
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to be taken, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser (being in the case of Shareholders resident in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act, 1995 of Ireland or the Stock Exchange Act, 1995 of Ireland and, in the case of Shareholders resident in the United Kingdom, a financial adviser authorised under the Financial Services and Markets Act 2000 of the United Kingdom).

If you sell or have sold, or have otherwise transferred your entire holding of Ordinary Shares in Ormonde Mining plc, please forward this document, together with the enclosed Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible.

This document does not constitute an offer or invitation for any person to subscribe for or purchase any securities in Ormonde Mining plc.

The Directors of Ormonde Mining plc, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. All of the Directors take responsibility accordingly.

ORMONDE MINING PLC

(Incorporated in Ireland with limited liability under the Companies Acts, 1963 to 2001. Registered No. 96863)

Placing of 29,411,775 New Ordinary Shares at €0.034 per share and Notice of Extraordinary General Meeting

Your attention is drawn to the Letter from the Chairman, which is set out on pages 5 to 6 of this document and which contains a recommendation to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

A notice of an Extraordinary General Meeting of Ormonde Mining plc to be held at the offices of O'Donnell Sweeney Solicitors, The Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on Thursday, 18 September, 2003 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at this Extraordinary General Meeting is attached, which, if you wish to appoint a proxy, should be completed and signed in accordance with the instructions printed thereon, detached and returned to Computershare Investor Services (Ireland) Limited, at P.O. Box 954, Dublin 2, Ireland (if delivered by post) or Computershare Investor Services (Ireland) Limited, at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland (if delivered by hand), as soon as possible but in any event, so as to be valid, to be received no later than forty-eight hours before the time fixed for the Extraordinary General Meeting, or any adjournment of such meeting.

CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	2
Definitions	3
Letter from the Chairman of Ormonde Mining plc	5
Notice of Extraordinary General Meeting	7
Form of Proxy	8

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and Date</i>
Latest time and date for receipt of completed Forms of Proxy in respect of the Extraordinary General Meeting	11.00 a.m. on 16 September, 2003
Time and date of Extraordinary General Meeting	11.00 a.m. on 18 September, 2003
Completion of the Placing	19 September, 2003

DEFINITIONS

In this document, the following expressions have the following meanings unless the context otherwise requires or unless it is otherwise provided.

"Admission"	the admission of the New Ordinary Shares to dealing on the ESM, expected to be effective on 19 September, 2003;
"Annual General Meeting" or "AGM"	the Annual General Meeting of the Company 2003 which was held on 8 August, 2003;
"the Board" or "the Directors"	the board of directors of the Company whose names are set out on page 5 of this document;
"Circular"	this document dated 26 August, 2003 providing details, <i>inter alia</i> , of the proposed issue of the Placing Shares and convening the EGM;
"Enlarged Issued Ordinary Share Capital"	the Existing Issued Ordinary Share Capital together with the Placing Shares, being in aggregate 107,911,480 Ordinary Shares;
"ESM"	the Exploration Securities Market of the Irish Stock Exchange;
"ESM Particulars"	a document to be prepared under the ESM Rules for the purposes of making application for Admission in respect of the Placing Shares;
"ESM Rules"	the Exploration Securities Market Rules;
"Existing Ordinary Shares" or "Existing Issued Ordinary Share Capital"	78,499,705 Ordinary Shares, being the number of fully paid Ordinary Shares in issue as at 22 August, 2003 (being the latest practicable date prior to the publication of this document);
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at the offices of O'Donnell Sweeney Solicitors, The Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on Thursday, 18 September, 2003 at 11.00 a.m., and notice of which is set out at the end of this document;
"Form of Proxy"	the form of proxy for use at the EGM, which is contained at the end of this document;
"g/t"	grammes per tonne;
"Ireland"	the island of Ireland excluding Northern Ireland and the word "Irish" shall be construed accordingly;
"Irish Stock Exchange"	The Irish Stock Exchange Limited;
"Notice"	the notice of EGM set out at the end of this document;
"Ordinary Shares"	the ordinary shares of nominal value €0.025 each in the capital of Ormonde;
"Ormonde" or "the Company"	Ormonde Mining plc;
"Ormonde Shareholders" or "Shareholders"	holders of Ordinary Shares in Ormonde;
"Ormonde Group" or "the Group"	Ormonde Mining and its subsidiaries;
"Placees"	the participants in the Placing;
"Placing" or "Proposed Placing"	the placing for cash of the Placing Shares;
"Placing Price"	€0.034 (Stg2.4p) per Placing Share;
"Placing Shares" or "New Ordinary Shares"	the 29,411,775 new Ordinary Shares to be issued pursuant to the Placing which will, when issued and fully paid, rank <i>pari passu</i> in all respects with each other and with the Existing Ordinary Shares in the Company;

"permission to deal"	the grant of permission to deal in the New Ordinary Shares on the Exploration Securities Market of the Irish Stock Exchange;
"Registrars"	Computershare Investor Services (Ireland) Limited;
"Resolution"	the resolution to be put to the Extraordinary General Meeting which is set out in the Notice of EGM at the end of this document;
"Share Option" or "Options"	options granted pursuant to the terms of the Share Option Scheme;
"Share Option Scheme"	the Ormonde Mining plc Share Option Scheme dated 2 August, 1995;
"subsidiary"	shall be construed in accordance with the Companies Acts; and
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland.

Notes:

The symbol "€" refers to euro, the single currency referred to in Council Regulations (EC) No. 974/98 of 8 May, 1998 on the introduction of the euro. The symbols "Stg£" or "£" refers to sterling. Unless otherwise stated, the euro/sterling exchange rate used for the purposes of this document is €1 : Stg£0.7012, being the reference rate issued by the Central Bank on 14 August, 2003 (being the latest practicable date prior to the publication of this document).

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Unless otherwise stated, all references to legislation refer to the laws of Ireland.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neutral gender.

LETTER FROM THE CHAIRMAN OF ORMONDE MINING PLC

ORMONDE MINING PLC

(Incorporated and Registered in Ireland under the Companies Acts 1963 to 2001. Registered No. 96863)

Directors

Colin J. Andrew * (Chairman)
Dr. I. Kerr Anderson (Managing Director)
David O'Beirne *
John A. Carroll *
Michael J. Donoghue *

Head and Registered Office

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

26 August, 2003

* denotes non-executive

To the Shareholders and, for information only, to the participants in the Ormonde Share Option Scheme

Dear Shareholder,

1. INTRODUCTION

On 15 August, 2003, Ormonde announced a conditional placing of 29,411,775 New Ordinary Shares at €0.034 (Stg2.4p) per share, to raise in aggregate €1.0 million before expenses. The Placing will provide the Group with funds to advance its exploration programme on its portfolio of interests in Northern Spain. More detailed information on the intended utilisation of the proceeds is set out in section 2 of this letter.

The Placing is conditional, *inter alia*, on Shareholder approval. The purpose of this document is to provide further details on the Placing and to convene an Extraordinary General Meeting (notice of which is set out at the end of this document) and which the requisite Shareholder approval is being sought.

2. DETAILS OF THE PLACING

The Placing, which is not underwritten, is comprised of 29,411,775 New Ordinary Shares, resulting in an increase in the issued share capital of the Company of approximately 37%, and will raise €1.0 million before expenses and an estimated €920,000 after expenses. The allotment of the Placing Shares to the Placees, who are principally new UK institutional Shareholders, is conditional on (i) the passing of the Resolution to be proposed at the Extraordinary General Meeting convened by the Notice of EGM set out at the end of this document; and (ii) the Irish Stock Exchange approving the application for admission of the Placing Shares to dealing on the Exploration Securities Market. An application for admission of the Placing Shares to be dealt in on the Exploration Securities Market, requiring the preparation and publication of a document comprising ESM Particulars, will shortly be made to the Irish Stock Exchange. It is expected that the conditions to which the Placing is subject will be fulfilled and the Placing completed on or around 19 September, 2003.

Since its restructuring and refinancing in 2001, Ormonde's management focus has been to acquire a portfolio of prospective exploration opportunities, culminating in the recent acquisition of an earn-in right to a majority interest in the Salamón gold deposit in northern Spain.

It is intended that the net Placing proceeds will be used to:

- fund a drilling programme and preliminary evaluation of the Salamón gold deposit, where Ormonde can earn a minimum 51% interest in the deposit;
- commence drilling on the Portas gold prospect;
- complete geochemical sampling on the Tracia permit;
- carry out regional exploration on the 120 square kilometers of highly prospective exploration ground around Salamón deposit, where Ormonde can also earn a minimum 51% interest.

The current resource at Salamón is some 190,000 ounces of gold at an average grade of approximately 9 g/t gold. The next phase of drilling, scheduled to commence in September, 2003 will comprise around 1,500 metres in total, with holes principally designed to test for depth and strike extensions to the current resource. The programme will include holes to explore for depth extensions of mineralization discovered in trenches in the northeastern end of the deposit, which returned best trenching intervals of 26.5 metres grading 13.4 g/t and 13.2 metres grading 25.8 g/t gold. It is also planned to carry out an initial drilling programme to test for the shallow depth extension of mineralization encountered in trenching of a new prospect some 1.8 kilometres west of Salamón. Trenching on this prospect yielded a best interval to-date of 11.5 metres grading 4.1 g/t gold. This may represent the upper part of a second deposit similar to Salamón.

Placing proceeds will also be used to fund initial drilling of the Portas prospect on the Trives permit area, where systematic chip sampling of old Roman surface workings has returned high gold grades in lenses and cross-cutting veins in a 20 metre wide shear zone. An initial two holes will test the shallow depth extension of this mineralization beneath the pits at depths of 50-75 metres. The target is a shear zone-hosted lode gold deposit.

Soil sampling will also be carried out on the Tracia permit, where prospecting to-date has returned high-grade gold values up to 57 g/t. This soil sampling is designed to identify gold anomalies that may indicate mineralization in the underlying bedrock and thereby warrant drilling.

The Company is also in discussions to secure other advanced projects in Spain where potentially economic gold resources have previously been identified and considerable upside exists to increase these resources.

The successful fundraising which the Placing represents is considered by the Board to be an important demonstration of confidence in, and endorsement of the Group's strategy to date. With the Salamón acquisition and the advancement of the Trives project facilitated by the Placing, your Board believes that the Company will be well positioned to advance and add to Shareholder value.

3. RESOLUTION PROPOSED FOR CONSIDERATION AT THE EGM

To enable the Placing to be implemented it is necessary to convene an Extraordinary General Meeting of the Company for the purposes of passing an enabling resolution. Accordingly, you will find set out at the end of this document a Notice convening an Extraordinary General Meeting of the Company at which the necessary resolution will be proposed.

The Resolution proposed for consideration at the Extraordinary General Meeting is a special resolution and provides for the disapplication of pre-emption rights in relation to the allotment of the Placing Shares. This Resolution also includes the grant to the Directors of an authority to allot up to 10% of the Enlarged Issued Ordinary Share Capital for cash as if section 23 of the Companies (Amendment) Act, 1983 did not apply thereto. This authority is in substitution for the authority granted under resolution number 6 at the Annual General Meeting of the Company held earlier this month. The authority will expire on the earlier of the date of the 2004 annual general meeting or 18 December, 2004, unless previously renewed or revoked in accordance with the Companies (Amendment) Act, 1983.

4. ACTION TO BE TAKEN

A Form of Proxy for use at the EGM is enclosed with this document. Whether or not you intend to attend the EGM, please complete, sign, detach and return the Form of Proxy to the Company's Registrar, Computershare Investor Service (Ireland) Limited at PO Box 954, Dublin 2, Ireland (if delivered by post) or at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland (if delivered by hand) as soon as possible but in any event, so as to be valid, to be received no later than forty-eight hours before the time fixed for the meeting. The return of the Form of Proxy will not, however, preclude you from attending the meeting and voting in person should you wish to do so.

5. RECOMMENDATION

The Directors believe that the Placing is in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that you vote in favour of the Resolution proposed for consideration at the Extraordinary General Meeting as they intend to do in respect of their own beneficial holdings, being 11,049,954 Ordinary Shares, representing approximately 14.08% of the Existing Issued Ordinary Share Capital of the Company.

Yours sincerely
COLIN ANDREW
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORMONDE MINING PLC

(Incorporation in Ireland under the Companies Acts, 1963 to 2001. Registered No. 96863)

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of O'Donnell Sweeney, The Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on Thursday, 18 September, 2003 at 11.00 a.m. to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

"That, the Directors be and are hereby empowered pursuant to section 24 of the Companies (Amendment) Act, 1993 (the "Act") to allot equity securities (as defined in section 23 of the Act) for cash as if section 23 did not apply to any such allotment provided that this power shall be limited to:-

- (a) the allotment of 29,411,775 Ordinary Shares in the capital of the Company pursuant to the Placing (as such is defined in this document); and
- (b) the allotment of equity securities in connection with the exercise of any options or warrants granted by the Company; and
- (c) the allotment of equity securities (otherwise than pursuant to any such issue as aforesaid) up to a maximum aggregate nominal value of €269,778.

This authority will expire on the earlier of the date of the next annual general meeting of the Company held after the date of passing of this Resolution and the 18th day of December, 2004 (unless such power shall be renewed in accordance with and subject to the provisions of the said section 24). 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 authority conferred had not expired. The authority hereby given shall be in substitution for any existing such authority."

By order of the Board

DAVID O'BEIRNE
Secretary

Dated : 26 August, 2003

Registered Office:
The Earlsfort Centre,
Earlsfort Terrace,
Dublin 2,
Ireland.

- Note:**
- 1. A member entitled to attend, speak and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
 - 2. To be effective, the Form of Proxy, together with any Power of Attorney or other authority under which it is executed, or a notarially certified copy thereof, must be completed and reach the Company's Registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than forty-eight hours before the time for the holding of the meeting, or any adjournment thereof.
 - 3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the notes of the other registered holders and for this purpose, seniority will be determined by the order in which the names stand in the Register of Members.
 - 4. Completing and returning the Form of Proxy does not preclude a member from attending and voting at the meeting should he/she so wish.

EXTRAORDINARY GENERAL MEETING

– FORM OF PROXY –

ORMONDE MINING PLC

For use at the Extraordinary General Meeting to be held at the offices of O'Donnell Sweeney Solicitors, The Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on Thursday, 18 September, 2003 at 11.00 a.m. and at any adjournment thereof.

I/We (see note (a) below).....

of

being a member(s) of the above named Company hereby appoint the Chairman of the Meeting or (see note (d) below)

..... or

of

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on Thursday, 18 September, 2003 and any adjournment thereof.

Please indicate with an X in the box below how you wish your vote to be cast in respect of the following special resolution, the details of which are set out in the notice convening the meeting.

	<i>For</i>	<i>Against</i>
To empower the Directors to allot equity securities	<input type="checkbox"/>	<input type="checkbox"/>

If no specific direction as to voting is given the proxy will vote or abstain at his/her discretion.

DATED **2003.**

SIGNATURE

NOTES:

- (a) To be effective, the Form of Proxy, together with any power of attorney or other authority under which it is executed, or a notarially certified copy thereof, must be completed and reach the Company's registrars, Computershare Investor Services (Ireland) Limited, at P.O. Box 454, Dublin 2, Ireland (if delivered by post) or Computershare Investor Services (Ireland) Limited at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland (if delivered by hand) as soon as possible but in any event, so as to be valid, to be received no later than 48 hours before the time fixed for the Extraordinary General Meeting, or any adjournment of such meeting not later than forty-eight hours before the time for the holding of the meeting.
- (b) This Form of Proxy must (i) in the case of an individual member be signed by the member or his/her attorney; or (ii) in the case of a body corporate be given either under its common seal or be signed on its behalf by its duly authorised officer or attorney.
- (c) 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 joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (d) If you desire to appoint a proxy other than the chairman of the meeting, please insert the proxy's name in block letters in the space provided and delete the words "the chairman of the meeting or".
- (e) A proxy need not be a member of the Company but must attend the meeting in person to represent you.
- (f) If no specific directions are given, the proxy will vote or abstain from voting at his/her discretion.
- (g) The completion and return of this Form of Proxy will not preclude a member from attending and voting in person.