

16 May 2007

Ormonde Mining plc

Final Results for the year ended 31 December 2006

DUBLIN & LONDON: 16 May 2007 – Ormonde Mining plc (“Ormonde” or “the Company”) announces its final results for the year ended 31 December 2006.

MAIN POINTS

- La Zarza advanced to Feasibility Study with the engagement of well-established engineering firms on the evaluation and design of an underground mining operation which would produce copper, gold, zinc and silver in concentrates.
- Significant progress made on Salamanca gold and tungsten properties, in particular where high-grade tungsten has been intersected in drilling of the northern extension to the previously-mined Barruecopardo vein system, with an aggressive follow-up drilling programme in progress.
- Reported loss of €97,267 – an increase on last year principally through the write-off of exploration expenditure.

Mike Donoghue, Chairman of Ormonde commented:

“The year 2006 was one of consolidation for Ormonde as the Company focussed on advancing the La Zarza Project. The Feasibility Study currently in progress is building upon the Scoping Study completed last September which demonstrated positive economics for La Zarza. We have also taken significant steps forward with our tungsten and gold projects in Salamanca, where, whilst still in early days, recent drilling results should be seen as extremely encouraging”.

In addition to today’s results, Ormonde announces the appointment of Bell Lawrie (part of Brewin Dolphin Securities) as its UK broker and financial advisor. Brewin Dolphin advises 154 corporate clients and manages £19 billion of funds on behalf of over 100,000 private clients. They have extensive experience in providing corporate advisory and broking services to smaller companies, operating from offices throughout the UK.

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CHAIRMAN'S STATEMENT

OVERVIEW

The year 2006 was a period of consolidation for Ormonde as the Company focussed on advancing its La Zarza Copper-Gold Deposit in Spain through Scoping Study and onwards into Feasibility Study and commenced the detailed evaluation of the gold and tungsten occurrences in the extensive ground holdings the Company has put together in the Salamanca Province of Spain.

OPERATIONAL HIGHLIGHTS

La Zarza

The Scoping Study completed in September demonstrated positive economics for a proposed underground mining operation at La Zarza, producing copper, gold, zinc and silver in concentrates. This exercise led on into the Feasibility Study stage, a period when progress takes the form of detailed internal work and market newsflow is invariably slow. Four well-established engineering firms are presently progressing with the Feasibility Study, which encompasses the evaluation of the La Zarza resource, detailed underground mine design, follow-up definitive metallurgical testwork, processing plant design and infrastructure and tailings management design.

The Silicatado resource infill drilling programme was completed towards the end of the year and a further drilling programme on the Zinc Massive Sulphide (Zn-MS) is presently underway. This latter resource has emerged as a result of new drillhole intersections in the massive sulphide and a reinterpretation of the zinc-dominant mineralisation within this very extensive unit. Metallurgical testwork on this Zn-MS unit is also in progress. While we must await the results of the evaluation of this zinc resource, the potential when combined with the adjacent Silicatado unit has favourable implications for the project.

Work on La Zarza during the remainder of 2007 will focus on enhancing the global resource, finalising designs and capital and operating costs, and completing the Feasibility Study for a mining operation at La Zarza. Preliminary permitting submissions and discussions with the regional and provincial authorities continue in tandem with the evaluation work.

Salamanca

The Salamanca Project, where the Company is exploring a considerable area of licences, has over the last year become the second focus of Ormonde's work in Spain. While first stage exploration of both gold and tungsten targets and old workings is likely to continue for quite some time, two prospects of particular interest, Barruecopardo and Pino de Oro, have already emerged.

The northern extension to the previously-mined Barruecopardo tungsten vein system was investigated by widely spaced drilling in 2006. The results of this drilling were most encouraging, with high-grade tungsten intersected within a main vein structure. Initial assay results from an ongoing follow-up drilling programme suggest that there is continuity in the high-grade tungsten within this main vein structure.

The controlling structure appears to have a strike length of approximately 1400m within competent granite rocks. To date, drilling has indicated a steeply dipping mineralised zone of veining some 1 to 5 metres wide, over at least a 500m strike length, yielding intersection grades which include 2.1% and 1.5% tungsten (WO_3) over 2m widths. In assessing these grades it should be noted that the Panasqueira Tungsten Mine in Portugal operates profitably at a grade of 0.23% tungsten.

These new drilling results are deemed most encouraging, although it should be stressed that much further drilling needs to be completed to establish the average grade of the deposit, the continuity and extent of the mineralisation, investigate other adjacent vein structures in the area, and determine if an economic sized resource exists at Barruecopardo. However, it is encouraging to note that the tungsten price continues to remain strong having increased almost four-fold in the past two years.

Looking at the larger picture within the overall Salamanca licence area, it should be noted that there are a significant number of gold and tungsten occurrences and old workings in the area and the potential exists to build up an economic resource from these smaller lode-vein deposits. As such, the Company's strategy is to continue exploration on a wide front with the objective of defining a number of these types of deposit which might be managed and processed through a central plant.

In pursuing this latter strategy it is also encouraging to note that on-going exploration work has already resulted in initial positive results from the Pino de Oro gold prospect, some 80km north of Barruecopardo. Previous drilling by the Government at Pino intersected narrow but high-grade gold vein structures (e.g. 1.0m grading 65.8 g/t and 2.0m grading 11.1 g/t gold). Initial results from holes drilled by Ormonde have confirmed the presence of these high-grade structures (1.0m grading 16.6 g/t gold), with results pending from several holes.

CORPORATE DEVELOPMENTS

In order to strengthen our presence on the AIM Market, broaden our shareholder base and improve trading liquidity, we are very pleased that Bell Lawrie, a division of Brewin Dolphin Securities, has agreed to become the Company's UK broker and financial advisor. The Board is most appreciative of Seymour Pierce for its endeavours since assisting with our listing on AIM in 2005, and we hope that they will continue to follow our progress. Davy will continue to be our Irish broker, IEX advisor and Nomad.

Mr. Andrew Bell, as a consequence of his increasing commitments towards a number of exploration companies he is now involved with, resigned from the Board of Ormonde in January. I would like to take the opportunity to thank Andrew for his contribution towards the growth of the Company over the past 3 years.

FINANCIAL REVIEW

During 2006 the Company expended a total of €3.0 million, of which €1.4 million was on the La Zarza project and €1.0 million on exploration activities elsewhere in Spain. We reported a loss of €97,267 for the year (2005: a loss of €420,850), €8,100 being a write-down of work where exploration efforts have been unsuccessful and no further work is warranted.

In closing, I would like to thank the shareholders, staff and advisors for their continued support in pursuing our Company objectives.

Michael J. Donoghue
Chairman
16 May 2007

Consolidated Profit & Loss Account
Year ended 31 December 2006

	2006 €000's	2005 €000's
Administrative expenses	(601)	(451)
Exploration costs written off	(82)	-
OPERATING (LOSS)	<u>(683)</u>	<u>(451)</u>
Interest receivable	83	30
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(600)</u>	<u>(421)</u>
Tax on (loss) on ordinary activities	-	-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	<u>(600)</u>	<u>(421)</u>
Minority Interest	3	-
Retained (loss) for year	<u>(597)</u>	<u>(421)</u>
(Loss) per Share	<u>(€0.0037)</u>	<u>(€0.0029)</u>

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 December 2006

	2006 €000's	2005 €000's
(Loss) for the financial year	(597)	(421)
Currency translation differences on foreign currency net investments	<u>(1)</u>	<u>3</u>
Total recognised gains and losses	<u><u>(598)</u></u>	<u><u>(418)</u></u>

Consolidated Balance Sheet
As at 31 December 2006

	2006 €000's	2005 €000's
FIXED ASSETS		
Tangible assets	10	19
Goodwill	231	112
Intangible assets	5,783	3,555
	<u>6,024</u>	<u>3,686</u>
CURRENT ASSETS		
Debtors	593	571
Cash at bank and on hand	3,391	1,891
	<u>3,984</u>	<u>2,462</u>
CREDITORS: (amounts falling due within one year)	<u>(310)</u>	<u>(236)</u>
NET CURRENT ASSETS	<u>3,674</u>	<u>2,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	9,698	5,912
CREDITORS: (amounts falling due after more than one year)	<u>-</u>	<u>-</u>
NET ASSETS	<u>9,698</u>	<u>5,912</u>
CAPITAL AND RESERVES		
Called-up share capital	5,885	5,483
Share premium account	14,347	10,360
Capital conversion reserve fund	29	29
Capital reserve	7	7
Foreign currency reserve	3	3
Profit and loss account	(10,570)	(9,972)
SHAREHOLDERS' FUNDS	<u>9,701</u>	<u>5,910</u>
Minority interest	<u>(3)</u>	<u>2</u>
	<u>9,698</u>	<u>5,912</u>

Consolidated Cash Flow Statement
Year ended 31 December 2006

	2006 €000's	2005 €000's
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	<u>(537)</u>	<u>(821)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	83	30
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>83</u>	<u>30</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Sale of tangible asset	-	18
Expenditure on intangible assets	(2,431)	(1,759)
Payments to acquire tangible assets	<u>(3)</u>	<u>(25)</u>
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>(2,434)</u>	<u>(1,766)</u>
NET CASH (OUTFLOW) BEFORE FINANCING	<u>(2,888)</u>	<u>(2,557)</u>
FINANCING		
Issue of shares net of expenses	4,388	4,004
NET CASH INFLOW FROM FINANCING	<u>4,388</u>	<u>4,004</u>
INCREASE IN CASH	<u><u>1,500</u></u>	<u><u>1,447</u></u>

- The loss per share was calculated from the loss for the period attributable to ordinary shareholders of €597,267 (December 2005 = €420,850) divided by the time-weighted average number of shares in issue during the period of 162,488,775 (December 2005 = 143,204,927). There is no dilutive effect of share options on the basic loss per share.