30 November 2020

**Conroy Gold and Natural Resources plc**
("Conroy Gold" or "the Company")

**FINAL RESULTS FOR THE YEAR TO 31 MAY 2020**

**NOTICE OF ANNUAL GENERAL MEETING**

Conroy Gold and Natural Resources plc (AIM: CGNR), the gold exploration and development company focused on Ireland and Finland, is pleased to report its audited accounts for the year to 31 May 2020.

**Highlights:**

- Joint Venture Heads of Terms signed with Anglo Asian Mining - Post Year End
- Ground geophysical survey at Clontibret gold deposit identified new geological and structural features
- The 2019 drill programme confirmed the size of the Slieve Glah target area and the potential of the overall licence area
- Significant additional funds raised

**Chairman, Professor Richard Conroy, commented:**

"Work continued throughout the year on the 65 km (40 mile) district scale gold trend which the Company has discovered. The excellent technical results were enhanced by the signing, in July, of Heads of Terms for a Joint Venture.

"We look forward to finalising Joint Venture arrangements and to developing our first mine and to further successful exploration on our other licences in Ireland and Finland."

**Final Results for the Year to 31 May 2020**

The full audited annual report and accounts for the year to 31 May 2020 ("Annual Report") can be viewed below:

Annual Report

The Annual Report will be posted to shareholders today and will be published on the Company's website (www.conroygold.com) today. Key elements can also be viewed at the bottom of this announcement.

**Annual General Meeting**

The annual general meeting of the Company ("AGM") will be held at 12 noon on 23 December 2020 at the Company's office 3300 Lake Drive, Citywest Business Campus, Dublin 24 D24 TD21. A copy of the notice of AGM will be able to be viewed shortly on the Company's website.

**Coronavirus (COVID-19) Impact on the AGM**

Given the current situation in relation to COVID-19, this year's AGM format will be a closed meeting and purely procedural in format. In addition, all resolutions will be taken on a poll (with votes cast by proxy). Shareholders should therefore not attend the AGM in person this year as to do so would be inconsistent with current government guidelines relating to COVID-19. Shareholders will still be able to vote by proxy using the usual online and postal facilities and further details on how to vote are set out in the Notice of AGM.


**For further information please contact:**

| | |
|---|---|
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| Professor Richard Conroy, Chairman | |
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| Don Hall | |

*Visit the website at: www.conroygold.com*

## Key Information Extracted from Annual Report

### *Chairman's Statement*

Excellent progress continued on the 65 km (40 mile) new district scale gold trend which the Company has discovered along the Orlock Bridge Fault Zone in north eastern Ireland. These excellent technical results were mirrored by the industry interest in the project shown at the Prospector's and Developers Association Conference ("PDAC") in Toronto, in March and, post year end, by the signing of Heads of Terms ("HoT") for a proposed Joint Venture with Anglo Asian Mining plc ("AAZ").

**Business Development**

The Company's objective of making a major economic mineral discovery is, with the discovery of a new district scale mineral resource, its recognition in the industry and the signing of HoT for the development of the first gold mine, well on its way to achievement.

The first gold mine planned, at Clontibret in Co Monaghan, is likely to be followed by a series of other gold mines along the trend as a number of other gold targets, some of them with a gold-in-soil footprint greater than Clontibret's, have already been discovered along the trend.

The Company's licences cover an area of over 800km2 and give exclusive rights to Conroy to apply for a mining lease or licence. Ireland is a mining friendly country with an established mining tradition and a favourable business climate. There is security of tenure combined with a fiscal framework and excellent infrastructure and technical services.

The then Irish Minister for Mines, Mr Sean Canney T.D., attended both the 2019 and the 2020 PDAC Conference and visited the Company's booth accompanied by members of his Department. Minister Canney confirmed the positive attitude of successive Irish Governments towards mining and praised the Irish mineral sector and the contribution it makes to the economy, pointing out that "Relying on distant resources (for minerals) is becoming untenable".

This attitude is echoed in Finland where the Company has promising exploration acreage for both gold and copper.

**Heads of Terms with Anglo Asian Mining plc**

Post year end, the Company entered into a non-binding Heads of Terms for an agreement regarding a proposed joint venture between the Company and AAZ. The joint venture's proposed goal is the development of a gold mine and further exploration of the series of gold targets along the trend that the Company has discovered in the Longford-Down Massif.

Under the HoT, it is proposed that AAZ will acquire an initial 17.5% working interest in a joint venture for committing to spend a minimum of €2 million on a Primary Expenditure Programme.

AAZ will have an option to increase its working interest to 25% by spending an additional €2 million to complete the Primary Expenditure Programme, with a combined minimum of €4 million.

Under the HoT, AAZ has the option to acquire a total of 55% working interest in exchange for committing to meet the necessary expenditures of the Secondary Expenditure Programme including drilling and other technical requirements, environmental studies, final feasibility studies, planning application and permission and mining permitting, land acquisition in order to advance the Clontibret Gold Deposit to mine construction ready status, and a further €3 million on exploration across the Company's other licences.

325,000 warrants to acquire ordinary shares in Conroy Gold at 16p were issued to AAZ with additional warrants proposed to be issued upon completion of the final Joint Venture Agreement. The initial 325,000 warrants were exercised by AAZ, as announced by the Company in November 2020.

The proposed joint venture remains subject to, inter alia, the completion of due diligence and the entering into of definitive documentation including the final joint venture agreement. In addition, the proposed joint venture, should it proceed on the basis anticipated under the HoT, will be subject to the Company seeking shareholder approval.

Conroy and AAZ continue to work towards the goal of entering into a definitive, final joint venture agreement, however, the COVID-19 pandemic and related restrictions has resulted in progress being slower than expected. The Company will provide further update announcements at the appropriate time.

**Exploration Results**

Exploration on the Company's licences in the Longford-Down Massif continued to yield excellent results during the year.

The results included gold antimony results from Clontibret, new gold mineralisation at Glenish and gold-in-bedrock at Slieve Glah. Results from a new geophysical survey are likely to be of particular value in relation to controls on high grade gold grades at Clontibret.

**COVID-19**

The onset of the COVID-19 pandemic impacted the Company's activities in the last quarter of the financial year. In accordance with the Irish Government's COVID-19 related public health measures and public health advice staff worked remotely.

Since the outbreak of the COVID-19 pandemic, the Company has taken necessary measures in accordance with Government guidelines to protect the health, safety and wellbeing of its employees, contractors and partners in Ireland and Finland. COVID-19 continues to limit field and laboratory work given the restrictions on operations and movement and other work also continues in relation to the Company's exploration and development programme.

Directors and executives took a 50% reduction in fees and salaries while technical and field staff took a 25% reduction in salaries.

**Financials**

The loss after taxation for the financial year ended 31 May 2020 was €677,380 (2019: €557,569) and the net assets as at 31 May 2020 were €17,645,315 (2019: €17,873,326). During the year, the Company raised €350,000 through the issue of Convertible Loan Notes and a further £302,500 through a placing and subscription of new ordinary shares in the Company. Full details are set out at Notes 13 and 14 in the Consolidated Financial Statements.

Post year end, the Company's cash resources have been supplemented by a placing and subscription of new ordinary shares to raise £800,000 at 25 pence per share, as announced by the Company in August 2020, and warrant exercises which have resulted in further funds of £455,333 being received between July 2020 and November 2020. The funds are being used to support activities in relation to the AAZ joint venture, to advance the Company's gold exploration activities in Finland and for general working capital purposes.

**Directors and Staff**

I would like to express my deep appreciation of the support and dedication of all the directors, consultants and staff which has made possible the continued progress and success which the Company has achieved. I am particularly pleased to welcome Howard M. Bird, a very distinguished geoscientist who, post year end, joined the Board as a Non-Executive Director.

**Future Outlook**

We are approaching a new era and I look forward to the Company continuing with its record of success in exploration and to the successful development of its first gold mine on the new district-scale gold trend which it has discovered in Ireland.

**Professor Richard Conroy**

*Chairman*

30 November 2020

## *Extract from the Independent Auditor's Report*

The following section is extracted from the Independent Auditor's Report but shareholders should read in full the Independent Auditor's Report contained in the Annual Report.

**Material uncertainty relating to going concern**

We draw your attention to Note 1 in the financial statements, which indicates that the Group incurred a loss in the financial year ended 31 May 2020 of €677,380 and, as of that date, the Group and Parent Company had net current liabilities of €4,338,318 and €3,981,670 respectively.

In response to this, we:

• Obtained an understanding of the Group's and Company's controls over the preparation of cash flow forecasts and approval of the projections and assumptions used in cash flow forecasts to support the going concern assumption, and assessed the design and determined the implementation of these controls;

• Evaluated the Directors' plans and their feasibility by challenging the key assumptions used in the cash flow forecast provided by agreeing the inputs to expenditure commitments and other supporting documentation;

• Obtained an understanding of Directors' plans to enable the Group and Parent Company to raise the funds required to meet the expenditure commitments of the Group and Parent Company;

• Inspected confirmations received by the Group and Parent Company from the Directors and former Directors that they will not seek repayment of amounts owed to them by the Group and Parent Company within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay;

• Inspected the confirmation received from Karelian Diamond Resources Plc that it does not intend to seek repayment of amounts owed by the Group and Parent Company within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay;

• Assessed the mechanical accuracy of the cash flow forecast model;

• Assessed the adequacy of the disclosures made in the financial statements.

• We obtained evidence of the post year end share issues supporting the cash flow projections for the Group and Parent Company.

As stated in Note 1, these events or conditions along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on Group’s and Parent Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Consolidated Income Statement for the financial year ended 31 May 2020

| | *Note* | **2020** | 2019 |
|---|---|---|---|
| | | **€** | € |
| **Continuing operations** | | | |
| Operating expenses | | **(677,380)** | (557,573) |
| Finance income – interest | | **-** | 4 |
| **Loss before taxation** | | **(677,380)** | (557,569) |
| Income tax expense | | **-** | - |
| **Loss for the financial year** | | **(677,380)** | (557,569) |
| ***Loss per share*** | | | |
| Basic loss per share | | **(0.0278)** | (0.0244) |
| Diluted loss per share | | **(0.0278)** | (0.0244) |

The total loss for the financial year is entirely attributable to equity holders of the Company.

## Consolidated statement of comprehensive income for the financial year ended 31 May 2020

| | **2020** | 2019 |
|---|---|---|
| | **€** | € |
| **Loss for the financial year** | **(677,380)** | (557,569) |

| | | |
|---|---|---|
| **Income recognised in other comprehensive income** | **-** | - |
| **Total comprehensive loss for the financial year** | **(677,380)** | (557,569) |

The total comprehensive loss for the financial year is entirely attributable to equity holders of the Company.

## Consolidated statement of financial position as at 31 May 2020

| | **31 May 2020** | 31 May 2019 As restated |
|---|---|---|
| | **€** | € |
| **Assets** | | |
| **Non-current assets** | | |
| Intangible assets | **22,330,743** | 21,772,045 |
| Property, plant and equipment | **10,692** | 11,347 |
| **Total non-current assets** | **22,341,435** | 21,783,392 |
| **Current assets** | | |
| Cash and cash equivalents | **117,270** | 77,299 |
| Other receivables | **89,948** | 106,181 |
| **Total current assets** | **207,218** | 183,480 |
| **Total assets** | **22,548,653** | 21,966,872 |
| **Equity** | | |
| **Capital and reserves** | | |
| Share capital presented as equity | **10,530,645** | 10,528,124 |
| Share premium | **13,084,647** | 12,727,194 |

| | | |
|---|---|---|
| Capital conversion reserve fund | **30,617** | 30,617 |
| Share-based payments reserve | **574,875** | 751,293 |
| Other reserve | **8,333** | - |
| Retained deficit | **(6,583,802)** | (6,163,902) |
| **Total equity** | **17,645,315** | 17,873,326 |
| **Liabilities** | | |
| **Non-current liabilities** | | |
| Convertible loans | **357,802** | - |
| **Total non-current liabilities** | **357,802** | - |
| **Current liabilities** | | |
| Trade and other payables | **3,885,704** | 3,541,714 |
| Related party loans | **659,832** | 551,832 |
| **Total current liabilities** | **4,545,536** | 4,093,546 |
| **Total liabilities** | **4,903,338** | 4,093,546 |
| **Total equity and liabilities** | **22,548,653** | 21,966,872 |

The financial statements were approved by the Board of Directors on 30 November 2020 and authorised for issue on 30 November 2020.

## Consolidated statement of changes in equity for the financial year ended 31 May 2020

| | Share capital | Share premium | Capital conversion reserve fund | Share- based payment reserve | Other reserve | Retained deficit | Total equity |
|---|---|---|---|---|---|---|---|
| | € | € | € | € | € | € | € |
| **Balance at 1 June 2019** | **10,528,124** | **12,727,194** | **30,617** | **751,293** | **-** | **(6,163,902)** | **17,873,326** |
| **Share issue *(see Note 14)*** | **2,521** | **357,453** | **-** | **-** | **-** | **-** | **359,974** |
| **Share issue costs** | **-** | **-** | **-** | **-** | **-** | **(16,420)** | **(16,420)** |
| **Share based payments** | **-** | **-** | **-** | **97,482** | **-** | **-** | **97,482** |
| **Conversion feature (convertible loans)** | **-** | **-** | **-** | **-** | **8,333** | **-** | **8,333** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Transfer from share-based payment reserve to retained deficit** | **-** | **-** | **-** | **(273,900)** | **-** | **273,900** | **-** |
| **Loss for the financial year** | **-** | **-** | **-** | **-** | **-** | **(677,380)** | **(677,380)** |
| **Balance at 31 May 2020** | **10,530,645** | **13,084,647** | **30,617** | **574,875** | **8,333** | **(6,583,802)** | **17,645,315** |

| | Share capital | Share premium | Capital conversion reserve fund | Share- based payment reserve | Other reserve | Retained deficit | Total equity |
|---|---|---|---|---|---|---|---|
| | € | € | € | € | € | € | € |
| Balance at 1 June 2018 | 10,524,488 | 12,174,285 | 30,617 | 995,489 | - | (5,850,529) | 17,874,350 |
| Share issue *(see Note 14)* | 3,636 | 552,909 | - | - | - | - | 556,545 |
| Transfer from share-based payment reserve to retained deficit | - | - | - | (244,196) | - | 244,196 | - |
| Loss for the financial year | - | - | - | - | - | (557,569) | (557,569) |
| Balance at 31 May 2019 | 10,528,124 | 12,727,194 | 30,617 | 751,293 | - | (6,163,902) | 17,873,326 |

## Consolidated statement of cash flows for the financial year ended 31 May 2020

| | **2020** | 2019 |
|---|---|---|
| | **€** | € |
| **Cash flows from operating activities** | | |
| Loss for the financial year | **(677,380)** | (557,569) |
| *Adjustments for:* | | |
| Depreciation | **1,884** | 1,885 |
| Share based payment | **97,482** | - |
| Interest expense | **16,135** | - |
| | **(561,879)** | (555,684) |
| Increase in payables | **339,762** | 341,326 |
| Decrease/(increase) in receivables | **16,233** | (33,883) |
| **Net cash used in operating activities** | **(205,884)** | (248,241) |
| **Cash flows from investing activities** | | |
| Expenditure on intangible assets | **(558,698)** | (771,759) |
| Purchase of property, plant and equipment | **(1,229)** | - |
| **Cash used in investing activities** | **(559,927)** | (771,759) |
| **Cash flows from financing activities** | | |
| Issue of share capital | **359,974** | 556,545 |
| Share issue costs | **(16,420)** | - |
| Proceeds from convertible loans issue | **350,000** | - |
| Advances from Karelian Diamond Resources P.L.C. | **45,046** | 89,397 |
| Payments to Karelian Diamond Resources P.L.C. | **(40,818)** | (148,293) |
| Advances from related parties | **108,000** | 366,489 |
| **Net cash provided by financing activities** | **805,782** | 864,138 |

| | | |
|---|---|---|
| **Increase/(decrease) in cash and cash equivalents** | **39,971** | (155,862) |
| **Cash and cash equivalents at beginning of financial year** | **77,299** | 233,161 |
| **Cash and cash equivalents at end of financial year** | **117,270** | 77,299 |

## Notes to the consolidated financial statements for the financial year ended 31 May 2020

### 1 Accounting policies

**Reporting entity**

Conroy Gold and Natural Resources P.L.C. (the "Company") is a company domiciled in Ireland. The consolidated financial statements of the Company for the financial year ended 31 May 2020 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group"). The Company is a public limited company incorporated in Ireland under registration number 232059. The registered office is located at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

**Basis of preparation**

The consolidated financial statements are presented in Euro ("€"). The € is the functional currency of the Company. The consolidated financial statements are prepared under the historical cost basis except for derivative financial instruments, where applicable, which are measured at fair value at each reporting date.

The preparation of consolidated financial statements requires the Board of Directors and management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Details of critical judgements are disclosed in the accounting policies. The consolidated financial statements were authorised for issue by the Board of Directors on 30 November 2020.

**Going Concern**

The Group and the Company incurred a loss of €677,380 (2019: a loss of €557,569) for the financial year ended 31 May 2020. The Group and the Company had net assets of €17,645,315 (2019: €17,873,326) at that date. The Group had net current liabilities of €4,338,318 (2019: €3,910,066) and the Company had net current liabilities of €3,981,670 (2019: €3,560,948) at that date. The Group and the Company had cash and cash equivalents of €117,270 at 31 May 2020 (2019: €77,299). The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls and Brendan McMorrow and former Directors, namely, James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,197,755 (2019: €2,917,454) within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay. In addition, Karelian Diamond Resources P.L.C. has confirmed that it does not intend to seek repayment of amounts owed to it at 31 May 2020 by the Group and the Company of €58,469 (2019: €54,241) within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

Subsequent to the year-end, on 31 July 2020, the Company received a notice to exercise warrants to subscribe for 1,358,333 ordinary shares of €0.001 each at a price of 16 pence per Ordinary Share for which funds of €241,013 (£217,333) have been received. On 11 August 2020, the Company raised €887,164 (£800,000) through a placing of

3,200,000 ordinary shares of €0.001 in the capital of the Company at a price of £0.25 sterling per placing share. On 17 August 2020, the Company received a notice to exercise warrants to subscribe for 100,000 ordinary shares of €0.001 each at a price of 16 pence per Ordinary Share for which funds of €17,743 (£16,000) have been received. In November 2020, before the signing date, the Company announced that it has received a notice to exercise warrants over a total of 1,387,500 ordinary shares of €0.001 each at an exercise price of 16 pence per Ordinary Share, for which funds of €247,800 (£222,000) have been received by the Company.

The Board of Directors have considered carefully the financial position of the Group and the Company and in that context, have prepared and reviewed cash flow forecasts for the period until November 2021. As set out in the Chairman's statement, the Group and the Company expects to incur capital expenditure in 2021, consistent with its strategy.

The Directors recognise that net current liabilities of €4,338,318 is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. In reviewing the proposed work programme for exploration and evaluation of assets and on the basis of the funds raised since the year-end date, the results obtained from the exploration programme and the prospects for raising additional funds as required, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis. The consolidated and the Company's financial statements do not include any adjustments to the carrying value and classification of assets and liabilities that would arise if the Group and the Company were unable to continue as going concern.

**Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS101").

**Recent accounting pronouncements**

The following new standards, amendments to standards and interpretations adopted and endorsed by the EU have been issued to date and are not yet effective for the financial year from 1 June 2019:

- Amendments to references to the Conceptual Framework in IFRS Standards – Effective date 1 January 2020
- Amendments to IFRS 3 Business Combinations – Definition of a Business – Effective date 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Effective date 1 January 2020
- Amendment to IFRS 16 about providing lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification – Effective date 1 June 2020

The adoption of the above amendments to standards and interpretations is not expected to have a significant impact on the consolidated financial statements either due to being not applicable or immaterial.

The following new standards and amendments to standards have been issued by the International Accounting Standards Board but have not yet been endorsed by the EU, accordingly none of these standards have been applied in the current year. The Board of Directors are currently assessing whether these standards once endorsed by the EU will have any impact or a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture – postponed indefinitely
- IFRS 1 amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter) – Effective date 1 January 2022

- IFRS 3 amendments updating a reference to the Conceptual Framework – Effective date 1 January 2022
- IFRS 4 amendments regarding the expiry date of the deferral approach – Effective date 1 January 2023
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39 regarding replacement issues in the context of the IBOR reform – Effective date 1 January 2021
- IFRS 17: Insurance contracts – Effective date deferred to 1 January 2023
- IAS 1 amendments regarding the classification of liabilities - Effective date 1 January 2023
- IAS 16 amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use – Effective date 1 January 2022
- IAS 37 amendments regarding the costs to include when assessing whether a contract is onerous – Effective date 1 January 2022

**Basis of consolidation**

The consolidated financial statements include the financial statements of Conroy Gold and Natural Resources P.L.C. and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Group is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-Group balances, and any unrealised income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. The Company recognises investment in subsidiaries at cost less impairment.

## 2 Loss per share

| | **2020** | 2019 |
|---|---|---|
| | **€** | € |
| **Loss for the financial year attributable to equity holder of the Company** | **(677,380)** | (557,569) |

*Basic earnings per share*

| | **No. of shares** | No. of shares |
|---|---|---|
| Number of ordinary shares at start of financial year | **23,693,039** | 20,056,674 |
| Number of ordinary shares issued during the financial year | **2,520,833** | 3,636,365 |
| Number of ordinary shares at end of financial year | **26,213,872** | 23,693,039 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | **24,404,398** | 22,875,878 |

| | | |
|---|---|---|
| **Basic loss per ordinary share** | **(0.0278)** | (0.0244) |
| *Diluted loss per share* | | |
| Weighted average number of diluted ordinary shares for the purposes of diluted loss per share | **24,404,398** | 22,875,878 |
| **Diluted loss per ordinary share** | **(0.0278)** | (0.0244) |

As at 31 May 2020, Nil options and 3,424,109 warrants (2019: Nil options and 788,692 warrants), were excluded from the computation of the dilutive loss per share as their strike price was greater than the average share price in the respective years. However, as the Company incurred the loss for the financial year ended 31 May 2020, the warrants were not included in the calculation.

## 3. Intangible assets

**Exploration and evaluation assets**

| **Group: Cost** | **31 May 2020** | 31 May 2019 |
|---|---|---|
| | **€** | € |
| *At 1 June* | **21,772,045** | 21,000,286 |
| Expenditure during the financial year | | |
| • Licence and appraisal costs | **189,591** | 380,394 |
| • Other operating expenses | **369,107** | 391,365 |
| *At 31 May* | **22,330,743** | 21,772,045 |

Exploration and evaluation assets relate to expenditure incurred in the development of mineral exploration opportunities. These assets are carried at historical cost and have been assessed for impairment in particular with regard to the requirements of IFRS 6: *Exploration for and Evaluation of Mineral Resources* relating to remaining licence or claim terms, likelihood of renewal, likelihood of further expenditure, possible discontinuation of activities over specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than its carrying amount.

The Board of Directors have considered the proposed work programmes for the underlying mineral resources. They are satisfied that there are no indications of impairment.

The Board of Directors note that the realisation of the intangible assets is dependent on further successful development and ultimate production of the mineral resources and the availability of sufficient finance to bring the resources to economic maturity and profitability.

Mineral interests are categorised as follows:

| **Group: Ireland** | **31 May** | 31 May |
|---|---|---|
| **Cost** | **2020** | 2019 |
| | **€** | € |
| *At 1 June* | **19,426,207** | 18,713,795 |
| Expenditure during the financial year | | |
| • Licence and appraisal costs | **180,265** | 379,752 |
| • Other operating expenses | **313,741** | 332,660 |
| • Equity settled share-based payments | **-** | - |
| *At 31 May* | **19,920,213** | 19,426,207 |

| **Group: Finland** | **31 May** | 31 May |
|---|---|---|
| **Cost** | **2020** | 2019 |
| | **€** | € |
| *At 1 June* | **2,345,838** | 2,286,491 |
| Expenditure during the financial year | | |
| • Licence and appraisal costs | **9,326** | 642 |
| • Other operating expenses | **55,366** | 58,705 |
| • Equity settled share-based payments | **-** | - |
| *At 31 May* | **2,410,530** | 2,345,838 |

## 4. Cash and cash equivalents

| **Group and Company** | **31 May** | 31 May |
|---|---|---|
| | **2020** | 2019 |
| | **€** | € |
| Cash held in bank accounts | **117,270** | 77,299 |
| | **117,270** | 77,299 |

## 5. Current liabilities – as restated

### Trade and other payables

| **Group and Company** | **31 May 2020** | 31 May 2019 |
|---|---|---|
| *Amounts falling due within one year* | **€** | € |
| Accrued Directors' remuneration | | |
| Fees and other emoluments | **2,324,218** | 2,043,099 |
| Pension contributions | **164,675** | 164,675 |
| Accrued former Directors' remuneration | | |
| Fees and other emoluments | **642,476** | 643,294 |
| Pension contributions | **79,083** | 79,083 |
| Other creditors and accruals | **616,783** | 557,322 |
| Amounts owed to Karelian Diamond Resources P.L.C. | **58,469** | 54,241 |
| | **3,885,704** | 3,541,714 |

It is the Group's practice to agree terms of transactions, including payment terms with suppliers. It is the Group's policy that payment is made according to the agreed terms. The carrying value of the trade and other payables approximates to their fair value.

The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls and Brendan McMorrow and former Directors, namely James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,197,755 (2019: €2,917,454) for a minimum period of 12 months from the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

In addition, please refer to Note 16(c) in the financial statements in relation to amounts payable by Karelian Diamond Resources P.L.C.

### Related party loans – Group and Company

| | **31 May** | 31 May |
|---|---|---|
| **Related party loans** | **2020** | 2019 |
| | **€** | € |
| *Opening balance 1 June* | **551,832** | 185,343 |
| Loan advance | **108,000** | 366,489 |
| Loan repayment | **-** | - |

| | | |
|---|---|---|
| *Closing balance 31 May* | **659,832** | 551,832 |

The related party loans amounts relate to monies owed to Professor Richard Conroy amounting to €315,918 (2019: €282,918), Maureen T.A. Jones amounting to €49,425 (2019: €49,425), Séamus P. Fitzpatrick (former Director) amounting to €69,489 (2019: €69,489) and Dr. Sorċa Conroy (former Director) amounting to €225,000 (2019: €150,000). The Directors' and former Directors' have confirmed that they will not seek repayment of amounts owed to it by the Group and Company at 31 May 2020 within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay. There is no interest payable in respect of these loans, no security has been attached to these loans and there is no repayment or maturity terms. Dr. Sorċa Conroy and Séamus P. Fitzpatrick are both former directors in the Company having left the board in August 2017 (and are shareholders of the Company owning less than 3% of the issued share capital of the Company). Neither Dr. Sorċa Conroy, nor Séamus P. Fitzpatrick are classified as related parties under the AIM Rules for Companies.

## 6. Non-current liabilities -as restated

**Convertible loan notes**

The Company raised €350,000 through the issue of two unsecured convertible loan notes ("Convertible Loan Notes") to Hard Metal Machine Tools Limited (the "Lender"). Both Convertible Loan Notes have a term of three years and attract interest at a rate of 5% per annum which is payable on the redemption or conversion of the Convertible Loan Notes. The Convertible Loan Notes are unsecured. The first Convertible Loan Note has a monetary amount of €250,000 and was issued on 15 July 2019. This Convertible Loan Note, including the total amount of accrued but unpaid interest, is convertible at the conversion price of £0.07 at any time. Interest incurred on this Convertible Loan Note is €12,785 for the period. The second Convertible Loan Note has a monetary amount of €100,000 and was issued on 30 October 2019. This Convertible Loan Note, including the total amount of accrued but unpaid interest, is convertible at the conversion price of £0.06 at any time. Interest incurred on this Convertible Loan Note is €3,350 for the period.

## 7. Commitments and contingencies

*Exploration and evaluation activities*
The Group has received prospecting licences under the Republic of Ireland Mineral Development Acts 1940 to 1995 for areas in Monaghan and Cavan. It has also received licences in Northern Ireland for areas in Armagh in accordance with the Mineral Development Act (Northern Ireland) 1969.

At 31 May 2020, the Group had work commitments of €388,000 (2019: €275,000) for the forthcoming financial year, in respect of prospecting licences held.

## 8. Post balance sheet events

On 20 July 2020, the Company entered into a non-binding Heads of Terms regarding a proposed joint venture between the Company and Anglo Asian Mining plc. The joint venture's goal is the development of a gold mine and further exploration and development of a series of gold targets along the 65km (40 mile) district scale gold trend that the Company has discovered in the Longford – Down Massif in Ireland. Concurrent with the signing, the Company issued to Anglo Asian warrants to subscribe for 325,000 ordinary shares of €0.001 each in the capital of the Company at an exercise price of 16 pence per Ordinary Share with an initial exercise period of 6 months from the date of the signing.

On 28 July 2020, the Company appointed Howard Bird as a non-executive Director.

On 31 July 2020, the Company received a notice to exercise warrants to subscribe for 1,358,333 ordinary shares of €0.001 each at a price of 16 pence per Ordinary Share for which funds of €241,013 (£217,333) have been received.

On 11 August 2020, the Company raised €887,164 (£800,000) through a placing of 3,200,000 ordinary shares of €0.001 in the capital of the Company at a price of £0.25 sterling per placing share.

On 17 August 2020, the Company received a notice to exercise warrants to subscribe for 100,000 ordinary shares of €0.001 each at a price of 16 pence per Ordinary Share for which funds of €17,743 (£16,000) have been received.

In November 2020, before the signing date, the Company announced that it has received a notice to exercise warrants over a total of 1,387,500 ordinary shares of €0.001 each at an exercise price of 16 pence per Ordinary Share, for which funds of €247,800 (£222,000) have been received by the Company.

COVID-19 continues to limit field and laboratory work given the restrictions on operations and movement and other work also continues in relation to the Company's exploration and development programme. There were no other events after the reporting year requiring adjustment to or disclosure in, these audited consolidated financial statements.

There were no other events after the reporting year requiring adjustment to or disclosure in these audited consolidated financial statements.

## 9. Prior year adjustment

The Company and Consolidated Statement of Financial Position as at 31 May 2019 previously presented related party loans amounting to €551,832 within non-current liabilities. Following a review of the applicable terms and conditions, the Directors determined that these amounts should, more appropriately, be classified within current liabilities. The Company and Consolidated Statements of Financial Position as at 31 May 2019 have therefore been adjusted to reflect the impact of this reclassification.

In line with the requirements of IAS 8 *Accounting policies, changes in accounting estimates and errors*, the comparative figures for the year ended 31 May 2019 have been restated as follows:

| **Balance Sheet** | **As previously stated 31 May 2019** | **Effect of restatement 31 May 2019** | **As restated 31 May 2019** |
|---|---|---|---|
| | **€** | **€** | **€** |
| **Non-current liabilities** | | | |
| Related party loans | 551,832 | (551,832) | - |
| **Total non-current liabilities** | **551,832** | **(551,832)** | **-** |
| **Current liabilities** | | | |
| Trade and other payables | 3,541,714 | - | 3,541,714 |
| Related party loans | - | 551,832 | 551,832 |
| **Total current liabilities** | **3,541,714** | **551,832** | **4,093,546** |

There is no impact on Net Assets, Total equity and liabilities or the Company and Consolidated Statements of Comprehensive Income.

### 10. Approval of the audited consolidated financial statements for the financial year ended 31 May 2020

These audited consolidated financial statements were approved by the Board of Directors on 30 November 2020. A copy of the audited consolidated financial statements will be available on the Company's website www.conroygold.com and will be available from the Company's registered office at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.