Ormonde Mining plc

Annual Report and
Financial Statements

For the year ended 31 December 2021

Annual Report and Financial Statements

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Chair's Review

Introduction

I am pleased to provide my first report to shareholders as Ormonde's Chairman, having been appointed as a Non-Executive Director in June 2020, and subsequently as Non-Executive Chairman in October 2021.

2021 was a year of transition for the Company as we restructured the Board, reviewed the Company's assets, reorganised the Company to operate on a reduced cost basis, while building its capability to execute an opportunity that will enable the Company to leverage its listing and balance sheet to generate value for shareholders.

Leadership Restructuring

Following the Company's Annual General Meeting in September 2021, Jonathan Henry, and his board and management team, left the Company.

Brendan McMorrow and Keith O'Donnell joined me on the Board, and Brendan was subsequently appointed in November 2021 to discharge the role of Chief Executive Officer. Brendan, Keith and I each have over 30 years' experience in company management, capital markets, and publicly-listed natural resources companies.

The Board is now supported in its endeavours by experienced industry consultants. These include Steve Nicol and Professor Garth Earls, who bring with them over 70 years of combined relevant experience. Drawing on his background in mine evaluation and operations, Steve, as Senior Technical and Mining Advisor, is assisting in the evaluation of potential new mining assets. He previously worked with Ormonde to identify and commercialise the Barruecopardo Tungsten mine in Spain, whose 30% interest was sold by the Company in 2020 for €6 million. Garth is assisting the Company as a Senior Geologist, focused on project exploration and development appraisal. Garth has over 40 years of professional experience in mineral exploration, was part of the team that discovered the six-million-ounce Curraghinalt gold deposit in Northern Ireland, and currently serves as Executive Chairman of International Geoscience Services. He is a former Director of the Geological Survey of Northern Ireland and a past Chairman of the Geosciences Committee of the Royal Irish Academy.

Steve and Garth provide the complementary skill sets required to evaluate the geological, technical, mining operational and commercial elements of the projects under review and to identify worthwhile opportunities to generate value for the Company and its shareholders.

We are now pursuing investment opportunities at a more appropriate, and efficient cost to the Company. Until the Company has made material strategic progress in this regard, the directors have waived their entitlement to non-executive directors' fees.

New Project Evaluation

The range of opportunities being reviewed include precious metals, precious stones, battery metals and some base metals in a number of jurisdictions including, Africa and Europe.

Our objective is to invest in a project which will generate meaningful value for shareholders on a sustainable basis. We are reviewing a number of opportunities that appear promising without presenting excessive risks to shareholders.

Existing Projects
Ormonde retains its assets in Spain, namely the Salamanca and Zamora gold projects and the Board continues to evaluate its strategy to unlock value for shareholders from these assets. In addition, the prospect of a transaction relating to the land and data assets of the Company's La Zarza interest continues, with discussions with interested parties ongoing.

Financials
Ormonde recorded a total comprehensive loss for the period of €1.6 million for 2021, including an asset impairment, noted below, of €0.4 million, compared with a loss of €1.1 million in 2020.

Following an internal review of its assets at La Zarza, Ormonde now values its La Zarza interests at €2.0 million, a €0.4 million reduction from previous guidance. The Board considers this to be a fair value, and is in discussions regarding a transaction. While reviewing new opportunities, the Board has, since its reconstruction in late 2021, endeavoured to reduce the Company's overheads, with Board and management cost lower, on a full year basis, by approximately 60 percent. The impact of these reductions will be realised in the current year with projected savings related to payroll of c. €0.3 million for 2022 as compared to 2021.

As of 31 December 2021, the Company had net assets of €5.96 million, including a cash balance of €3.75 million, placing the Company in a position of considerable strength to undertake a transaction within the natural resources sector.

Outlook
On behalf of the Board, I would like to thank our shareholders for their continued support and patience. I am of course conscious that our shareholders are keen to see the value of their holding grow. Our job is to ensure we deliver the best opportunity to achieve this; one which offers the maximum upside from the Company's balance sheet and resources. I am confident that we have the team in place to execute on that goal and deliver value to shareholders. While we are undertaking that process, we will continue to manage costs prudently. I look forward to updating you on the Company's progress in due course.

Brian Timmons

Chairman

20 June 2022

Directors' Report

For the year ended 31 December 2021

The Directors present the Annual Report and Audited Financial Statements for the year ended 31 December 2021 of Ormonde Mining plc ("the Company") and its subsidiaries (collectively "the Group").

Principal Activity

The Company is listed on the Euronext Growth Market of Euronext Dublin and AIM, part of the London Stock Exchange.

The principal activity of the Company and its subsidiaries comprises acquisition, exploration and development of mineral resource projects.

Review of Business and Future Developments

A detailed review of activities for the year and future prospects of the Group is contained in the Chair's Review at the commencement of this report.

Results and Dividends

The Consolidated Statement of Comprehensive Income for the year ended 31 December 2021 and the Consolidated Statement of Financial Position as at that date, are set out on pages 18 and 19 respectively.

No dividends were paid during the year and the Directors do not recommend the payment of a dividend.

Principal Risks and Uncertainties

The Group's activities are currently carried out in Spain and Ireland. The Group undertakes periodic reviews to identify risk factors which may affect its business and financial performance. The summary set out below is not exhaustive as it is not possible to identify all risks that may affect the Group, but the Directors consider the principal risks and uncertainties to be the following:

Exploration Risk
Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular: global pandemics; climatic conditions; performance of partners or suppliers; availability of qualified staff and contractors; availability, delays or failures in installing and commissioning plant and equipment; unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities relating to the grant, maintenance or renewal of any required authorisations; and environmental regulations or changes in law.

Commodity Price Risk
The demand for, and price of, commodities is dependent on factors including global and local supply and demand, investment trends, actions of governments or cartels and general global economic and political developments.

Political Risk
As a consequence of activities in different parts of the world, the Group may be subject to political, economic and other uncertainties, including but not limited to regime change, changes in national laws and mining policies and exposure to different legal systems.

Financial Risk
Financial risk is explained in Note 23

Share Price

The share price movement in the year ranged from a low of €0.008 to a high of €0.03 (2020: €0.004 to €0.03).

The share price at the year-end was €0.009 (2020: €0.020).

Directors' Report (continued)

For the year ended 31 December 2021

Directors

The names of the current Directors are set out at the back of this report. Tim Livesey was not re-elected as a Director at the AGM on 30 September 2021 and so retired. Jonathan Henry and Richard Brown resigned from the Board on 30 September 2021. Brendan McMorrow and Keith O'Donnell were appointed Directors on 30 September 2021.

Details of Executive Director

Brendan McMorrow

CEO and Executive Director

Brendan has over 25 years' experience in oil & gas and base metals mining public companies listed in London, Toronto and Dublin. He has formerly been Chief Financial Officer of Circle Oil plc and served as a senior finance executive in Ivernia Inc. and Ivernia West plc - at the time these companies were respectively developing significant base metal mines in Western Australia and at Lisheen in Ireland. He is currently a non-executive Director of Karelian Diamond Resources plc and Conroy Gold and Natural Resources plc. He is a Fellow of the Association of Chartered Certified Accountants.

Details of Non-Executive Directors

Brian Timmons

Non-Executive Chairman

Brian has over 30 years of experience in senior positions within companies across a range of industries, including fund management, investment banking (in Irish Life Assurance Co. and AIB Capital Markets PLC respectively), healthcare technology, bioscience, alternative energy and resource companies, e-commerce, telecoms and software IT. He is Non-Executive Chairman of Solar Alliance Energy, Inc., a TSX listed corporation. Brian is a Fellow of the Association of Chartered Certified Accountants.

Keith O'Donnell

Non-Executive Director

Keith is a banker with 30 years' experience in cross border investment and corporate advisory roles. He is currently Senior Advisor at Portland Advisers, a boutique firm based in London with global expertise in the Conventional Energy, Renewable Energy, Mining, Satellite, and Infrastructure sectors. Keith is also Risk Adviser at Responsibility AG, a Swiss based fund manager focused on energy access and clean energy solutions for the developing world. Keith is a member of the Chartered Institute of Bankers and was awarded an MBA from Bayes Business School, City University, London

Directors' Report (continued)

For the year ended 31 December 2021

Directors	31 Dec '21 Ordinary Shares	1 Jan '21 Ordinary Shares
Brendan McMorrow (appointed 30 September 2021)	-	-
Keith O'Donnell (appointed 30 September 2021)	-	-
Brian Timmons	-	-
Jonathan Henry (resigned 30 September 2021)	-	-
Richard Brown (resigned 30 September 2021)	-	-
Tim Livesey (retired 30 September 2021)	-	-

Directors	20 June '22 Share Options	31 Dec '21 Share Options	1 Jan '21 Share Options
Brendan McMorrow	2,500,000	2,500,000	-
Tim Livesey	-	-	-
Keith O'Donnell	2,500,000	2,500,000	-
Brian Timmons	3,000,000	3,000,000	-
Jonathan Henry (resigned 30 September 2021)	-	-	5,500,000
Richard Brown (resigned 30 September 2021)	-	-	2,500,000
Tim Livesey (retired 30 September 2021)	-	-	2,500,000

All share options are exercisable at €0.011.

Upon retirement or resignation, the Directors share options lapsed in 2021 in line with the Share Option rules.

Share options issued in 2021 vest in equal proportions, with the first half vesting on the issue date in November 2021 and the remaining amounts vesting in November 2022. These share options are exercisable at any point from vesting to 17 November 2031. See Note 20 for details of the share option scheme. In addition, the rules of the Company's share option scheme are available for inspection at the registered office of the Company.

No director, secretary or any member of their immediate families had an interest in any subsidiary.

Transactions Involving Directors

Other than remuneration and the issuing of share options, there have been no contracts or arrangements of significance during the year in which directors of the Company were interested.

Significant Shareholders

The Company has been informed or is aware that, at 31 December 2021 and the date of this report, the following shareholders own 3% or more of the issued share capital of the Company:

Percentage of issued share capital

	20 June '22	31 Dec '21
Thomas Anderson	24.4%*	24.4%

** As notified on 24 December2021*

The Directors are not aware of any other holding of 3% or more of the share capital of the Company.

Subsidiary Undertakings

Details of the Company's subsidiaries are set out in Note 12 to the financial statements.

Directors’ Report (continued)

For the year ended 31 December 2021

Political Donations

There were no political donations during the year as defined by the Electoral Act 1997.

Directors' Responsibility Statement

The Directors are responsible for preparing the Directors' Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Irish Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law and in accordance with AIM and Euronext Growth Market rules, the Directors have prepared the Company's financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU ("EU IFRS").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and the Group and of its profit or loss for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the EU, and note the effect and the reasons for any material departures in the financial statements from those standards and the Companies Act 2014;
- assess the Group and Company's ability to continue as a going concern, disclosing as applicable matters relating to Going Concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations or have no realistic alternative but to do so.

The Directors confirm that they have complied with the above requirements in preparing the group and company financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and Company and enable them to ensure that the financial statements are prepared in accordance with EU IFRS and comply with the provisions of the Companies Act 2014. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities. Under applicable law, the Directors are also responsible for preparing a directors' report that complies with the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

As further disclosed in Note 2, the Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, are confident that the Company and the Group should be in a position to have adequate financial resources to continue in operational existence for a period of twelve months from the date the financial statements were approved by the Directors.

Directors' Report (continued)

For the year ended 31 December 2021

On completion of the disposal of its interest in Barruecopardo Joint Venture BV (which held the Barruecopardo Tungsten Mine at the time of the disposal) in early 2020, the Company received €6 million in cash. This has provided the business with sufficient cash resources to meet the Group's annual operating costs for the foreseeable future.

The future of the Company and the Group is also dependent on the successful future outcome of its exploration interests and the identification of additional assets in which to apply its cash resources. Additional resources may be required to bring such interests into production.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Corporate Governance

The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group. The London Stock Exchange's AIM Rule 26 requires that each AIM company must include on its website details of a recognised Corporate Governance Code that the Board of Directors has decided to apply, how the Company complies with that Code, and where it departs from its chosen Corporate Governance Code an explanation of the reasons for doing so.

The Ormonde Board of Directors has elected to apply the Quoted Companies Alliance Corporate Governance Code ("the QCA Code"). The QCA Code is constructed around ten broad principles and a set of disclosures that focus on the pursuit of growth in the medium to long-term, and a dynamic management framework accompanied by good communication to promote confidence and build trust. A detailed report on Ormonde's corporate governance practices and related disclosure under each of these ten principles is posted on the corporate governance page of the Company's website.

The Board is responsible for the supervision and control of the Company and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has three Directors, comprising two Non-Executive Directors and one Executive Director/CEO. The Board met formally on 16 occasions during the year ended 31 December 2021. An agenda and supporting documentation were circulated in advance of each meeting. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. Non-Executive Directors are not appointed for specific terms, with one third of Non-Executive Directors up for re-election each year, and each new Director is subject to election at the next Annual General Meeting following the date of appointment.

The following committees deal with the specific aspects of the Group affairs:

Audit Committee

This Committee comprises one Executive Director and one Non-Executive Director. The external auditors have the opportunity to meet with members of the Audit Committee without executive management present at least once a year. The duties of the Committee include the review of the accounting principles, policies and practices adopted in preparing the financial statements, external compliance matters and the review of the Group's financial results.

Nominations Committee

Given the current size of the Group a Nominations Committee is not considered necessary. The Board reserves to itself the process by which a new director is appointed.

Directors’ Report (continued)

For the year ended 31 December 2021

Technical & ESG Committee

The Technical & ESG Committee has three members of whom two are Non-Executive Directors, plus one Executive Director. The duties of the Committee are to provide technical oversight of developments on the Company’s projects and technical reviews of opportunities which may be under consideration by executive management from time to time. It also provides oversight of the Company’s management and performance of Environmental, Social and Governance matters, which the Board considers to be of paramount importance in the management and operational conduct of the Group.

Remuneration Committee

This Committee comprises two Non-Executive Directors. This Committee determines the contract terms, remuneration and other benefits of any Executive Directors, the Chair and the Non-Executive Directors. Further details of the Group's policies on remuneration, service contracts and compensation payments are given in the following Remuneration Committee Report.

The Group's policy on senior executive remuneration is designed to attract and retain individuals of the highest calibre who can bring their experience and independent views to the policy, strategic decisions and governance of the Group. In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other companies of similar size and scope. A key philosophy is that staff must be properly rewarded and motivated to perform in the best interests of the shareholders.

Total remuneration to Directors during the year ended 31 December 2021 was €309,250 (31 December 2020: €143,725).

	31 Dec '21	31 Dec '20
	€	€
Executive Directors		
Jonathan Henry	170,000	51,753
Brendan McMorrow (from Oct 2021)	10,000	-
Michael Donoghue (resigned February 2020)	-	9,180
Total Executive Directors' remuneration	**180,000**	**60,933**
Non-Executive Directors		
John Carroll (resigned March 2020)	-	4,285
Jonathan Henry (as NE Director to February 2020)	-	4,084
Richard Brown (appointed Feb 2020, resigned Sept 2021)	45,000	28,125
Tim Livesey (appointed February 2020, retired Sep 2021)	45,000	28,125
Brian Timmons (appointed June 2020)	39,250	18,173
Total Non-Executive Directors' remuneration	**129,250**	**82,792**
Total Directors' remuneration	**309,250**	**143,725**

Jonathan Henry served as Executive Chairman from February 2020 until his resignation in 2021.

Keith O'Donnell received no remuneration. The share options issued and held are noted earlier in the Directors' Report. Brendan McMorrow, Keith O'Donnell and Brian Timmons all received new share options in November 2021 (see details earlier in the Directors Report and Note 20).

Directors' Report (continued)

For the year ended 31 December 2021

Communications

The Group maintains regular contact with shareholders through publications such as the annual and interim reports, via press releases and the Group's website, www.ormondemining.com. The Directors and managers are responsive to shareholder telephone and e-mail enquiries throughout the year. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, directors and management to meet and exchange views. The 2021 AGM was held in person, in accordance with the COVID-19 pandemic regulations.

Environment

Ormonde recognises the importance of climate change and the effect that its business operations can have on the environment. The Group is committed to operating in an environmentally responsible manner and to minimising the impact from its activities.

Since the disposal of its interest in the Barruecopardo Tungsten Mine in Spain, the Group's activities and their potential environmental impact are currently limited, however Ormonde still seeks to ensure that it assesses its environment impact and seeks to minimise or offset any negative effects.

Internal Control

The Board is responsible for maintaining the Group's system of internal control to safeguard shareholders investments and Group assets. The Directors have overall responsibility for the Group's system of internal control and have delegated responsibility for the implementation of this system to executive management. This system includes financial controls that enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records.

The Group's system of internal financial control provides reasonable, though not absolute, assurance that assets are safeguarded, transactions authorised and recorded properly, and that material errors or irregularities are either prevented or detected within a timely period. Having made appropriate enquiries, the Directors consider that the system of internal financial, operational and compliance controls and risk management operated effectively during the period covered by the financial statements and up to the date on which the financial statements were signed.

The internal control system includes the following key features, which have been designed to provide internal financial control appropriate to the Group's businesses:

- budgets are prepared for approval by the Board;
- expenditure and income are compared to previously approved budgets;
- a detailed investment approval process which requires Board approval of all major capital projects and regular review of the physical performance and expenditure on these projects;
- all commitments for expenditure and payments are compared to previously approved budgets and are subject to approval by personnel designated by the Board; and
- the Directors, via the Audit Committee, review the effectiveness of the Group's system of internal financial control.

Accounting records

The measures taken by the Directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at its operational head office in Bracetown Business Park, Clonee, Co. Meath, Ireland.

Directors' Report (continued)

For the year ended 31 December 2021

Post balance sheet events

Other than disclosed in the financial statements, the Directors confirm that there have been no events since the end of the financial year which would require adjustment to or disclosure in the financial statements

Directors' Compliance Statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that Section arising from the Companies Act 2014, and tax laws ("relevant obligations"). The Directors confirm that:

- The requisite documentation has been drawn up setting out the Company's policies that in their opinion are appropriate with regards to such compliance;
- Appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- A review has been conducted, during the financial year, of those arrangements and structures.

Relevant Audit Information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant information of which the Group's statutory auditors are unaware.

Auditors

Pursuant to Section 383(2) of the Companies Act 2014, the auditors, Nexia Smith and Williamson (Ireland) Limited, will continue in office.

On behalf of the Board

____
Brian Timmons
Director

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Brendan McMorrow
Director

Date: 20 June 2022

Nexia Smith & Williamson

Independent Auditors' Report to the Members of Ormonde Mining plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ormonde Mining plc ("the parent company") and its subsidiaries (the "group") for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cashflows, the Company Statement of Cashflows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU IFRS").

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with EU IFRS as applied in accordance with the provisions of the Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and as regards the group financial statements Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority ("IAASA") as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our approach to the audit

Of the group's six reporting components, we subjected one to audit for group reporting purposes and one to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of that reporting component.

The components within the scope of our work represented 99% of the group loss before tax, and 99% of group net assets.

For the remaining four components, we performed an analysis at group level to re-examine our assessment that there were no significant risks of material misstatement within each of these.

Emphasis of matter - carrying value of the La Zarza exploration and evaluation assets, and carrying values of the parent company's investment in its subsidiaries and loans due to the parent company from its subsidiaries

We draw attention to Note 10 *Intangible Assets - Group*, which describes the group's plans for the disposal of the La Zarza assets amounting to €2.0 million and the possible impairment of the parent company's investment in, and amounts due from, its subsidiaries which would arise should the group's' intangible assets.

become impaired. Currently, there is no extant transaction agreed in respect of the La Zarza assets and there is a risk that the assets may be impaired in value. A material uncertainty therefore exists regarding the carrying value of these assets, which in turn causes a material uncertainty over the carrying value of the parent company's investment in, and amounts due from, its subsidiaries. The financial statements do not include any adjustments that may be necessary should the La Zarza assets become impaired in value or not realise their carrying value in any future sale event.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Carrying value of the La Zarza exploration and evaluation assets</u>

Description of the risks

As described in Note 10, the La Zarza exploration and evaluation assets form a significant part of the group's total assets. The assets comprise land and the results of early-stage exploration activity; the assets are classified as being held for sale. As at 31 December 2021, the book value of the assets is €2.0 million. There was an impairment charge of €0.4 million recorded in 2021. Currently, there is no extant transaction agreed in respect of the assets and there is no certainty that the assets will realise their book value.

Our response to the risk

In respect of these assets, our work included:

- discussed with management their plans for the disposal of the assets and their expectations of the likely proceeds
- confirmed continued ownership of the land by obtaining direct confirmation from the local land registry
- considered the land value by reference to the most recent valuation undertaken for taxation purposes
- considered the cumulative expenditure incurred to date in respect of the assets;
- considered whether the expenditure incurred in respect of the assets met the requirements of IFRS 6 for the recognition of exploration and evaluation assets;
- for the potential buyer of the assets, as identified to us by the directors, we have assessed their financial capacity, based on publicly available information;
- considered if there was a commercial rationale for the proposed purchase; and
- reviewed the steps taken to date to pursue the purchase of the assets

<u>Carrying values and impairment of the parent company's investment in its subsidiaries and amounts due to the parent company from its subsidiaries</u>

Description of the risk

As described in Note 10 any impairment of the group's intangible assets, including the La Zarza assets, would result in a corresponding impairment of the parent company's investments in its subsidiaries, together with amounts due from the subsidiaries.

We refer to the uncertainties relating to the carrying value of the La Zarza assets immediately above. The book value of the other intangible assets is immaterial and therefore any impairment of those assets would result in an immaterial impairment charge in the parent company.

Independent Auditors' Report to the Members of Ormonde Mining plc (continued)

Our response to the risk
We reviewed the recoverability of the parent company's investment in its subsidiaries and amounts due to the parent company from its subsidiaries by comparing the parent company's total investment in each subsidiary (comprising the cost of the investment in, and balance due from, that subsidiary) to the subsidiary's gross assets less third party liabilities.

Our application of materiality and an overview of the scope of our audit

The materiality for the group financial statements as a whole ("group materiality") was set at €316,000. This has been determined with reference to the benchmark of the group's net assets, which we consider to be one of the principal considerations for members of the company in assessing the group's performance. Group materiality represents 5% of the group's net assets.

The materiality for the parent company financial statements as a whole ("parent materiality") was set at €252,800. This has been determined with reference to the benchmark of the parent company's net assets as it exists only as a holding company for the group and carries on no trade with customers. Parent materiality represents the minimum of the 2% of the parent company's net assets and the group's performance materiality.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the assumptions used in the detailed budgets and forecasts prepared by management for the financial years ending 31 December 2023 and period ending 30 September 2023;
- Comparing the forecast results to those actually achieved in 2022 financial period so far;
- Reviewing bank statements to monitor the cash position of the group post year end, and obtaining an understanding of significant expected cash outflows (such as capital expenditure) in the forthcoming 12-month period;
- Considering the group's funding position and requirements; and
- Considering the sensitivity of the assumptions and re-assessing headroom after sensitivity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this Report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the Directors' Report is consistent with the financial statements;
- the Directors' Report has been prepared in accordance with applicable legal requirements;
- we have obtained all the information and explanations which we consider necessary for the purposes of our audit; and
- the accounting records of the group and the parent company were sufficient to permit the financial statements to be readily and properly audited, and the group and the parent company Statement of Financial Position are in agreement with the accounting records.

Matters on which we are required to report by exception:

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/Publications/Auditing-standards/Standards-Guidance-for-Auditors-in-Ireland/Description-of-the-auditor-s-responsibilities-for. This description forms part of our Auditors' Report.

Independent Auditors' Report to the Members of Ormonde Mining plc (continued)

The purpose of the audit work and to whom we owe our responsibilities

This Report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Damien Kealy
Statutory auditor

For and on behalf of
Nexia Smith and Williamson (Ireland) Limited

Chartered Accountants and Statutory Audit Firm
Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18

Date: 20 June 2022

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2021

	Notes	Year ended 31-Dec-21 €000's	Year ended 31-Dec-20 €000's
Turnover		**0**	**0**
Administration expenses		(1,194)	(1,119)
Impairment of Asset classified as held for sale	10	(400)	0
Loss on ordinary activities		**(1,594)**	**(1,119)**
Finance costs		(24)	(17)
Loss for the year from continuing activities		**(1,618)**	**(1,136)**
Profit from discontinued operations	7	0	1,600
(Loss)/Profit for the year		**(1,618)**	**464**
Taxation on (loss)/profit		0	0
(Loss)/Profit for the Period after tax		**(1,618)**	**464**
Other comprehensive income			
Less: Reclassification of foreign currency gain on disposal of foreign operation		0	(1,600)
Total comprehensive (loss) for the period		**(1,618)**	**(1,136)**
Earnings per share from continuing operations			
Basic & diluted (loss) per share (in cent)	8	(0.34)	(0.24)
Total earnings per share			
Basic & diluted earnings/ (loss) per share (in cent)	8	(0.34)	0.10

All (losses)/profits and total comprehensive loss for the year are attributable to the equity holders of the Company. The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 20 June 2022 and signed on its behalf by:

On behalf of the Board

Brian Timmons **Brendan McMorrow**

Director **Director**

Consolidated Statement of Financial Position

as at 31 December 2021

	Notes	31-Dec-21 €000's	31-Dec-20 €000's
Assets			
Non-current assets			
Intangible assets	10	309	295
Total Non-Current Assets		**309**	**295**
Current assets			
Trade and other receivables	14	93	58
Asset classified as held for sale	13	2,000	2,400
Cash & cash equivalents	15	3,746	4,965
Total Current Assets		5,839	7,423
Total Assets		**6,148**	**7,718**
Equity & liabilities			
Capital and Reserves			
Issued capital	17	4,725	4,725
Share premium account	17	29,932	29,932
Share based payment reserve	18	281	283
Capital conversion reserve fund	18	29	29
Capital redemption reserve fund	18	7	7
Retained losses	19	(29,013)	(27,469)
Equity attributable to the Owners of the Company		5,961	7,507
Current Liabilities			
Trade & other payables	16	187	211
Total Liabilities		**187**	**211**
Total Equity & Liabilities		**6,148**	**7,718**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 20 June 2022 and signed on its behalf by:

On behalf of the Board

Brian Timmons
Director

Brendan McMorrow
Director

Company Statement of Financial Position

as at 31 December 2021

	Notes	31-Dec-21 €000's	31-Dec-20 €000's
Assets			
Investment in subsidiaries and associates	12	443	443
Total Non-Current Assets		**443**	**443**
Current assets			
Trade and other receivables	14	2,155	2,498
Cash & cash equivalents	15	3,740	4,951
Total Current Assets		5,895	7,449
Total Assets		**6,338**	**7,892**
Equity & Liabilities			
Capital and Reserves			
Issued capital	17	4,725	4,725
Share premium account	17	29,932	29,932
Share based payment reserve	18	281	283
Capital conversion reserve fund	18	29	29
Capital redemption reserve fund	18	7	7
Retained losses	19	(28,935)	(27,399)
Equity attributable to the Owners of the Company		6,039	7,577
Current Liabilities			
Trade & other payables	16	299	315
Total Liabilities		**299**	**315**
Total Equity & Liabilities		**6,338**	**7,892**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 20 June 2022 and signed on its behalf by:

On behalf of the Board

Brian Timmons
Director

Brendan McMorrow
Director

Consolidated Statement of Cashflows

for the year ended 31 December 2021

	Notes	Year ended 31-Dec-21 €000's	Year ended 31-Dec-20 €000's
Cashflows from operating activities			
Loss for the year before taxation			
Continuing operations		(1,618)	(1,136)
Discontinued operations		0	1,600
		(1,618)	**464**
Adjustments for:			
Reclassification of foreign exchange gain		0	(1,600)
Impairment of Asset classified as held for sale		400	0
Share Option expense		72	19
		(1,146)	**(1,117)**
Movement in Working Capital			
Movement in receivables		(35)	320
Movement in liabilities		(24)	(358)
Net Cash used in operations		**(1,205)**	**(1,155)**
Investing activities			
Expenditure on intangible assets		(14)	(10)
Proceeds from disposal of associate		0	6,000
Net cash (used in)/generated from investing activities		**(14)**	**5,990**
Net (decrease)/increase in cash and cash equivalents		**(1,219)**	**4,835**
Cash and cash equivalents at the beginning of the year	**15**	**4,965**	**130**
Cash and cash equivalents at the end of the year	**15**	**3,746**	**4,965**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

Company Statement of Cashflows

for the year ended 31 December 2021

	Notes	Year ended 31-Dec-21 €000's	Year ended 31-Dec-20 €000's
Cashflows from operating activities			
Loss for the year before taxation		(1,610)	(1,353)
Non cash items: Share Option expense		72	19
Cashflow from operating activities		**(1,538)**	**(1,334)**
Movement in Working Capital			
Movement in debtors		343	6,331
Movement in creditors		(16)	(166)
Net Cash (used in)/generated from operating activities		**(1,211)**	**4,831**
Net (decrease)/increase in cash and cash equivalents		**(1,211)**	**4,831**
Cash and cash equivalents at the beginning of the year	**15**	**4,951**	**120**
Cash and cash equivalents at the end of the year	**15**	**3,740**	**4,951**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2021

	Share Capital €000's	Share Premium €000's	Share based Payment Reserve €000's	Other Reserves €000's	Retained Losses €000's	Total €000's
Balance at 1 January 2020	**13,485**	**29,932**	**837**	**1,636**	**(37,265)**	**8,625**
Loss for the year	-	-	-	-	(1,136)	**(1,136)**
Reclassification of foreign currency gain on disposal of foreign operation	-	-	-	(1,600)	1,600	**0**
Total comprehensive income for the year	***0***	***0***	***0***	***(1,600)***	***464***	***(1,136)***
Release relating to expired share options	-	-	(572)	-	572	**0**
Employee share-based compensation	-	-	18	-	-	**18**
Cancellation of shares (see Note 17)	(8,760)	-	-	-	8,760	**0**
Balance at 31 December 2020	**4,725**	**29,932**	**283**	**36**	**(27,469)**	**7,507**
Loss for the year	-	-	-	-	(1,618)	**(1,618)**
Total comprehensive income for the year	***0***	***0***	***0***	***0***	***(1,618)***	***(1,618)***
Release relating to expired share options	-	-	(74)	-	74	**0**
Employee share-based compensation	-	-	72	-	-	**72**
Balance at 31 December 2021	**4,725**	**29,932**	**281**	**36**	**(29,013)**	**5,961**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 December 2021

	Share Capital €000's	Share Premium €000's	Share based Payment Reserve €000's	Other Reserves €000's	Retained Losses €000's	Total €000's
Balance at 1 January 2020	**13,485**	**29,932**	**837**	**36**	**(35,379)**	**8,911**
Loss for the year	-	-	-	-	(1,352)	**(1,352)**
Total comprehensive income	**13,485**	**29,932**	**837**	**36**	**(36,731)**	**7,559**
Release relating to expired share options	-	-	(572)	-	572	**0**
Employee share-based compensation	-	-	18	-	-	**18**
Cancellation of shares (see Note 17)	(8,760)	-	-	-	8,760	**0**
Balance at 31 December 2020	**4,725**	**29,932**	**283**	**36**	**(27,399)**	**7,577**
Loss for the year	-	-	-	-	(1,610)	**(1,610)**
Total comprehensive income	**4,725**	**29,932**	**283**	**36**	**(29,009)**	**5,967**
Release relating to expired share options	-	-	(74)	-	74	**0**
Employee share-based compensation	-	-	72	-	-	**72**
Balance at 31 December 2021	**4,725**	**29,932**	**281**	**36**	**(28,935)**	**6,039**

The accompanying notes on pages 25 to 44 form an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

Ormonde Mining plc (the "Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Company is listed on AIM, part of the London Stock Exchange and the Euronext Growth Market in Dublin.

The Group and Company financial statements were authorised for issue by the Directors on 20 June 2022.

Basis of preparation

The financial statements have been prepared on the historical cost basis, other than for disposal groups and held for sale assets as described below. The accounting policies have been applied consistently to all financial periods presented in the Consolidated Financial Statements.

Statement of Compliance

As permitted by the European Union the Group financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the EU ("EU IFRS"). The individual financial statements of the Company ("Company Financial Statements") have been prepared in accordance with EU IFRS and as applied in accordance with the Companies Act, 2014, which permits a company, that publishes its company and group financial statements together, to take advantage of the exemption in Section 304(2) of the Companies Act 2014, from presenting to its members its Company Statement of Comprehensive Income and related notes that form part of the approved Company Financial Statements.

The EU IFRS as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 December 2021.

New accounting standards and interpretations for the year ended 31 December 2021

A number of new accounting standards' amendments and interpretations apply from 1 January 2021; however, they had no material impact on the financial statements.

At the date of the authorization of these financial statements, the following revised accounting standards which have been issued but are not yet effective include:

- IAS 16 Property, Plant and Equipment – effective 1 January 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - effective 1 January 2022
- IAS 1 Presentation of Financial Statements - effective 1 January 2023
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – effective 1 January 2023
- IAS 12 Income Taxes (amended) – effective 1 January 2023

There would not have been a material impact on the financial statements if these standards had been applied in the current year.

Functional and Presentation Currency

These Consolidated Financial Statements are presented in Euro (€), which is the Company's functional currency.

Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making estimates about carrying values of assets and liabilities that are not readily apparent from other sources. In particular, there are significant areas of estimation and in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following area:

- Note 10 and Note 13- Intangible Assets: The Directors have estimated the fair value of the La Zarza Project at €2.0m.

Use of Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following area:

- Note 13 Assets classified as held for sale– Group: The Directors have used judgements in relation to the sale of the La Zarza Project which is shown as an Asset Classified as Held for Sale.
- Note 14 Trade and Other Receivables - Amounts owed by Group undertakings.

Consolidation

The Consolidated Financial Statements comprise the financial statements of Ormonde Mining plc and its subsidiaries for the year ended 31 December 2021.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and transactions including any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements, except to the extent that they provide evidence of impairment.

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, and non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an investment, depending on the level of influence retained.

The statutory financial statements of subsidiary companies have been prepared under the accounting policies applicable in their country of incorporation with adjustments made to the results and financial position of such companies to bring their accounting policies into line with those of the Group for consolidation purposes.

Accounting for associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in the Statement of Other Comprehensive Income is recognised in the Group Statement of Other Comprehensive Income with a corresponding adjustment to the carrying amount of the investment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss)' of associates in the Statement of Comprehensive Income.

Investment in associates is shown separately on the Statement of Financial Position.

Discontinued operations

A discontinued operation is a component of the business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of income and statement of cash flows are reclassified as if the operation had been discontinued from the start of the comparative period.

Assets and liabilities are classified as held for sale if it is highly probable that the carrying value will be recovered through a sale transaction within one year rather than through continuing use. When reclassifying assets and liabilities as held for sale, the Company recognises the assets and liabilities at the lower of their carrying value and fair value less selling costs. Assets held for sale are not depreciated but tested for impairment. Impairment losses on assets and liabilities held for sale are recognised in the statement of income.

Accounting for subsidiaries

Investments in subsidiaries are shown in the Company's own Statement of Financial Position. Investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

Exploration and Evaluation Assets

In accordance with International Financial Reporting Standard 6 - Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include license costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licenses not in production is capitalised and is carried forward in the Statement of Financial Position under intangible assets in respect of each area of interest where:

(i) the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or not of economically recoverable reserves; or

(ii) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which is considered representative of the residual value of the Group's interest therein.

Impairment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment	33% Straight line
Fixtures and fittings	33% Straight line

The residual value and useful lives of the property, plant and equipment are reviewed annually and adjusted if appropriate at each Statement of Financial Position date.

On disposal of property, plant and equipment the cost and the related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Statement of Comprehensive Income.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Foreign Currencies

Ormonde’s reporting currency and the functional currency of the majority of its operations is the Euro as this is assessed to be the principal currency of the economic environment in which it operates.

(i) Foreign currency transactions: Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year-end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income.

(ii) Translation of financial statements: For the purposes of consolidation, assets and liabilities of Group companies whose functional currency is in a currency other than the Euro are translated into Euros using year-end exchange rates, while their statements of income are translated using average rates of exchange for the year. Translation adjustments are included as a separate component of shareholders' equity and have no consolidated statement of income impact to the extent that no disposal of the foreign operation has occurred. Where an intragroup balance is, in substance, part of the Group's net investment in an entity, exchange gains and losses on that balance are taken to the currency translation reserve. Cumulative translation differences are recycled from equity and recognised as income or expense on disposal of the operation to which they relate.

Share Based Payments

The fair value of share options granted to directors and employees under the Company's share option scheme is recognised as an expense with a corresponding credit to the share-based payment reserve. The fair value is measured at grant date and spread over the period during which the awards vest. The fair value is measured using the Black-Scholes-Merton formula.

The options issued by the Group are subject to both market-based and non-market-based vesting conditions. Market conditions are included in the calculation of fair value at the date of the grant. Non-market vesting conditions are not taken into account when estimating the fair value of awards as at grant date; such conditions are taken into account through adjusting the equity instruments that are expected to vest.

The reserves relating to lapsed options are transferred to the profit and loss reserve; the cumulative charge for any forfeited options is credited to the Income Statement.

The proceeds received net of any directly attributable transaction costs will be credited to share capital (nominal value) and share premium when options are converted into ordinary shares.

Share Capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a reduction in equity.

Earnings per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Operating Leases

A right of use asset and a lease liability has been recognized for all leases except leases of low value assets, which are considered to be those with a fair value below €5,000, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Group will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Financial Instruments

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise of cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of Statement of Cashflows.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For trade receivables, the Group applies the simplified approach permitted by IFRS 9 'Financial Instruments', which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under the insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Revenue recognition

Revenue represents the value of the consideration received or receivable for the provision of management services in respect of overseas mines. Revenue is recorded at invoice value, net of discounts, allowances and rebates and excludes value added tax. Revenue is recorded on a straight-line basis as these contracted services are provided. Revenue is recorded when there are no unfulfilled obligations on the part of the Group, and recoverability of the revenue is certain. There was no revenue in the current year.

2. Going Concern

The Group’s total comprehensive income was a deficit of €1,618,000 and it had cash and cash equivalents of €3,746,000 as at 31 December 2021. The Directors are in a position to manage the activities of the Group such that existing funds available to the Group will be sufficient to meet the Group's obligations and continue as a going concern for a period of at least 12 months from the date of approval of the financial statements.

On that basis, the Directors do not consider that a material uncertainty exists in relation to going concern and have deemed it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

The Directors have carefully considered the impact of the COVID-19 pandemic, noting the disruption caused to certain activities. The Group is currently seeking new investment opportunities and this disruption has had a negative effect on this search, including impacting due diligence in relation to shortlisted projects. The Group is also looking to conclude the sale of its La Zarza assets, which have a book value of €2 million (see details in Note 13).

3. Segment Information

In the opinion of the Directors, the operations of the Group comprise one class of business, being the exploration and development of mineral resources. The Group's main operations are currently located in Spain. The information reported to the Group's Chair, who is the chief operating decision maker, for the purposes of resource allocation and assessment of segmental performance is specifically focused on the exploration areas in Spain.

It is the opinion of the Directors, therefore, that the Group has only one reportable segment under IFRS 8 Operating Segments, which is exploration carried out in Spain. Other operations "Corporate" includes cash resources held by the Group and other operational expenditure incurred by the Group. These assets and activities are not within the definition of an operating segment. Information regarding the Group's reportable segment is presented below.

Segment Revenues and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	2021	2020
	€000's	€000's
Segment Revenue	**-**	-
Segment (Loss)		
Exploration - Spain	**(1,618)**	(1,136)
Total for continuing operations	**(1,618)**	(1,136)
Profit on discontinued operations	**-**	1,600
(Loss)/Profit for year	**(1,618)**	464
Reclassification of foreign currency gain on disposal of foreign operation	**-**	(1,600)
Consolidated comprehensive loss for the year	**(1,618)**	(1,136)

Segment Assets and Liabilities

Segment Assets	**2021**	2020
	€000's	€000's
Corporate - Group asset	**3,739**	4,950
Exploration - Spain	**2,409**	2,768
Consolidated assets	**6,148**	7,718
Segment Liabilities		
Corporate - Group liabilities	**175**	199
Exploration - Spain	**12**	12
Consolidated liabilities	**187**	211

Other segment information

	Depreciation & Amortization		Additions to Non-Current Assets	
	2021	2020	**2021**	2020
	€000's	€000's	**€000's**	€000's
Exploration - Spain	**0**	0	**14**	10

Revenue from major products and services

There was no revenue in either 2021 or 2020.

Geographical information

The Group operates in two principal geographical areas - Ireland (country of residence of Ormonde Mining plc) and Spain (country of residence of Ormonde España S.L.U., Ormonde Mineria Iberica S.L.U., Valomet S.L.U. (currently non-operational) and Orillum S.L.U.). The Group also includes a holding company, Ormonde Mining BV which is incorporated in The Netherlands, the holding company for an associate investment with operations in Spain which was disposed of in early 2020.

Information about the Group's non-current assets by geographical location are detailed below:

	Non-Current Assets	
	2021	2020
	€000's	€000's
Ireland	**-**	-
Spain	**309**	295
	309	295

4. Statutory Information

	2021	2020
	€000's	€000's
The loss for the financial year is stated after charging:		
Impairment of Assets classified as held for sale	**400**	-
Directors remuneration	**310**	144
Share based option expense	**72**	18
Auditors' remuneration	**28**	27
Auditors' remuneration from non-audit work	**2**	2

As permitted by Section 304 of the Companies Act 2014, the Company Income Statement and Statement of Other Comprehensive Income have not been separately presented in these financial statements.

5. Employees

Number of employees

The average monthly numbers of employees (including the Directors) during the year were:

	2021 Number	2020 Number
Directors	**3**	4
Administration /Technical	**4**	3
	7	7

Employment costs (including the Directors)	**2021 €000's**	2020 €000's
Wages and salaries	**580**	418
Social welfare	**29**	35
	609	453

6. Key Management Compensation

Key management includes the Directors of the Company, all members of the Company's management, and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

	2021 €000's	2020 €000's
Salaries and other short-term employee benefits	**540**	360

On 14 May 2020, the key management at the time received the following share options, all exercisable at €0.01 each. The share options vest 1/3 on 13 May 2020 and the remaining amounts evenly on 13 May 2021 & 2022. The options are exercisable for a 10 year period to 13 May 2030.

Jonathan Henry	5,500,000 (expired after leaving the Company in September 2021)
Tim Livesey	2,500,000 (expired after leaving the Company in September 2021)
Richard Brown	2,500,000 (expired after leaving the Company in September 2021)
Paul Carroll	3,000,000 (expires on 25 October 2023)
Fraser Gardiner	3,000,000 (expired after leaving the Company in December 2021)

In addition, on 18 November 2021, the key management received the following share options, all exercisable at €0.011 each. The share options vest 50% on 18 November 2021 and the remaining 50% on 18 November 2022. The options are exercisable for a 10-year period to 17 November 2031.

Brian Timmons	3,000,000
Brendan McMorrow	2,500,000
Keith O'Donnell	2,500,000

Detailed Directors' emoluments are shown in the Directors' report.

7. Discontinued Operations

The post-tax loss on discontinued operations was determined as follows:

	2021	2020
	€000's	€000's
Reclassification of foreign currency gain on disposal of foreign operation	**-**	1,600
	-	1,600

8. Earnings Per Share

Basic earnings per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

		2021	2020
		€000's	€000's
(Loss)/profit for the year attributable to equity holders of the parent:			
From continuing operations		**(1,618)**	(1,136)
From discontinuing operations		**-**	1,600
		(1,618)	464
Weighted average number of ordinary shares for the purposes of basic earnings per share:	**Shares**	**472,507,482**	472,507,482
From continuing operations	**€ (cents)**	**(0.34)**	(0.24)
From discontinuing operations	**€ (cents)**	**-**	0.34
Basic (loss)/profit per ordinary share	**€ (cents)**	**(0.34)**	0.10

Diluted earnings per share

For the years ended 31 December 2021 and 31 December 2020 the basic and diluted EPS are the same. Please see Note 20 for details on outstanding share options.

9. Income Tax Expense

	2021 €000's	2020 €000's
Current tax		
Current tax expense in respect of the current year	-	-
Total tax charge	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 12.5% to the loss before tax is as follows:

	2021 €000's	2020 €000's
Loss from continuing operations	**(1,618)**	(1,136)
Income tax expense calculated at 12.5% (31 Dec 20: 12.5%)	**(202)**	(142)
Effects of:		
Impairment on intangible assets	**-**	-
Deferred tax assets not recognised	**202**	142
Income tax expense recognised in the profit or loss	**-**	-

The tax rate used for the year end reconciliations above is the corporate rate of 12.5% payable by entities in Ireland on taxable profits under tax law in that jurisdiction.

At 31 December 2021, the Company had unused tax losses of €11,531,831 (2020: €9,913,804) available for offset against future profits which equates to a deferred tax asset of €1,441,479 (2020: €1,239,226) based on the current corporation tax rate of 12.5% in Ireland. No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

Tax losses on the disposal of the Group's interest in Barruecopardo Joint Venture BV in the Dutch subsidiary are deemed to be non-recoverable and so are excluded from this note. Tax losses of the other overseas subsidiaries are also deemed to be unrecoverable.

10. Intangible Assets - Group

	Exploration & Evaluation Assets €000's
Cost	
At 1 January 2020	2,685
Additions	10
Impairment	-
At 31 December 2020	**2,695**
Additions	**14**
Impairment	**(400)**
At 31 December 2021	**2,309**

	2021 €000's	2020 €000's
Classified as:		
Held for sale (Note 13)	**2,000**	2,400
Non-current assets	**309**	295
	2,309	2,695

Expenditure on exploration and evaluation activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. No amortisation has been charged in the period. The Directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated at 31 December 2021.

The recoverability of the intangible assets is dependent on the future realisation or disposal of the mineral resources and related assets.

The Company has, for some time, been advancing a disposal process in relation to certain land and data assets associated with the La Zarza Project, located in south-west Spain. Based on the information available at the time of signing these financial statements, the Directors have estimated a fair value for these assets of €2.0m, with the assets represented in the financial statements as "Assets held for sale". While the Directors believe this estimation to be reasonable, there is no binding agreement presently in place relating to this disposal process and as a result there remains a material uncertainty as to whether such a disposal will take place and/or the final price at which any such disposal will complete. Were a disposal not to materialise the assets held for sale could become impaired in value and while this would not impact the Company's day to day business it could result in an inability to repay certain intergroup loans.

In relation to the non-current assets totaling €309k, which are intangible assets relating to various gold licenses the Group has an interest in, the Group has applied for renewal of these exploration licenses and intends to undertake on-site exploration activity on the licenses, assuming they are renewed. As any planned exploration activities have been affected as a result of the pandemic, it is possible that the application for licenses' renewal may be declined, which would result in the licenses becoming impaired.

Any impairment of the Group's assets would also result in a corresponding impairment of the Company's investment in subsidiaries, currently valued at €443,000, together with amounts due from subsidiaries of an amount totaling €2,079,000 at year end.

The Directors have recorded an impairment charge of €400,000 in respect of Assets classified as held for sale for the year ended 31 December 2021 (31 December 2020: €nil).

11. Property, Plant and Equipment - Group

	Fixtures & Fittings €000's	Computer Equipment €000's	Total €000's
Cost			
At 1 January 2020	2	16	18
At 31 December 2021	**2**	**16**	**18**
Accumulated Depreciation			
At 1 January 2020	2	16	18
Depreciation charge	-	-	-
At 31 December 2021	**2**	**16**	**18**
Net Book Value			
At 31 December 2021	**-**	**-**	**-**
At 31 December 2020	-	-	-

Property, Plant and Equipment - Company

	Fixtures & Fittings €000's	Computer Equipment €000's	Total €000's
Cost			
At 1 January 2020	2	16	18
At 31 December 2021	**2**	**16**	**18**
Accumulated Depreciation			
At 1 January 2020	2	16	18
Depreciation charge	-	-	-
At 31 December 2021	**2**	**16**	**18**
Net Book Value			
At 31 December 2021	**-**	**-**	**-**
At 31 December 2020	-	-	-

12. Financial Assets – Group

Investment in Associate	**2021**	2020
	€000's	€000's
Cost		
At 1 January 2020	**-**	6,000
Investment disposal	**-**	(6,000)
	-	-

In 2020 the Group sold its associate investment for the book value of €6,000,000

Associate	Activity	Incorporated in	Proportion of ownership held
Barruecopardo Joint Venture BV	Mineral Extraction	The Netherlands	30% (sold in 2020)

Financial Assets – Company (continued)

	Subsidiary Undertakings €000's
Cost	
At 1 January 2020	15,152
At 31 December 2020	15,152
At 31 December 2021	**15,152**
Accumulated amortisation and impairment	
At 1 January 2020	(14,709)
Impairment losses recognised in profit and loss	-
At 31 December 2020	(14,709)
Impairment losses recognised in profit and loss	-
At 31 December 2021	**(14,709)**
Net book values	
At 31 December 2021	**443**
At 31 December 2020	443

Subsidiary	Activity	Incorporated in	Proportion of ownership interest and voting power held	
			2021	2020
Ormonde España, S.L.U.	Mineral Exploration	Spain	100%	100%
Orillum S.L.U.	Mineral Exploration	Spain	100%	100%
Ormonde Mineria Iberica, SLU	Mineral Exploration	Spain	100%	100%
Valomet SLU	Mineral Exploration	Spain	100%	100%
Ormonde Mining BV	Holding Company	The Netherlands	100%	100%

The value of the investments is dependent on future realisation or disposal. Should the future realisation or disposal prove unsuccessful, the carrying value in the Statement of Financial Position will be written off. In the opinion of the Directors the carrying value of the investments at 31 December 2021 is appropriate.

Financial Assets – Company (continued)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit/(loss) for the year ended on that date for the subsidiary undertakings were as follows:

Subsidiary	**Aggregate of share capital and reserves €'000**	**Profit/ (loss) €'000**
Ormonde España SLU	(2,823)	(446)
Orillum SLU	(287)	(28)
Ormonde Mineria Iberica SLU	(359)	(12)
Valomet SLU	(78)	0
Ormonde Mining BV	131	0

13. Assets Classified as Held for Sale

	2021 €000's	2020 €000's
Intangible assets (see Note 10)	**2,000**	2,400
	2,000	2,400

14. Trade and Other Receivables

	Group 2021 €000's	Group 2020 €000's	**Company 2021 €000's**	Company 2020 €000's
Amounts falling due within one year:				
Trade debtors	**-**	-	**-**	-
Amounts owed by Group undertakings	**-**	-	**2,079**	2,457
Other debtors	**34**	25	**18**	8
Prepayments and accrued income	**59**	33	**58**	33
	93	58	**2,155**	2,498

All receivables are current and there have been no impairment losses during the year in the Group accounts (2020: Nil). In the Company accounts there is a write down in the receivable from Group undertakings of €493,412 in the current year. The Company amounts receivable under "amounts owed by Group undertakings" are dependent on the Group undertakings realising values for the assets they currently hold (see Note 10).

In the opinion of the directors, the amounts owed by Group undertakings arise in the ordinary course of business to fund group companies. The balances contain no fixed repayment terms so as such are repayable on demand and are considered interest free. As a result, these balances are classified in the Statement of Financial Position as being current assets in accordance with EU IFRS.

15. Cash and Cash Equivalents

	Group 2021 €000's	Group 2020 €000's	**Company 2021 €000's**	Company 2020 €000's
Cash at bank	**3,746**	4,965	**3,740**	4,951

16. Trade and Other Payables

	Group 2021 €000's	Group 2020 €000's	**Company 2021 €000's**	Company 2020 €000's
Trade creditors	**91**	47	**91**	47
Amounts owed to Group undertakings	-	-	**124**	116
Other taxes and social welfare costs	**15**	16	**15**	16
Accruals and deferred income	**81**	148	**69**	136
	187	211	**299**	315

The Group's exposure to currency and liquidity risks related to trade and other payables is set out in Note 23.

In the opinion of the directors, the amounts owed to Group undertakings arise in the ordinary course of business to fund group companies. The balances contain no fixed repayment terms so as such are repayable on demand and are considered interest free. As a result, these balances are classified in the Statement of Financial Position as being current liabilities in accordance with EU IFRS.

17. Share capital - Group and Company

	31 Dec '21 €000's	31 Dec '20 €000's	1 Jan '20 €000's
Authorised equity			
950,000,000 Ordinary Shares of €0.01 each	**9,500**	6,500	6,500
100,000,000 Deferred Shares of €0.038092 each	**-**	-	3,809
650,000,000 "A" Deferred Shares of €0.015 each	**-**	-	9,750
	9,500	6,500	20,059
Issued capital			
Share capital	**4,725**	4,725	13,485
Share premium	**29,932**	29,932	29,932
	34,657	34,657	43,417
Issued capital comprises:			
472,507,482 Ordinary Shares of €0.01 each	4,725	4,725	4,725
Nil (2020: 43,917,841) Deferred Shares of €0.038092 each	-	-	1,673
Nil (2020: 472,507,483) "A" Deferred Shares of €0.015 each	-	-	7,087
	4,725	4,725	13,485

In July 2020, all the Deferred Shares and all the "A" Deferred Shares were cancelled, at nominal value, by the Company. There was no consideration paid by the Company for this transaction.

The authorised share capital was increased by 300,000,000 ordinary shares of €0.01 each during the year by a Special Resolution with notification to the Companies Registration Office.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain future developments of the business. There were no changes in the Group's approach to capital management during the year. The Group deems its shareholders' funds to be its capital.

It is Group policy to incentivise the Directors through the award of share options. At the year end, the Directors in place at that time held 0% of issued ordinary shares, or 1.16% assuming that all outstanding share options vest and are exercised. The upper limit on the number of share options that can be granted under the share option scheme, including options granted under the existing scheme (see Note 20), is 10% of issued share capital.

18. Other Reserves - Group and Company

	Share Based Payment Reserve €000's	Capital Conversion Reserve €000's	Capital Redemption Reserve €000's	Foreign Currency Translation Reserve €000's
Balance as 1 January 2020	837	29	7	1,600
Shared based payment	18	-	-	-
Release relating to expired share options	(572)	-	-	-
Foreign exchange adjustments	-	-	-	(1,600)
Balance at 31 December 2020	283	29	7	-
Balance at 1 January 2021	283	29	7	-
Shared based option expense	72	-	-	-
Release relating to expired share options	(74)	-	-	-
Balance at 31 December 2021	**281**	**29**	**7**	**-**

a) Share based payment reserve
The share based payment reserve is used to capture the cumulative impact of options issued, exercised, disposed of and expired under the Group's Share Option Scheme – see details in Note 20.

b) Foreign currency translation reserve
The foreign currency translation reserve is used to capture the cumulative impact of foreign currency translation adjustments arising from the Group's non-Euro denominated functional currency subsidiaries.

19. Retained Losses

	Group 2021 €000's	Group 2020 €000's	**Company 2021 €000's**	Company 2020 €000's
Deficit at beginning of year	**(27,469)**	(37,265)	**(27,399)**	(35,379)
Transfer from reserves	**-**	1,600	**-**	-
Share based reserve adjustment	**74**	572	**74**	572
Cancellation of shares	**-**	8,760	**-**	8,760
Loss for the year	**(1,618)**	(1,136)	**(1,610)**	(1,352)
Deficit at end of year	**(29,013)**	(27,469)	**(28,935)**	(27,399)

In accordance with the provisions of the Irish Companies Act 2014, the Company has not presented the Company Statement of Comprehensive Income. The Company's loss for the period of €1.611 million (2020: loss of €1.352 million) has been dealt with in the Statement of Comprehensive Income of the Group.

20. Share-Based Payments

Employee share option plan

The Group has an ownership-based compensation scheme for directors and employees of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous general meeting, directors and employees may be granted options to purchase ordinary shares.

Each share option converts into one ordinary share of Ormonde Mining plc on exercise. A nominal amount is payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry, subject to certain vesting conditions.

There were 9,150,000 options granted during the year at an exercise price of €0.011 each. Half of these share options had vested before 31 December 2021, with the remaining options vesting 2022. No options were exercised during the year (2020: €nil) however, a number of options expired consequent upon Directors and executives leaving the Company – see note 6. An expense for the issue of these new share options was calculated using the Black-Sholes-Merton valuation method, using an expected life to November 2031, a standard deviation of 158.5%, a current share price of €0.008, an assumed risk rate of 1% and zero expected dividends.

The following reconciles the outstanding share options granted under the employee share option plan at the beginning and end of the financial year:

	31 Dec 2021		31 Dec 2020	
	Number of options 000's	**Weighted average exercise price**	Number of options 000's	Weighted average exercise price
Balance at beginning of the financial year	27,200	€0.016	15,825	€0.039
Expired during the financial year	(15,700)	€0.012	(5,125)	€0.069
Granted during the year	9,150	€0.011	16,500	€0.010
Balance at end of the financial year	**20,650**	**€0.017**	**27,200**	**€0.016**

Exercisable at end of the financial year	**15,075**	**€0.019**	**16,200**	**€0.017**

Balance at end of the financial year
The share options outstanding at the end of the financial year had the following exercise prices:

	Number of Share Options Outstanding 000's	Exercise Price
Option Series 7	5,850	€0.025
Option Series 8	2,650	€0.027
Option Series 9	3,000	€0.010
Option Series 10	9,150	€0.011
	20,650	

The options outstanding at 31 December 2021 had a remaining average contractual life of 7.7 years.

21. Related Party Transactions

Details of subsidiary undertakings are shown in Note 12. During the year, the Company lent the subsidiaries €111,000. The balances due from and to the subsidiaries, which are interest free and repayable on demand, are detailed in Note 14 and 16. The total balance owed at 31 December 2021 is €2,079,000. In the Company books there is an impairment charge of €493,412 on the receivable from Group undertakings in the year ending 31 December 2021, which consolidates out to €nil in the Group accounts.

22. Events After the Reporting Date

Other than those disclosed in the financial statements, there were no events after the reporting date that requires disclosure.

23. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout 2021 and 2020, the Group and Company's policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Company's financial instruments are credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group and Company's financial assets comprise receivables, cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its Consolidated Statement of Financial Position.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group.

The Group and Company's financial liabilities as at 31 December 2021 and 31 December 2020 were all payable on demand.

The expected maturity of the Group and Company's financial assets (excluding prepayments) as at 31 December 2021 and 31 December 2020 was less than one month.

The Group expects to meet its other obligations from operating cash flows. The Group further mitigates liquidity risk by maintaining an insurance programme to minimise exposure to insurable losses.

The Group had no derivative financial instruments as at 31 December 2021 and 31 December 2020.

Interest rate risk

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short-term deposits. As at year end, the Company was being charged interest on the majority of its funds held in current accounts.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses, as disclosed in the Consolidated Statement of Changes in Equity.

Fair values

The carrying amount of the Group and Company's financial assets and financial liabilities is a reasonable approximation of the fair value.

24. Approval of Financial Statements

The financial statements were approved by the Board on 20 June 2022.

Directors and other information

Directors	Brian Timmons (Non-Executive Director & Chairman) Brendan McMorrow (Executive Director & CEO) *(appointed 30 September 2021)* Keith O'Donnell (Non-Executive Director) *(appointed 30 September 2021)* Richard Brown (Non-Executive Director) *(resigned 30 September 2021)* Jonathan Henry (Executive Chair) *(resigned 30 September 2021)* Tim Livesey (Non-Executive Director) *(retired 30 September 2021)*
Registered Office	c/o Smith and Williamson Paramount Court Corrig Road Sandyford Business Park Dublin D18 R9C7
Secretary	Brendan McMorrow *(appointed 30 September 2021)* Paul Carroll (*resigned 30 September 2021*)
Group Auditors	Nexia Smith and Williamson (Ireland) Limited Chartered Accountants and Statutory Audit Firm Corrig Road, Sandyford Business Park, Dublin 18
Business Address	Bracetown Businress Park Clonee, Co. Meath Ireland D15 YN2P
Bankers	Allied Irish Bank plc Market Square, Navan Co. Meath La Caixa Centro de Empresas de Salamanca C. Rector Lucena 1137002 Salamanca

Ormonde Mining plc

	Spain
Solicitors	Mason Hayes & Curran Solicitors South Bank House, Barrow Street Dublin 4, Ireland Lex Iusta C/Hortaleza 81, 3 Izq. 28004 Madrid Spain
Brokers	NOMAD, Euronext Growth Advisor Broker & Financial Advisor Davy Davy House, 49 Dawson Street, Dublin 2, Ireland
Registrars	Computershare Investor Services (Ireland) Ltd 31000 Lake Drive Citywest Business Campus, Dublin 24 D24 AK82, Ireland
Financial PR	Vigo Consulting Limited Sackville House, 40 Piccadilly London W1J 0DR United Kingdom
Registered Number	96863 Republic of Ireland
Date of Incorporation	13 September 1983
Website	www.ormondemining.com