

08 May 2006

Ormonde Mining plc

Final Results for the year ended 31 December 2005

DUBLIN & LONDON: 08 May 2006 – Ormonde Mining plc (“Ormonde” or “the Company”) announces its final results for the year ended 31 December 2005.

HIGHLIGHTS

- Significant progress achieved on the Company’s Spanish mineral assets with advances in particular being made at the La Zarza Copper-Gold Project.
- Metallurgical testwork demonstrates that a more economical than expected flotation treatment route is applicable to La Zarza with the recovery of gold, copper and silver into saleable concentrates.
- Ormonde’s first JORC-compliant Mineral Resource estimate confirms the La Zarza deposit could sustain a robust mine production rate and an adequately long mine life to support a production decision.
- Exploration results from the Salamanca Gold Project indicate the potential for large, previously unrecognised bulk-tonnage gold deposits.
- Investigation of tungsten-bearing tailings at Salamanca offers the opportunity for low cost and low risk early cash flow.
- Reported loss of €420,850 - management continues to do its utmost to minimize overheads and maximize in-the-ground investment.

Mike Donoghue, Chairman of Ormonde commented:

“With La Zarza already on the path towards production, and with some excellent progress being made on our exploration properties, I anticipate that 2006 will be a landmark year for your Company”.

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CHAIRMAN'S REVIEW

OVERVIEW

The year 2005 was another busy and productive period which saw Ormonde achieve significant progress on its Spanish mineral assets. Our focus during the year remained on the advancement of the La Zarza Copper-Gold Project towards production. We can now move forward with confidence to the Feasibility Study phase in 2006, with completion of the initial drilling programmes, our first JORC-compliant mineral resource estimate and positive metallurgical testwork results. Notwithstanding the emphasis on La Zarza, we also made excellent progress in our discovery-driven exploration programmes, particularly at Salamanca, where several gold-tungsten targets and opportunities have been identified. We expect early and rapid progress at Salamanca during the year ahead.

OPERATIONAL HIGHLIGHTS

In last year's review I stated that the key to the development of La Zarza would be the establishment of an optimal ore processing route. The most significant news that we delivered during the year, therefore, was the early results from the investigative phase of our metallurgical testwork on La Zarza drilling samples. Having expected the extraction of gold to require a capital-intensive and high operating cost processing route of ultra fine-grinding followed by leaching, we were very pleased to establish that a much more economical flotation treatment route is applicable to the La Zarza Gold Silicatado, with the recovery of gold, copper and silver into saleable concentrates. The testwork also established that recovery of the copper to a flotation concentrate in the adjacent Copper Silicatado would be higher than expected. In short, the positive impact on the Project's economics of the use of the same flotation process to recover the gold, copper and silver, could be very significant indeed.

Of equal importance to the favourable metallurgical results is our new JORC-compliant Mineral Resource estimate, which shows La Zarza to contain 85,000 tonnes of copper, 486,000 ounces of gold and 6.9 million ounces of silver, or 1.3 million ounces of gold equivalent. These figures confirm that the La Zarza deposit could sustain a robust mine production rate and an adequately long mine life to support a production decision and we see clear potential to expand upon these resources with our ongoing drilling. Our Preliminary Assessment Study will soon provide us with the necessary cost figures to allow us to proceed to the Feasibility Study stage, but I am already very confident that in La Zarza we have an excellent core asset to underpin the growth of the Company.

Our primary objective is to take La Zarza into production. However, we also recognize that substantial value can be added to the Company through well-directed and successful exploration and discovery. I am therefore very pleased to report that our first year of field work on our extensive Salamanca licences has delivered some exceptional results, suggesting the potential for large, previously unrecognized bulk-tonnage gold deposits. Extensive gold-in-soil geochemical anomalies, supported by rock sampling results, will provide initial drilling targets. It is still early days on this project and only a drilling programme will tell us the size and the overall bulk grade of the mineralization underlying the anomalous zones. However, I look forward to a period of intense activity in Salamanca in the coming months.

We have also continued to make progress on other gold projects in our exploration portfolio including drilling at Tracia and Salamón. At Tracia, detailed soil geochemistry has identified new drilling targets, and at Salamón, where last year's drilling included an intersection of 4.8 metres grading 25.3 g/t gold, we will continue our evaluation of the deposit's deeper potential.

Finally, I should report that as a result of our on-going endeavours to acquire or develop a more immediate cash flow mining operation in Spain, in February of this year we signed an option agreement to investigate the tungsten-bearing dumps and tailings from the historic Barruecopardo Open-Pit Tungsten Mine, located on our Salamanca licences. We believe that processing this material could give us early cash-flow and exposure to upside in the tungsten price. The increased demand, reduced supply and lack of availability of new tungsten projects has resulted in a return of tungsten prices closer to levels

last seen in the early 1980s. Should our assessment confirm sufficient resource grade and recovery at Barruecopardo, the low capital costs required for a simple gravity recovery plant to treat these tungsten tailings could give us the opportunity to develop a profitable operation at very low risk to the Company. We will make a decision on the project's feasibility by late 2006.

CORPORATE DEVELOPMENTS

On the corporate side 2005 also featured some significant events. Our admission to trading on London's AIM and the associated capital raising in April gave us the foundation for the progress we made during the rest of the year. As a result our trading liquidity is up significantly and we have attracted new institutions onto our share register. We have strengthened our Board with the appointment of two new directors, Fraser Gardiner as an executive director and Paul Mihalop as a non-executive. David O'Beirne and Colin Andrew stepped down as non-executive directors during this period and on behalf of the Board I wish to thank them both for the significant roles they have played in the development of the Company.

FINANCIAL REVIEW

During 2005 the Company spent a total of €2.6 million, of which €420,850 is reported as a loss for the year (2004: €375,446). I believe that these figures demonstrate very clearly that even as Ormonde grows and progressively ups the scale of its operational activity, our management continues to do its utmost to minimize overheads and maximize in-the-ground investment across its project portfolio.

Towards the end of the year we received notification from the Spanish government that we had been awarded central government grants totalling €320,000 on the basis of our expenditure on the La Zarza and Tracia projects. Besides this being a significant sum of money to be applied to our projects, it is a welcomed gesture from the Spanish authorities that they have confidence not only in Ormonde and its operations, but in the mining industry as a whole.

MARKET TRENDS AND OUTLOOK

The current boom in commodity prices reflects both an overdue correction after a prolonged downturn in which investment was minimal and a major structural adjustment as some Asian countries embrace free-market principles and economic expansion. The underlying demand and lack of new projects points to a prolonged mining cycle. This clearly is an opportune time for everyone involved in the mining industry. The metals of direct relevance to Ormonde – gold, copper, silver and tungsten – are all enjoying record-high prices. As high metal prices appear to be with us for the longer term, this underpins Ormonde's growth strategy of creating value in Spanish projects by taking them into production. With La Zarza already on the path towards production, and with some excellent progress being made on our exploration properties, I anticipate that 2006 will be a landmark year for your Company.

Michael J. Donoghue
Chairman
05 May 2006

Consolidated Profit & Loss Account
Year ended 31 December 2005

| | 2005 €000's | 2004 €000's |
|--|----------------|----------------|
| Administrative expenses | (451) | (401) |
| Operating income | - | 19 |
| OPERATING (LOSS) | (451) | (382) |
| Interest receivable | 30 | 6 |
| (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | (421) | (376) |
| Tax on (loss) on ordinary activities | - | - |
| (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | (421) | (376) |
| Minority Interest | - | 1 |
| Retained (loss) for year | (421) | (375) |
| (Loss) per Share | (€0.0029) | (€0.0033) |

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 December 2005

| | 2005 €000's | 2004 €000's |
|---|----------------|----------------|
| (Loss) for the financial year | (421) | (375) |
| Currency translation differences on foreign currency net investments | <u>3</u> | <u>3</u> |
| Total recognised gains and losses | <u>(418)</u> | <u>(372)</u> |

Consolidated Balance Sheet
As at 31 December 2005

| | 2005 €000's | 2004 €000's |
|---|----------------|----------------|
| FIXED ASSETS | | |
| Tangible assets | 19 | 20 |
| Goodwill | 112 | 112 |
| Intangible assets | 3,555 | 1,795 |
| | <u>3,686</u> | <u>1,927</u> |
| CURRENT ASSETS | | |
| Debtors | 571 | 66 |
| Cash at bank and on hand | 1,891 | 444 |
| | <u>2,462</u> | <u>510</u> |
| CREDITORS: (amounts falling due within one year) | <u>(236)</u> | <u>(100)</u> |
| NET CURRENT ASSETS | <u>2,226</u> | <u>410</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 5,912 | 2,337 |
| CREDITORS: (amounts falling due after more than one year) | <u>-</u> | <u>(9)</u> |
| NET ASSETS | <u>5,912</u> | <u>2,328</u> |
| CAPITAL AND RESERVES | | |
| Called-up share capital | 5,483 | 4,636 |
| Share premium account | 10,360 | 6,717 |
| Capital conversion reserve fund | 29 | 29 |
| Shares to be issued for Consideration | - | 486 |
| Capital reserve | 7 | 7 |
| Foreign currency reserve | 3 | 3 |
| Profit and loss account | <u>(9,972)</u> | <u>(9,552)</u> |
| SHAREHOLDERS' FUNDS | <u>5,910</u> | <u>2,326</u> |
| Minority interest | <u>2</u> | <u>2</u> |
| | <u>5,912</u> | <u>2,328</u> |

Consolidated Cash Flow Statement
Year ended 31 December 2005

| | 2005 €000's | 2004 €000's |
|---|---------------------|--------------------|
| NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES | <u>(821)</u> | <u>(329)</u> |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | 30 | 6 |
| Interest element of finance leases | <u>-</u> | <u>(2)</u> |
| NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | <u>30</u> | <u>4</u> |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Sale of tangible asset | 18 | - |
| Expenditure on intangible assets | (1,759) | (587) |
| Payments to acquire tangible assets | <u>(25)</u> | <u>(3)</u> |
| NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | <u>(1,766)</u> | <u>(590)</u> |
| NET CASH (OUTFLOW) BEFORE FINANCING | <u>(2,557)</u> | <u>(915)</u> |
| FINANCING | | |
| Issue of shares net of expenses | 4,004 | 895 |
| Capital element of finance leases | <u>-</u> | <u>(10)</u> |
| NET CASH INFLOW FROM FINANCING | <u>4,004</u> | <u>885</u> |
| INCREASE/(DECREASE) IN CASH | <u><u>1,447</u></u> | <u><u>(30)</u></u> |

Note:

The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €420,850 (December 2004 = €375,446) divided by the time-weighted average number of shares in issue during the period of 143,204,927 (December 2004 = 112,490,110). There is no dilutive effect of share options on the basic loss per share.