

26 September 2005

Ormonde Mining plc

Interim Results for the Six Months Ended 30 June 2005

DUBLIN & LONDON: 26 September 2005 - Ormonde Mining plc (“Ormonde” or “the Company”), the Spain-focused gold exploration and development company, is pleased to announce its interim, unaudited results for the six months ended 30 June 2005.

HIGHLIGHTS

- Admission to AIM and associated capital raising of £3.0 million provides the Company with financial platform to complement its technical strengths
- Progress at La Zarza, lead project: results from initial drilling programme in line with expected widths and grades of mineralization; metallurgical testwork in progress; Phase 2 infill drilling underway
- Activities advancing on portfolio of other mineral evaluation and exploration projects
- Reported loss of €201,224 reflects continuing success in keeping overheads down and investment ‘in the ground’

Mike Donoghue, Chairman of Ormonde commented:

“During this reporting period Ormonde has refinanced its activities and advanced its projects significantly. The combination of a solid project portfolio with increased exposure to broader equity markets in a bullish commodity cycle, means that Ormonde is well positioned for growth.”

Enquiries to:

Kerr Anderson, Managing Director,
Ormonde Mining plc Tel: +353 (0)46 9073623

Fraser Gardiner, Director,
Ormonde Mining plc Mobile: +353 (0)86 3931178

Simon Rothschild,
Bankside Consultants Tel: +44 (0)20 7367 8871 Mobile: +44 (0)7703 167065

CHAIRMAN'S STATEMENT

CORPORATE DEVELOPMENTS

This Interim Report represents the first opportunity for your Board to formally report on its activities since Ormonde began trading on London's Alternative Investment Market (AIM) earlier this year. The Company was admitted to AIM in April with an associated capital raising of £3.0 million (€4.3 million). Placees included both existing and new institutional investors, and the Placing was heavily oversubscribed. Trading on AIM, together with our quotation on the new Irish Enterprise Exchange (IEX), affords us increased investor visibility and greater access to capital markets, in an appropriately regulated market environment.

We were also very pleased at this time to appoint Seymour Pierce as joint broker with Davy, thereby reinforcing Ormonde's position in the UK markets. Of particular note, both brokerages have well-respected, in-house, dedicated resource research personnel and sales teams familiar with dealing in our sector. Davy also acts as Nominated Adviser and IEX Adviser.

These corporate developments have therefore been critical moves in providing Ormonde with a platform for growth.

OPERATIONAL REVIEW

On operational matters, April's Placing has allowed Ormonde to pursue progress on all fronts. Foremost was the drilling programme at our lead project, La Zarza, where we are evaluating gold and copper resources estimated by a Normandy-BRGM JV in the 1990s to contain 950,000 ounces of gold, 9.5 million ounces of silver and 81,000 tonnes of copper.

Results from the programme, designed primarily to obtain samples for metallurgical testwork, support our confidence in the project by confirming the expected widths and grades of mineralization, including intersections of 10 metres at 6.0 g/t gold and 15 metres at 5.8 g/t gold in hole ORM7, and 20.4 metres at 6.5 g/t gold in ORM11. Our Phase 2 infill drilling programme, currently in progress, will provide more representative information on distribution of metal grades across the deposit.

The metallurgical testwork itself is now underway. In this programme, representative samples from drilling core are composited and put through various tests to indicate the most appropriate method for the extraction of the economic minerals. The results of this testwork will then provide the basis of an economic scoping study, which will investigate the approximate economics and viability of various development options for a mining operation at La Zarza. The integration of extensive underground workings, previously developed for pyrite mining at La Zarza, into a new mining operation will also be considered as an important factor in the study.

In the meantime, Phase 2 drilling is continuing at La Zarza. Ormonde's objective is to upgrade at least part of the Normandy-BRGM resource to JORC "Indicated" category, and as previous drilling is widely spaced, more detailed drilling is required. This drilling is currently focused on the upper portion of the deposit, which is accessed by existing underground infrastructure.

In addition to La Zarza, work continued on our other mineral evaluation and exploration projects. In January, we completed the second part of our significant ground acquisition in Salamanca, where an extensive soil geochemistry campaign, detailed mapping exercise and prospecting programme are currently in progress. These activities will lead to generation of initial drilling targets, and we would anticipate testing these in Q1 2006.

We have continued to explore the potential depth extension to Salamón, and at Tracia our exploratory drilling campaign confirmed the depth extension of surface gold mineralization, whilst ongoing soil geochemistry has expanded the extent of known anomalous zones and is providing more detailed

information on specific drilling targets. As activities must be scheduled so as to keep company resources focused, programmes at Trives, where further drilling is warranted following encouraging results from a preliminary campaign, will continue in 2006.

In completing this brief operational review, I should note that we continue to evaluate new value opportunities in Spain, and we have recently signed an option agreement to acquire a 50 per cent interest in the Valiña Silver-Gold Project from Polar Mining Oy, a Finnish subsidiary of ASX-listed Dragon Mining NL. Valiña is a near-surface, potentially open-pit, high-grade silver-gold-antimony deposit, tested to-date by only six drill holes. Ormonde intends to drill three short holes on the prospect to obtain samples for metallurgical testwork, and if a saleable concentrate can be produced from this mineralization, we will proceed with a full evaluation of the deposit.

MARKET TRENDS

In the broader market, the metals and mining industry appears to be gathering momentum again after a somewhat quiet summer. Gold and copper, the metals of immediate interest to us, are presently trading at highs, the former recently reaching a 17-year high, with some analysts believing that it could be looking towards the US\$500 level, whilst copper is now trading in the US\$3,700–3,800 per tonne range. This favourable situation is supported by the growing belief that this upward readjustment in metal prices may be sustained in the longer term, albeit with periodic corrections, with market commentators forecasting a longer term commodity super-cycle driven by the emergence of the larger Asian economies.

This bullish outlook for metal prices benefits Ormonde not only by creating favourable sentiment in the junior resource market generally, but also, importantly, in real terms as we take further steps closer to building a gold mining business in Spain.

SUMMARY

In summary, I would note that during this reporting period Ormonde has refinanced its activities and advanced its projects significantly. Our reported loss of €201,224 reflects our continued endeavours to keep overheads to a minimum and put as much investment as we can “into the ground”. Finally, I believe that the combination of a solid project portfolio with increased exposure to broader equity markets in a bullish commodity cycle, means that Ormonde is well positioned for growth.

Michael J. Donoghue
Chairman
23 September 2005

Consolidated Profit & Loss Account
6 months ended 30 June 2005

	6 months ended 30 June, 2005 €000's Unaudited	6 months ended 30 June, 2004 €000's Unaudited	12 months ended 31 December, 2004 €000's Audited
Administrative expenses	(210)	(109)	(401)
Operating income	-	-	19
OPERATING LOSS	(210)	(109)	(382)
Interest receivable	9	1	6
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(201)	(108)	(376)
Tax on (loss) on ordinary activities	-	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	(201)	(108)	(376)
Minority Interest	-	-	1
Retained (loss) for year	(201)	(108)	(375)
Loss per Share	(€0.0015)	(€0.0010)	(€0.0033)

Consolidated Statement of Total Recognised Gains and Losses
6 months ended 30 June 2005

	6 months ended 30 June, 2005 €000's Unaudited	6 months ended 30 June, 2004 €000's Unaudited	12 months ended 31 December, 2004 €000's Audited
(Loss) for the financial year	(201)	(108)	(375)
Currency translation differences on foreign currency net investments	-	1	3
Total recognized gains and losses	(201)	(107)	(372)

Consolidated Balance Sheet
6 months ended 30 June 2005

	6 months ended 30 June, 2005 €000's Unaudited	6 months ended 30 June, 2004 €000's Unaudited	12 months ended 31 December, 2004 €000's Audited
FIXED ASSETS			
Tangible assets	14	14	20
Goodwill	112	-	112
Intangible assets	<u>2,853</u>	<u>1,064</u>	<u>1,795</u>
	<u>2,979</u>	<u>1,084</u>	<u>1,927</u>
CURRENT ASSETS			
Debtors	32	18	66
Cash at bank and on hand	<u>3,257</u>	<u>1,057</u>	<u>444</u>
	3,289	1,075	510
CREDITORS: (amounts falling due within one year)	<u>(120)</u>	<u>(97)</u>	<u>(100)</u>
NET CURRENT ASSETS	<u>3,169</u>	<u>978</u>	<u>410</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	6,148	2,062	2,337
CREDITORS: (amounts falling due after more than one year)	<u>(3)</u>	<u>(15)</u>	<u>(9)</u>
NET ASSETS	<u><u>6,145</u></u>	<u><u>2,047</u></u>	<u><u>2,328</u></u>
CAPITAL AND RESERVES			
Called-up share capital	5,474	4,622	4,636
Share premium account	10,383	6,668	6,717
Capital conversion reserve fund	29	29	29
Shares to be issued for consideration	-	-	486
Capital reserve	7	7	7
Foreign currency reserves	3	3	3
Profit and loss account	<u>(9,753)</u>	<u>(9,284)</u>	<u>(9,552)</u>
SHAREHOLDERS' FUNDS	6,143	2,045	2,326
Minority interest	<u>2</u>	<u>2</u>	<u>2</u>
	<u><u>6,145</u></u>	<u><u>2,047</u></u>	<u><u>2,328</u></u>

Consolidated Cash Flow Statement
6 months ended 30 June 2005

	6 months ended 30 June, 2005 €000's Unaudited	6 months ended 30 June, 2004 €000's Unaudited	12 months ended 31 December, 2004 €000's Audited
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<u>(195)</u>	<u>(88)</u>	<u>(329)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	8	2	6
Interest element of finance leases	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>7</u>	<u>1</u>	<u>4</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Expenditure on intangible assets	(1,011)	(160)	(587)
Payments to acquire tangible assets	<u>(2)</u>	<u>-</u>	<u>(3)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>(1,013)</u>	<u>(160)</u>	<u>(590)</u>
NET CASH OUTFLOW BEFORE FINANCING	<u>(1,201)</u>	<u>(247)</u>	<u>(915)</u>
FINANCING			
Issue of shares net of expenses	4,018	832	895
Capital element of finance leases	<u>(4)</u>	<u>(5)</u>	<u>(10)</u>
NET CASH INFLOW FROM FINANCING	<u>4,014</u>	<u>827</u>	<u>885</u>
(DECREASE)/INCREASE IN CASH	<u><u>2,813</u></u>	<u><u>580</u></u>	<u><u>(30)</u></u>

1. This interim statement for the 6 months ended 30 June 2005 is unaudited and was approved by the Directors on 23 September 2005. The financial information contained in these statements does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2004 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies and on which the auditors issued an unqualified report.
2. The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €201,224 (June 2004 = €107,457) divided by the time-weighted average number of shares in issue during the period of 133,687,956 (June 2004 = 108,790,601). There is no dilutive effect of share options on the basic loss per share.
3. No dividends were paid or proposed in respect of the six months ended 30 June 2005.