

13 May 2008

Ormonde Mining plc

Final Results for the year ended 31 December 2007

DUBLIN & LONDON: 13 May 2008 – Ormonde Mining plc (“Ormonde” or “the Company”) announces its final results for the year ended 31 December 2007.

HIGHLIGHTS

- Barruecopardo tungsten project upgraded to advanced project status; initial testwork and studies demonstrate the project has the potential to generate significant cashflows at relatively modest capital investment levels
- Ormonde fast-tracking Barruecopardo; envisages evaluation phase should be completed during 2008, with first production in late 2009
- Company pursuing feasibility study recommendations on La Zarza; targeting the possibility of developing upper level copper-gold zones and a staged capital investment strategy
- Positive drilling results at Salamanca gold prospects achieved during the year
- Ormonde reports a loss after tax and minority interest of €80,071 for the year (2006: a loss of €97,267), following €4.25 million investment programme on exploration and development activities.

Mike Donoghue, Chairman of Ormonde commented:

“The Company has made distinct progress on its tungsten property in the year under review and this progress has continued into 2008. Barruecopardo is increasingly well placed to move to production towards the end of 2009. At La Zarza, we are following up on recommendations made in the feasibility study to improve the Project’s debt capacity and economics.

I believe that Ormonde has made very significant progress in positioning itself to advance into production, which would generate significant cash flow and substantially increase shareholder value.”

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CHAIRMAN'S REVIEW

The critical milestones for Ormonde during 2007 were the completion of the Feasibility Study on the La Zarza Copper-Gold Deposit and the upgrading of the Barruecopardo Tungsten Deposit to advanced project status, following the many high grade drill intersections from that project. The Company also focussed its gold exploration activities in its extensive ground holdings in the Salamanca region, with initial drilling revealing positive results from both the Sierrro and Pino de Oro prospects.

Barruecopardo

An aggressive drilling programme during the year enabled the Company to fast-track its evaluation of this high-grade tungsten project. As a result, we have been able to carry out an initial resource estimate, preliminary metallurgical testwork and complete an Order-of-Magnitude Study, which shows that Barruecopardo has the potential to generate significant cashflows at relatively modest capital investment levels.

The initial resource estimate, based on drilling results up to January 2008, is 1.0 million tonnes at an average grade of 0.7% WO₃ (tungsten oxide), in the JORC Inferred Resource category. The Company believes, however, that the Barruecopardo resource potential, down to an arbitrary depth of circa 350 metres, is of the order of 3-4 million tonnes, with the mineralisation open along strike. Moreover, the directly adjacent Valdegallegos vein system shows promise, with the single hole drilled there to date having encountered a high grade vein assaying 2.7% WO₃ over 0.9 metres.

The Company intends to fast-track development of this project and to constrain initial exploration to the definition of a resource adequate to sustain a 7 to 10 year mine life at production rates of around 90,000 metric tonne units ("mtu") of WO₃ per year. We believe it reasonable to expect that the resources at Barruecopardo will expand as drilling progresses during the operational stage and, assuming continued success, that this start-up production rate could be increased as the project develops. In essence, our strategy is to pursue a fast-tracked and limited capital cost entry to production, with subsequent expansion post start-up.

In addition to the drilling, a second stage metallurgical testwork programme is already in progress and the Company envisages that the evaluation phase of the Barruecopardo Project should be completed during 2008. Initial tungsten production is targeted for the end of 2009.

Looking at the bigger picture, the longer term prognosis for the tungsten industry appears positive. In this respect it should be noted that Ormonde's proposed initial 90,000 mtu production rate would represent over 10% of current western world production. The tungsten industry is currently undergoing structural changes, partially due to strong demand, but equally from industry changes within China, which traditionally has produced around 80% of world tungsten. China has recently ceased to export tungsten and has indeed become both a net importer of tungsten and an investor in western tungsten projects.

These changes are resulting in both tungsten price support and in consolidation within the industry, with investment and/or acquisition of many tungsten projects by end-users and a move towards vertical integration, from mine concentrate production, to tungsten powder production and end-product manufacturing. A case in point is the acquisition by Sojitz, the Japanese conglomerate, of the Panasqueira Tungsten Mine in Portugal for C\$57 million. Panasqueira is a mature underground mine with production of circa 100,000 mtu a year as concentrates from a 0.2% WO₃ head-grade.

In this favourable market situation, we believe that Ormonde's Barruecopardo Project, by virtue of its high grade, large resource potential, simple metallurgy and very accessible location, is well placed to proceed into production, generating significant cashflow and adding value to shareholders' equity.

La Zarza

The Feasibility Study on the La Zarza Deposit evaluated an underground mining project with a 600,000 tonne per year production rate, producing saleable concentrates from multiple ore types.

The economics of the proposed development were impacted by higher than anticipated capital costs, particularly fixed capital costs. This was due to a combination of factors, including the general mine capital cost increases being experienced across the industry, site specific design aspects required by the flexible but complex process plant design needed to treat multiple ore types, and related high mine dewatering costs.

However, we believe that these problems may be largely overcome through a rescoping of the project, with the initial development for the mining and treatment of the upper level copper-gold ores only and a staged capital

investment strategy. The feasibility study made key recommendations along these lines, which the Company is now actively pursuing.

The copper-gold only option for La Zarza is supported by the recent strengthening of the copper price and, more critically, by the now accepted perception among resource banks that high copper prices are here to stay. Resource banks are forecasting that the recent highs of US\$8,000 per tonne of copper may in fact be a medium term base price, with higher peak prices ahead.

Salamanca Gold

Drilling on two of our gold prospects during 2007 returned positive results. At Sierro our first hole, drilled on a gold-in-soil geochemical anomaly some 800m long by 400m wide, returned gold over a 62 metre interval averaging 0.5 grams per tonne (“g/t”) gold, within a newly-defined sheeted vein system. This thick gold intersection is deemed by the Company to be extremely encouraging and further drilling is being carried out on this prospect.

At Pino de Oro, a prospect containing multiple gold-bearing structures, where previous drilling has encountered grades of between 1.6 and 65.0 g/t over intervals of 1m to 11m, new drilling by Ormonde yielded results including 1.0 metre grading 18.9 g/t and 3.0 metres grading 4.3 g/t gold. Drilling on the first of several structures at Pino de Oro has now established gold at shallow depths with mineralisation intersected over a strike length of at least 500 metres and open in various directions.

During 2008 we intend to increase the level of activity on our gold prospects in Salamanca with the objective of further investigating the potential of Sierro and extending the mineralisation at Pino.

CORPORATE

We were deeply saddened by the sudden and untimely death of Dr Paul Mihalop, one of our Directors, in November. Paul served as a Director of Ormonde with great enthusiasm and distinction since his appointment in 2005; his experience and perspective will be missed.

We welcome Mr Steve Nicol to the Board. His appointment will ensure a commensurate balance on the Board as we progress into mine production and the balance of our activities moves from exploration into mining. Steve was the project manager for the La Zarza Feasibility Study and has accepted the position of Chief Operating Officer with Ormonde, where he will have responsibilities for both the La Zarza and Barruecopardo projects.

FINANCIAL REVIEW

During 2007 the Group expended a total of €4.25 million on exploration and development activities. We report a loss of €80,071 for the year (2006: a loss of €97,267).

In summary I believe that Ormonde is increasingly well positioned to advance into production and thereby increase shareholder value. I would like to thank shareholders, staff and advisers for their continued support in pursuing the Company’s objectives.

Michael J. Donoghue
Chairman
12 May 2008

Consolidated Income Statement
Year ended 31 December 2007

	2007 €000's	2006 €000's
Administrative expenses	(650)	(601)
Exploration costs written off	-	(82)
OPERATING LOSS	(650)	(683)
Interest receivable and similar income	71	83
LOSS FOR THE YEAR BEFORE TAXATION	(579)	(600)
Taxation	-	-
LOSS FOR THE YEAR	(579)	(600)
Minority Interest	(1)	3
RETAINED LOSS FOR THE YEAR	(580)	(597)
EARNINGS PER SHARE		
Basic loss per ordinary share	(€0.0034)	(€0.0037)
Diluted loss per ordinary share	(€0.0032)	(€0.0034)

Consolidated Balance Sheet
As at 31 December 2007

	2007 €000's	2006 €000's
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	10,408	6,157
Tangible assets	<u>8</u>	<u>10</u>
	10,416	6,167
CURRENT ASSETS		
Trade and other receivables	568	593
Cash and cash equivalents	<u>2,441</u>	<u>3,391</u>
	3,009	3,984
TOTAL ASSETS	<u><u>13,425</u></u>	<u><u>10,151</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Called-up share capital	6,617	5,885
Share premium account	17,507	14,347
Capital conversion reserve fund	29	29
Capital redemption reserve fund	7	7
Share based payment reserve	143	143
Foreign currency translation reserve	1	3
Profit and loss account	<u>(11,151)</u>	<u>(10,570)</u>
Attributable to equity holders	13,153	9,844
Minority interest	<u>2</u>	<u>(3)</u>
	13,155	9,841
CURRENT LIABILITIES		
Trade and Other Receivables	<u>270</u>	<u>310</u>
Total Liabilities	<u>270</u>	<u>310</u>
TOTAL EQUITY AND LIABILITIES	<u><u>13,425</u></u>	<u><u>10,151</u></u>

Consolidated Cash Flow Statement
Year ended 31 December 2007

	2007 €000's	2006 €000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(650)	(683)
Adjustments for:		
Depreciation	13	12
Exploration costs written off	-	82
Unrealised exchange gain/loss	2	-
Decrease/(Increase) in debtors	25	(22)
(Decrease)/Increase in creditors	(40)	74
NET CASH FROM OPERATING ACTIVITIES	<u>(650)</u>	<u>(537)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of issue of share capital	3,826	4,389
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure on exploration activities	(4,187)	(2,431)
Purchases of tangible fixed assets	(10)	(4)
Interest received	71	83
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(300)</u>	<u>2,037</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(950)	1,500
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,391</u>	<u>1,891</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>2,441</u>	<u>3,391</u>

Consolidated Statement of Changes in Equity
Year ended 31 December 2007

	Share Capital	Share Premium	Share Based Payment Reserve	Other Reserves	Retained Losses	Total
	€000's	€000's	€000's	€000's	€000's	€000's
Balance at 1 January 2006	5,484	10,360	-	39	(9,972)	5,911
Loss for the year	-	-	-	-	(598)	(598)
Recognition of share based payments	-	-	143	-	-	143
Foreign exchange adjustments	-	-	-	-	-	-
Proceeds of share issue	401	3,987	-	-	-	4,388
Balance at 31 December 2006	5,885	14,347	143	39	(10,570)	9,844
Balance at 1 January 2007	5,885	14,347	143	39	(10,570)	9,844
Loss for the year	-	-	-	-	(580)	(580)
Foreign exchange adjustments	-	-	-	(2)	(1)	(3)
Proceeds of share issue	732	3,160	-	-	-	3,892
Balance at 31 December 2007	6,617	17,507	143	37	(11,151)	13,153

1. The basic loss per share and the diluted loss per share have been calculated on a loss after taxation of €580,071 (2006 = loss of €597,267) and a weighted average number of Ordinary Shares in issue for the period of 171,484,445 (2006 = 162,488,775), for the basic loss per share and 183,984,445 (2006 = 175,588,775) for the diluted loss per share.