an ordinary resolution (Resolution 4):

That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act, 1983 (the “1983 Act”) to exercise all powers of the Company to allot relevant securities (as defined by Section 20 of the 1983 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 the earlier of the date of the next annual general meeting of the Company held after the date of the passing of this Resolution 4 and the 27th day of October 2013 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 such existing authority.

5) As a special resolution (Resolution 5):

That, subject to the passing of Resolution 4 in the notice convening this meeting, the Directors be and are hereby empowered pursuant to Section 24 of 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 4 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 grant of any options or warrants by the Company or the exercise thereof; and

(b) (in addition to the authority conferred by paragraph (a) of this Resolution 5), up to an aggregate nominal value of ten per cent of the issued share capital of the Company at the date of passing of this resolution;

which power shall expire at the close of business 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 5 and the 27th day of October 2013, 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.

26 June 2012

BY ORDER OF THE BOARD
JOHN CARROLL
Secretary

Registered Office:
6 Northbrook Road
Dublin 6
Ireland

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.

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT 11.00 A.M ON 27 JULY 2012 AT THE CONRAD DUBLIN HOTEL, EARLSFORT TERRACE, DUBLIN 2 AND AT ANY ADJOURMENT THEREOF

ORMONDE MINING PUBLIC LIMITED COMPANY

RESOLUTIONS (as set out in full in the Notice of Annual General Meeting dated 26 June 2012)	For*	Against*
1 To receive and consider the accounts for the year ended 31 December 2011, 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		
3 To authorise the Directors to fix the remuneration of the auditors for the year ending 31 December 2011		
4 To authorise the Directors to allot relevant securities		
5 To authorise the Directors to allot equity securities for cash and to disapply Section 23(1) of the Companies (Amendment) Act 1983		

I/We..

of..

being (a) member(s) of the above Company HEREBY APPOINT:

______________of________________or failing him

______________of________________or failing him,

the Chairman of the meeting to be my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company convened for the 27 July 2012 at 11.00am, at The Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2 and at any adjournment thereof.

I/We direct the proxy to vote for/against* the resolutions to be proposed thereat by indicating with an "X" in the boxes below as to how my/our vote for each resolution is to be cast.

*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.

DATED THIS .... **day of** **2012**

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.
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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

Michael Donoghue	*Chairman*
Kerr Anderson	*Managing Director*
Stephen Nicol	*Chief Operating Officer*
John Carroll	*Non-Executive Director*

Registered Office

6 Northbrook Road
Dublin 6
Ireland

Registered Number: 96863 Republic of Ireland
Date of Incorporation: 13 September 1983

Secretary

John Carroll

Nomad & Joint Broker

Davy
Davy House
49 Dawson Street
Dublin
Ireland

UK Joint Broker

Fairfax IS
46 Berkerley Square
London, W1J5AT
U.K.

Auditors

LHM Casey McGrath
Chartered Certified Accountants
& Registered Auditors
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37006 Salamanca
Spain

La Caixa
Centro de Empresas de Salamanca
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