

11 October 2004

## **Ormonde Mining plc**

### **Interim Results for the Six Months Ended 30 June 2004**

#### **CHAIRMAN'S STATEMENT**

I am very pleased to report that the six months to the end of June 2004 has been a most productive period for your Company. The highlight of our activities during this period was the signing of a joint venture agreement on the La Zarza gold-copper deposit in southern Spain, a deal which projects Ormonde forward into the plus one million ounce resource companies category, and opens up the prospect of Ormonde joining the ranks of the gold producers.

We continued to make excellent progress on our three other Spanish gold projects – Salamón, Trives and Tracia – and our financial position remains secure having raised €40,000 in June. Our administration expenditure for the six months has remained low, the increase compared to last year's costs mainly reflecting the increased activity of the Company.

#### **LA ZARZA – A SIGNIFICANT REPOSITIONING OF THE COMPANY**

In my statement in the 2003 Annual Report, I indicated that Ormonde was actively pursuing advanced project acquisition opportunities. We were therefore very pleased to announce on the 1<sup>st</sup> July the success of our endeavours with the La Zarza joint venture.

This acquisition represents a very significant repositioning of the Company on the back of a major gold-copper resource, with the prospect to move forward into the ranks of mining producers. Looking at metal prices in the medium term, the outlook for both gold and copper is positive and provides for more than one production option at La Zarza.

The La Zarza deposit contains two large, partially investigated, mineral resources: a gold resource of 5.9 million tonnes grading 5.0 grams per tonne (g/t) gold and 50 g/t silver, and a 2.9 million tonne copper resource grading 2.8 per cent copper (950,000 ounces of gold 9.5 million ounces of silver and 180 million pounds of copper, respectively). Whilst our focus will be on the full investigation and evaluation of these existing gold and copper resources, we are confident that the resource figures can also be increased.

Work programmes at La Zarza are now targeted at establishing the technical and economic viability of this project. A reappraisal of existing resource data will be reported upon completion, and a four-month drilling programme will shortly commence to provide material for metallurgical testwork. The results of this work will be incorporated into a scoping study, which will cost the various mining and processing options. A full drill-out of the deposit would follow leading to a bankable feasibility study.

Factors other than technical viability are required for the development of a mining operation. I believe, therefore, that the fact that the La Zarza deposit is situated within a Mining Concession in an established mining district, coupled with early indications of local government support for our current activities and any future development, are very important aspects of the La Zarza project.

## SALAMÓN, TRIVES AND TRACIA PROJECTS TAKEN FORWARD

While La Zarza has somewhat taken the limelight recently, I would hasten to note that substantial progress has been made on Ormonde's three other active projects: Salamón, Trives and Tracia.

A drilling programme was completed on Salamón in August, to establish the continuation of gold mineralization below the existing 190,000 ounce gold resource. This drilling confirmed that high-grade gold mineralization persists at greater depths, with the likelihood of increasing the gold resource. Importantly, the high-grade zones occur over mineable widths, with the best intersection being 8.6 metres at 4.6 g/t gold, including 2.3 metres at 14.4 g/t gold.

On the Trives Project, an initial five-hole drilling programme at Portas is underway. The good gold grades yielded by surface rock sampling, and the potential dimensions of the mineralized zone (800 metres of strike indicated by soil sampling) open the possibility that a significant open-pittable gold deposit may exist here. We look forward to the assay results from this drilling.

Significant progress was also made at Tracia through our joint venture with IGE AB, who are funding current activities. Excellent results were returned from rock sampling within a large gold/arsenic-in-soil anomaly, with 10 per cent of all rock samples grading over 10 g/t and 40 per cent grading over 1 g/t gold. Trenching is in progress, ahead of drilling of the first targets.

On completing this brief round-up of our activities, I should add that our project acquisition activities have not ceased and we are optimistic that we will shortly add an additional Spanish project to our portfolio.

In closing, I would like to reiterate that our acquisition of the La Zarza project takes us a step closer to our objective of building Ormonde into a gold producing company. As we continue to make progress at La Zarza and on all of our Spanish gold projects, we look forward to keeping you informed through on-going news-flow at this exciting time in the development of your Company.

Mike J. Donoghue  
CHAIRMAN

Consolidated Profit & Loss Account  
6 months ended 30 June 2004

	<b>6 months ended 30 June, 2004</b>	<b>6 months ended 30 June, 2003</b>
	€	€
	<b>Unaudited</b>	<b>Unaudited</b>
Administrative expenses	<b>(108,836)</b>	(55,984)
Other operating income	-	-
<b>OPERATING LOSS</b>	<b>(108,836)</b>	(55,984)
Interest receivable and similar income	<b>1,379</b>	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(107,457)</b>	(55,984)
Taxation	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>(107,457)</b>	(55,984)
Loss per Share	<b>(€0.0010)</b>	(€0.0007)

**Notes:**

1. This interim statement for the 6 months ended 30 June 2004 is unaudited and was approved by the Directors on 8 October 2004.
2. This interim statement is being sent by post to all registered shareholders. Additional copies are available from the Company's offices at Metges Lane, Navan, Co. Meath, Ireland.

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