

28 September 2009

## **Ormonde Mining plc**

### **Interim Results for the Six Months Ended 30 June 2009**

DUBLIN & LONDON: 28 September 2009 - Ormonde Mining plc ("Ormonde" or "the Company"), the Spain-focused exploration and development company, is pleased to announce its unaudited interim results for the six months ended 30 June 2009.

Michael Donoghue, Chairman of the Company, commented today,

"During the period significant effort has been directed towards moving both our main projects forward. Technical evaluation work at Barruecopardo continues to lend support to our objective of becoming a major European tungsten producer, while investment by a major mining company will enable the Company to advance La Zarza through exploration directed towards finding a major enlargement of the copper resource".

Enquiries to:

Ormonde Mining plc

Kerr Anderson, Managing Director,  
Fraser Gardiner, Director  
Tel: +353 (0)46 9073623

Bankside Consultants

Simon Rothschild / Louise Mason Tel: +44 (0)20 7367 8888 Mobile: +44 (0)7703 167065

Davy (Nominated Adviser to Ormonde)

Fergal Meegan Tel: + 353 (0)1 6796363

Brewin Dolphin (UK Adviser)

Alexander Dewar Tel: +44 (0) 131 529 0276

## CHAIRMAN'S STATEMENT

### OPERATIONAL REVIEW

Although our activities were slowed somewhat during the first six months of 2009 in response to ongoing uncertainty in financial markets, we continued to make significant technical progress at our Barruecopardo Tungsten Project and at our La Zarza Copper-Gold Project. We were pleased to announce in July that the Company had conditionally agreed investment terms with a major mining company, under which this company would invest US\$7 million via a joint venture in an expanded exploration programme at La Zarza.

#### **Barruecopardo Project**

In January, Ormonde announced that results from an infill drilling programme indicated that the deposit could sustain a much higher mine production rate than that initially proposed for the Project. This led to the decision to adopt a 400,000 tonnes per year production rate (previously 200,000 tonnes per year) for the completion of technical studies on the Project. The better infill drilling results included hole BAR-54, which returned a true thickness intersection of **27.5 metres at 1.2% WO<sub>3</sub>** and hole BAR-55, with **11.8 metres at 0.9% WO<sub>3</sub>**. The increased mining rates supported by this drilling resulted in the Company adopting a resource cut-off grade of 0.25% WO<sub>3</sub> (previously 0.4% WO<sub>3</sub>), at which the currently defined JORC Inferred Resource is **5.2 million tonnes at an average grade of 0.48% WO<sub>3</sub> (2.5 million metric tonne units (mtu) of contained WO<sub>3</sub>)**.

With this size and grade of resource, Barruecopardo is already a major western world tungsten deposit. However the fact that the deposit remains only partially drilled, with all tungsten zones remaining open both at depth and along strike, clearly points to a much larger, long term, resource base and a long-life mining project.

In addition, metallurgical testwork results from a large sample, composited from the Filon Principal and Filon Central Zones in the deposit, showed that **80% of the contained tungsten may be recovered to a final cleaned scheelite concentrate at the industry standard grade of 65% WO<sub>3</sub>** (tungsten trioxide). This work demonstrated that a simple and low cost gravity process can be used to produce a pre-concentrate and that this gravity pre-concentrate can be cleaned up to produce a final tungsten concentrate.

Work during the period has also included the compilation of required documentation as part of the mine permitting process and initial submissions to the regional administration are currently being prepared. It should be noted that we continue to receive strong support from the local community for the development of the project.

We have previously indicated our intention to secure funding for the capital investment stage of the project from tungsten industry partners. Despite the effect of the world economic downturn, discussions with interested third parties have been ongoing and we remain confident that we will secure appropriate funding for the project. In the meantime, the key factor in terms of the timing to mine development and production is the permitting process, and our core objective in the coming months is to ensure we continue to make progress in this area, and to be in a position to initiate development as the economic upturn reaches the relevant manufacturing sectors.

#### **La Zarza Project**

We announced in July that Ormonde had agreed investment terms with a major mining company, under which the Major would carry out an expanded exploration programme investing up to US\$7 million over a three year period via a joint venture to earn a 51% interest in La Zarza. Subject to completion of the earn-in, this major company 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.

Exploration targets have been identified within the 3 kilometre long massive sulphide body at La Zarza, where there is significant potential for additional copper mineralisation. The drill testing and evaluation of these would be funded as part of the earn-in work programme.

Final agreement remains subject to contract and completion of legal and environmental due diligence and we will report further to shareholders on this transaction when the agreement is concluded. We particularly look forward to seeing progress on the project through this fresh investment.

#### **Gold Exploration**

Although the most notable recent progress has been on our two advanced projects, we also recognise the potential value in our portfolio of gold exploration prospects. Some low-key gold exploration has been on-

going, and a review of our gold portfolio is underway with a view to prioritising the most attractive prospects and targets for follow-up work.

## **CORPORATE**

Our current assets at 30 June comprised €256k in cash and trade and other receivables of €156k. We completed a placing in July which raised €688k (net of expenses) for general working capital purposes. The fact that we raised these funds in a difficult market reflects the strong on-going investor support for the Company.

Ormonde's operating loss for the period was €242k (€379k for the 6 months to June 2008), which reflects a significant reduction in administrative expenses, including cuts in Director and staff remuneration.

Significant effort has been directed towards moving both our main projects forward. Technical evaluation work at Barruecopardo continues to lend support to our objective of becoming a major European tungsten producer, while investment by a major mining company will enable the Company to advance La Zarza through exploration directed towards finding a major enlargement of the copper resource.

Michael J. Donoghue  
Chairman  
28 September 2009

# Ormonde Mining PLC

## Group Income Statement

*Six months ended 30 June 2009*

	unaudited 6 months ended 30-Jun-09 €000s	unaudited 6 months ended 30-Jun-08 €000s	audited Year ended 31-Dec-08 €000s
<b>Turnover</b>	-	-	-
Administration expenses	(242)	(389)	(877)
Exploration costs written off	<u>-</u>	<u>-</u>	<u>(1,683)</u>
<b>Operating loss</b>	<b>(242)</b>	<b>(389)</b>	<b>(2,560)</b>
Interest receivable	2	12	32
Other finance costs	<u>(2)</u>	<u>0</u>	<u>0</u>
<b>Loss on Ordinary Activities</b>	<b>(242)</b>	<b>(377)</b>	<b>(2,528)</b>
Minority Interest	<u>(0)</u>	<u>(2)</u>	<u>(0)</u>
<b>Loss for the Period</b>	<b><u>(242)</u></b>	<b><u>(379)</u></b>	<b><u>(2,528)</u></b>
<b>Loss per share</b>			
Basic	€0.0012)	€(0.0022)	€(0.0122)
Diluted	€(0.0012)	€(0.0021)	€(0.0122)

# Ormonde Mining PLC

## Group Balance Sheet

As At 30 June 2009

	unaudited 30-Jun-09 €000s	unaudited 30-Jun-08 €000s	audited 31-Dec-08 €000s
<b>Assets</b>			
<b>Non-Current assets</b>			
Property, plant & equipment	11	21	16
Intangible assets	<u>12,422</u>	<u>11,854</u>	<u>12,151</u>
	<b>12,433</b>	<b>11,875</b>	<b>12,167</b>
<b>Current assets</b>			
Trade and other receivables	156	373	200
Cash and cash equivalents	<u>256</u>	<u>619</u>	<u>1,138</u>
	<b><u>412</u></b>	<b><u>992</u></b>	<b><u>1,338</u></b>
<b>Total assets</b>	<b><u>12,845</u></b>	<b><u>12,867</u></b>	<b><u>13,505</u></b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Called up share capital	7,102	6,617	7,102
Share premium account	18,666	17,507	18,666
Reserves	268	35	269
Profit and loss account	<u>(13,920)</u>	<u>(11,385)</u>	<u>(13,679)</u>
<b>Attributable to equity shareholders</b>	12,116	12,774	12,358
Minority Interest	<u>0</u>	<u>2</u>	<u>0</u>
	12,116	12,776	12,358
<b>Non- Current Liabilities</b>			
Trade and other payables	<u>650</u>	<u>0</u>	<u>650</u>
<b>Current Liabilities</b>			
Trade and other payables	<u>79</u>	<u>91</u>	<u>497</u>
Total liabilities	<u>729</u>	<u>91</u>	<u>1,147</u>
<b>Total Equity and Liabilities</b>	<b><u>12,845</u></b>	<b><u>12,867</u></b>	<b><u>13,505</u></b>

## Ormonde Mining PLC

### Group Cash Flow Statement

Six months ended 30 June 2009

	unaudited 6 months ended 30-Jun-09 €000s	unaudited 6 months ended 30-Jun-08 €000s	audited year ended 31-Dec-08 €000s
<b>Cash flows from operating activities</b>			
Net loss before interest & tax	(242)	(389)	(2,560)
Adjustments for:			
Depreciation	5	5	10
Exploration costs written off	0	0	1,683
Share based payment	0	0	89
Change in receivables	43	195	368
Change in liabilities	<u>(419)</u>	<u>(180)</u>	<u>877</u>
<b>Net cash from operating activities</b>	<b>(613)</b>	<b>(369)</b>	<b>467</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	<u>0</u>	<u>0</u>	<u>1,644</u>
<b>Cash flows from investing activities</b>			
Government grants received	0	0	182
Investment in subsidiary undertakings	0	0	(1,000)
Purchase of property, plant and equipment	0	(19)	(18)
Interest received	2	12	32
Non cash movements	0	0	(1)
Expenditure on exploration activities	<u>(271)</u>	<u>(1,446)</u>	<u>(2,609)</u>
<b>Net cash flow from investing activities</b>	<b><u>(269)</u></b>	<b><u>(1,453)</u></b>	<b><u>(3,414)</u></b>
<b>Net (decrease) in cash</b>	<b>(882)</b>	<b>(1,822)</b>	<b>(1,303)</b>
<b>Cash at beginning of period</b>	<b><u>1,138</u></b>	<b><u>2,441</u></b>	<b><u>2,441</u></b>
<b>Cash at end of period</b>	<b><u><u>256</u></u></b>	<b><u><u>619</u></u></b>	<b><u><u>1,138</u></u></b>

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

The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €241,891 (June 2008 = €378,643) divided by the time-weighted average number of shares in issue during the period of 217,170,586 (June 2008 = 197,781,586).

No dividends were paid or proposed in respect of the six months ended 30 June 2009.

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