The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

30 November 2021

Conroy Gold and Natural Resources plc

("Conroy Gold" or "the Company")

AGREEMENT ON JOINT VENTURE PARTNERSHIP

- **Terms for definitive agreement for proposed joint venture with Demir Export A.S. agreed**
- **Letter of intent terms form the basis of definitive agreement**
- **Extraordinary General Meeting ("EGM") being convened to seek shareholder approval for joint venture agreement**

Conroy Gold and Natural Resources plc (AIM: CGNR), the gold exploration and development company focused on Ireland and Finland, is pleased to announce that agreement has been reached on the main terms for a definitive agreement for the proposed Joint Venture with Demir Export A.S. ("**Demir Export**") over the licences held by Conroy Gold along its 65km district scale gold trend in the Longford-Down Massif in Ireland.

The Letter of Intent ("LOI") terms (announced on 25 February 2021) form the basis for the definitive agreement, the main terms of which have now been agreed in principle between Conroy Gold and Demir Export but the definitive agreement has not yet been entered into by either party.

An EGM is being convened for 12 noon on 22 December 2021 at The Alex Hotel, 41-47 Fenian Street, Dublin, D02 H678 Ireland. The Company will be sending a circular containing the notice of EGM to shareholders shortly to seek their formal approval to proceed with the transaction and this circular will be made available on the Company's website (www.conroygold.com).

The primary focus of the joint venture project (the "**Demir Export JV**" or "**Project Inis**") is the development of the gold deposit in the Clontibret licence to construction ready status and bringing it into operation as a gold mine.

The parties further aim is to also develop the Company's Northern Ireland Licences and other licences within the Longford –Down Zone to construction ready status.

Demir Export is a long established mining company with interests in iron, coal, gold and base metals, including zinc and copper, in Turkey (Demir is the Turkish for iron), and has a strong in-house technical team with mining and exploration expertise. It brings over 60 years of mine operating experience to bear on the project and places a strong emphasis on the adoption of international environmental, and health and safety management standards.

The Demir Export JV is deemed to be a fundamental change of business pursuant to AIM Rule 15 and accordingly is conditional on the consent of Conroy Gold's shareholders being given in an extraordinary general meeting of the Company ("EGM"). Completion of the Joint Venture agreement is also conditional on the necessary regulatory consents being granted in the Republic of Ireland and Northern Ireland for the transfer of the licences to the respective joint venture companies. The definitive agreement is expected to be entered into by both parties prior to the EGM and would become unconditional upon satisfaction of the outstanding conditions.

For the avoidance of doubt, Conroy Gold will, on completion, continue to be classified as an operating company and not as an AIM cash shell pursuant to AIM Rule 15.

Given the need for binding contractual documentation to be executed and satisfaction of other conditions to be contained in the definitive agreement, including approval from shareholders of Conroy Gold being given at the EGM and applicable regulatory consents, there can be no guarantee at this stage that the Demir Export JV agreement will become unconditional.

A further announcement will be made by the Company at the time the circular is published and posted to shareholders and this announcement will contain full extracts from this circular.

Professor Richard Conroy, Chairman, commented:

"I look forward to seeking shareholder approval at the EGM and to, following conclusion of the necessary steps to complete the joint venture agreement, working with Demir Export in this joint venture partnership-Project Inis."

Key Terms of the JV and further information as required under the AIM Rules

The investment by Demir Export will be directly into three special purpose companies (currently wholly owned subsidiaries of the Company) each holding the relevant licence or group of licences.

The Earn-in Period will be divided into three phases:

- **Phase 1**: Investment in the joint venture companies by Demir Export in work commitments (except Demir in-house costs and operator fees) for an aggregate amount of expenditure of €5.5 million plus the costs to the JV Companies of the minimum regulatory work commitments, will earn a 25% interest in each of the JV Companies.

- **Phase 2**: Investment in the joint venture companies by Demir Export in work commitments (except Demir in-house costs and operator fees) for an aggregate amount of expenditure of €4.5 million plus the costs to the JV Companies of the minimum regulatory work commitments will earn an additional 15% in each of the JV Companies.

- **Phase 3**: Investment in the joint venture companies by Demir Export for the additional funds required to reach Construction Ready Status will earn an additional 17.5% interest in the JV Company which has reached Construction Ready Status in respect of any Licence thus increasing Demir Export's holding to a total of 57.5% in that JV Company.

Conroy, after Construction Ready Status is achieved, may either retain its 42.5% interest in that JV Company by participating pro rata in the expenditures for mine construction, or avail itself of a number of options including diluting its interest being carried for the expenditures through to commercial production with a "Carry Loan" for a 25% interest with pay back on 50% of the net profits due to Conroy within a maximum payback period of six years or having its interest in such JV Company converted into a 2% net smelter revenue royalty.

The licences in the JV will be divided into three Licence Groups, namely the Clontibret Licence, the two Northern Ireland Licences, and the nine Other Irish Licences with the Joint Venture Companies (being currently wholly owned subsidiaries of Conroy), each owning a different Licence Group.

The aggregate compensation for the transfer of the Licenses to the joint venture companies will be €1,000,000 which will be paid to Conroy on completion under the Agreement as part of Phase 1. These funds will be used by Conroy to support activities in relation to the Company's other licences outside of the scope of the Joint Venture, to discharge its fees incurred in respect of the Joint Venture and for general working capital purposes.

A joint management committee ("**JMC"**) will be established to oversee, plan and execute the various plans, in the work programme of the JV. The JMC will be comprised of four members, two from each party, but with a Demir Export representative having a casting vote, with minority protection rights contained in a shareholders agreement to be entered into on completion of the Agreement. It is anticipated that Conroy will be appointed as operator for an initial two year period after which the matter of operatorship will be reviewed.

As the Longford-Down Zone assets are not currently producing and the structure of the JV involves no immediate reduction in Conroy's interest, the moving of the assets into the Joint Venture Companies will result in no immediate change in either the net assets or financial performance of Conroy. Longer term, it is hoped that the JV will have a positive impact on both the net assets and the financial performance of Conroy, however that cannot be assured.

In the year to 31 May 2021, Conroy had total assets of €24,970,503 (2020 - €22,548,653), net assets of €19,987,222 (2020 - €17,645,315) and generated a profit before taxation of €211,010 (2020 - loss before taxation of €677,380). Approximately 90% of these numbers relate to the Longford-Down Zone and the licences subject to the Agreement. The Longford-Down Zone forms the majority of the expenditure on intangible assets in Ireland during the financial year to 31 May 2021. The total direct expenditure on the Longford-Down Zone in that period was €586,512 (2020 - €494,006) of which licence and appraisal costs represented €281,261 (2020 - €180,265) and operating costs represented €305,251 (2020 - €313,741).

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