



CONROY
GOLD AND NATURAL RESOURCES PLC

Half-Yearly Report 2013

Chairman's Statement

Dear Shareholder

I have great pleasure in presenting your Company's Interim Report for the six months ended 30 November 2013. This was a period of further significant progress for your Company during which the viability of your Company's proposed mine at Clontibret was confirmed and excellent results were reported from your Company's gold and base metal exploration targets.

Confirmation of Amenability and Technical Viability of Clontibret Mining Project

The final results of the mineralogical and metallurgical testwork programme on the ore grade material sent to Goldfields/BIOMIN in South Africa confirmed the amenability and technical viability of using the BIOX® technique to process the ore at Clontibret.

The mineralogical and metallurgical testwork, which was supervised and managed by independent consultants Tetra Tech Inc. ("Tetra Tech") was carried out on 350kg of drill core representative of both lode and stockwork ore grade material with a 10 per cent dilution factor with a grade similar to that expected for run of mine.

The testwork results indicated fast oxidation kinetics, achieving over 90 per cent oxidation for both lode and stockwork concentrate samples. Maximum gold extractions achieved were 90.4 per cent and 87.1 per cent respectively with overall recoveries confirmed by Tetra Tech to be in line with their independent Scoping Study.

BIOX®, which is a well established bacterial oxidation technique, was recommended by Tetra Tech as an appropriate technology for treating

the gold sulphide concentrate at the proposed gold mine at Clontibret. BIOX® is an environmentally friendly proven technology with a number of plants in operation worldwide including South Africa, Ghana, Brazil, China and Australia. The BIOX® process gives improved rates of gold recovery at significantly lower capital and operating costs.

A review by Tetra Tech of the results of the final mineralogical and metallurgical testwork programme on the ore grade material sent to Gold Fields/Biomim in South Africa, validated the Preliminary Economic Assessment ("PEA") (Scoping Study) process design criteria and operating costs.

The review of the metallurgical testwork results confirmed the key process design parameters, including the amenability of the ore to bio-oxidative pre-treatment, and the suitability of the proposed BIOX® oxidation process. Other than a lower sulphur grade in concentrate, results were as anticipated in the PEA. The decreased sulphur grade implies savings in both capital and operating costs.

In relation to these savings the capital cost for the proposed processing plant is now estimated by Tetra Tech at US\$ 18.5 million compared with the US\$ 20.16 million in the PEA and the process operating costs are estimated to fall from US\$ 13.64/t to US\$ 12.26/t.

Exploration

Gold Targets

Exploration of your Company's gold targets continued with further highly encouraging results along the thirty mile gold trend, in the Longford-Down Massif in Ireland, which your Company has discovered.

Clay Lake Gold Target

Further excellent progress has been made at your Company's Clay Lake Target, 3½ miles from Clontibret. This gold target is a carbonaceous shale hosted gold deposit, encompassing many of the geological attributes of major sediment hosted gold deposits. Examples of these deposits include the multi-million ounce gold deposits at Tien Shan such as the 169.3m oz Muruntau Mine, one of the largest gold deposits in the world and the 17.4m oz Kinross Mine in Brazil, which at a grade of 0.41g/t gold and a cost of US\$ 720/oz, produced over 453,000oz gold in 2011.

Base Metal Targets

An ongoing evaluation of old lead workings within your Company's licence area as part of your Company's exploration programme for base metals yielded highly positive zinc results of up to 30 per cent.

Grab samples were taken from twelve of the old lead workings spoil heaps in the Company's licence area. Most of these samples gave high lead values as might be expected although a lead value of 7.31 per cent. at the Tassan workings in County Monaghan was particularly high.

Two samples from the Cornaurney workings in County Cavan gave exceptionally high zinc levels of 30.00 and 18.40 per cent. respectively. These samples also had elevated copper of 0.125 and 0.216 per cent., silver of 9.2 and 3.8 ppm, antimony of 101 and 49 ppm as well as mercury at 27ppm and 14ppm, gallium of 200ppm and 100ppm and cadmium of 2000 ppm and 688ppm.

Your Company has also discovered an extensive zinc-in-soil anomaly on its prospecting licences in Counties Monaghan and Armagh.

This together with very high zinc levels detected in the old mine working spoil heaps in County Cavan add to the overall metalliferous potential of your Company's licence area for both gold and base metals.

Finance

The loss after taxation for the half-year ended 30 November 2013 was €131,527 (2012: loss of €197,683) and the net assets as at 30 November 2013 were €13,224,751 (2012: €12,555,277).

During the period, a fundraising raised €1,000,000 by way of an equity subscription and convertible debt issue.

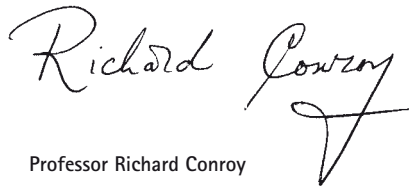
Outlook

Your Company looks forward to continued progress with its planned gold mine at Clontibret and its ongoing exploration programme for gold and base metals.

Directors and Staff

I would like to thank all of my fellow directors, staff and consultants for their support and dedication, which has enabled the continued success of the Company. I look forward to the future with confidence.

Yours faithfully,



Professor Richard Conroy
Chairman

3 February 2014

Income Statement

For six months ended 30 November 2013

	Six months ended 30 November 2013 (Unaudited) €	Six months ended 30 November 2012 (Unaudited) €	Year ended 31 May 2013 (Audited) €
OPERATING EXPENSES	(125,588)	(191,884)	(411,020)
Finance income – bank interest receivable	0	0	12
Finance costs – interest on shareholder loan	(5,939)	(5,799)	(12,971)
LOSS BEFORE TAXATION	(131,527)	(197,683)	(423,979)
Taxation	–	–	–
LOSS FOR HALF-YEAR	(131,527)	(197,683)	(423,979)
Loss per ordinary share – basic and diluted	(€0.0004)	(€0.0007)	(€0.0015)

Statement of Comprehensive Income

For six months ended 30 November 2013

	Six months ended 30 November 2013 (Unaudited) €	Six months ended 30 November 2012 (Unaudited) €	Year ended 31 May 2013 (Audited) €
LOSS FOR PERIOD	(131,527)	(197,683)	(423,979)
Total income and expense recognised in other comprehensive income	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD – ENTIRELY ATTRIBUTABLE TO EQUITY HOLDERS	(131,527)	(197,683)	(423,979)

Statement of Financial Position

As at 30 November 2013

	30 November 2013 (Unaudited) €	30 November 2012 (Unaudited) €	31 May 2013 (Audited) €
ASSETS			
Non-current Assets			
Intangible assets	15,302,446	14,226,967	14,824,846
Investment in Subsidiary	2	2	2
Property, plant and equipment	5,363	8,913	7,138
	15,307,811	14,235,882	14,831,986
Current Assets			
Trade and other receivables	331,616	116,802	163,139
Cash and cash equivalents	19,508	42,768	71,864
	351,124	159,570	235,003
Total Assets	15,658,935	14,395,452	15,066,989
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up share capital	8,936,758	8,112,257	8,737,547
Share premium	7,926,342	7,872,573	7,917,717
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserve	1,044,248	955,221	969,735
Retained losses	(4,713,214)	(4,415,391)	(4,581,687)
Total Equity	13,224,751	12,555,277	13,073,929
Non-current Liabilities			
Convertible Loan	996,075	-	-
Financial Liabilities	293,215	994,314	1,045,775
Total Non-current Liabilities	1,289,290	994,314	1,045,775
Current Liabilities			
Trade and other payables	1,144,894	845,861	947,285
Total Current Liabilities	1,144,894	845,861	947,285
Total Liabilities	2,434,184	1,840,175	1,993,060
Total Equity and Liabilities	15,658,935	14,395,452	15,066,989

Cash Flow Statement

For six months ended 30 November 2013

	Six months ended 30 November 2013 (Unaudited) €	Six months ended 30 November 2012 (Unaudited) €	Year ended 31 May 2013 (Audited) €
Cash flows from operating activities			
Cash (used in)/generated by operations	(86,373)	15,444	(103,587)
Tax paid	-	-	-
Net cash (used in)/generated by operating activities	(86,373)	15,444	(103,587)
Cash flows from investing activities			
Investment in exploration and evaluation	(417,334)	(563,515)	(1,049,245)
Payments to acquire property, plant and equipment	-	-	-
Net cash used in investing activities	(417,334)	(563,515)	(1,049,245)
Cash flows from financing activities			
Issue of share capital	207,836	-	495,037
Advances/(conversion) of shareholder loan	(752,560)	352,192	491,000
Convertible loan	996,075	-	-
Bank interest received	-	-	12
Interest paid on shareholder loan	-	-	-
Net cash generated from financing activities	451,351	352,192	986,049
(Decrease)/Increase in cash and cash equivalents	(52,356)	(195,879)	(166,783)
Cash and cash equivalents at beginning of period	71,864	238,647	238,647
Cash and cash equivalents at end of period	19,508	42,768	71,864

Statement of Changes in Equity

For six months ended 30 November 2013

	Share Capital €	Share Premium €	Capital Conversion Reserve Fund €	Share- based Payment Reserve €	Retained Earnings (Deficit) €	Total Equity €
At 1 June 2013	8,737,547	7,917,717	30,617	969,735	(4,581,687)	13,073,929
Share issue	199,211	-	-	-	-	199,211
Share premium	-	10,457	-	-	-	10,457
Share issue expenses	-	(1,832)	-	-	-	(1,832)
Share-based payments	-	-	-	74,513	-	74,513
Loss for the period	-	-	-	-	(131,527)	(131,527)
At 30 November 2013	8,936,758	7,926,342	30,617	1,044,248	(4,713,214)	13,224,751

	Share Capital €	Share Premium €	Capital Conversion Reserve Fund €	Share- based Payment Reserve €	Retained Earnings (Deficit) €	Total Equity €
At 1 June 2012	8,112,257	7,872,573	30,617	880,708	(4,217,707)	12,678,448
Share-based payments	-	-	-	74,513	-	74,513
Loss for the period	-	-	-	-	(197,684)	(197,684)
At 30 November 2012	8,112,257	7,872,573	30,617	955,221	(4,415,391)	12,555,277

Notes to the Financial Statements

1. BASIS OF PREPARATION

The half-yearly financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies used in the preparation of the half-yearly financial information are the same as those used in the Company's audited financial statements for the year ended 31 May 2013.

2. EARNINGS PER SHARE

The calculation of the loss per ordinary share of €0.0004 (2012 – €0.0007) is based on the loss for the financial year of €131,527 (2012 – €197,683) and the weighted average number of ordinary shares in issue during the period of 293,465,001 (2012 – 270,408,542).

Since the Company incurred a loss the effect of share options and warrants would be anti-dilutive.

3. DIVIDENDS

No dividends were paid or are proposed in respect of the six months ended 30 November, 2013.

4. COPIES OF ACCOUNTS

A copy of the Half-Yearly Report will be available on the Company's website www.conroygold.com and will be available from the Company's registered office, 10 Upper Pembroke Street, Dublin 2.