



CONROY

GOLD AND NATURAL RESOURCES PLC

A large, circular, textured gold ring graphic that frames the central text. The ring has a rough, metallic appearance with some dark spots and highlights, giving it a three-dimensional feel.

**Condensed consolidated
financial statements
for the six month period
ended 30 November 2019**

Conroy Gold and Natural Resources plc

Directors, officers and other information

Page(s)

Chairman's statement	1-2
Condensed consolidated income statement and condensed consolidated statement of comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of cash flows	5
Condensed consolidated statement of changes in equity	6
Notes to and forming part of the condensed consolidated financial statements	7-11

Conroy Gold and Natural Resources plc

Chairman's statement

Dear Shareholder,

I have great pleasure in presenting the Company's half-yearly report for the six-month period ended 30 November 2019. Progress has continued on the 65km (40 mile) district-scale gold trend which the Company has discovered along the Orlock Bridge Fault in Ireland. The Company looks forward to developing its first gold mine along this trend.

It is envisaged that the development will take the form of a joint venture agreement with a suitable industry partner. As stated in the last Annual Report, significant interest in the project was shown at the Company's booth at the Prospectors and Developers Association Conference ("PDAC") in Toronto last March. This interest has been followed up by a number of site visits by potential joint venture partners and discussions remain ongoing with potential joint venture partners.

Business Development

The objective of the Company's exploration programme is the discovery and development of economic mineral resources. Having made the discovery of a district-scale gold trend, the Company's main focus now is on the development of the gold discoveries which it has made along the Orlock Bridge Fault in Ireland starting with the Clontibret gold deposit in County Monaghan. In this context, the potential size of the Clontibret deposit, and the continued and sustained rise in the gold price, which at the time of writing has reached over \$1,600 an ounce, is highly encouraging.

Ireland is a mining friendly country with a long established mining tradition and a favourable business climate. There is security of tenure, a favourable fiscal framework, excellent infrastructure and high-quality technical services. Also, the management of your Company is very familiar with mining in Ireland having been involved in the discovery and successful development of a major zinc mine in Ireland at Galmoy.

During the 2019 PDAC, the Irish Minister of Mines, who attended the conference, visited the Company's booth accompanied by his departmental officials. The Minister, speaking subsequently at a mining conference in Dublin later in the year, reiterated his comments which he made at PDAC regarding the contribution of the mineral sector to the Irish economy and also emphasised that relying on distant resources for minerals is becoming untenable.

Exploration

Exploration during the period under review has continued around the Company's proposed gold mine location at Clontibret, elsewhere along the Orlock Bridge gold trend and on the Company's other prospecting licences in Ireland and Finland.

Recent results include the demonstration of gold mineralisation between the Clontibret gold deposit and the nearby gold bearing Corcaskea area. These results are particularly significant as they suggest that there may be a continuous zone of gold mineralisation between these two locations, which adds further evidence to support our belief in a multi-million-ounce gold exploration target in the Clontibret area.

Drilling at Slieve Glah confirmed the presence of gold in bedrock in Target Area 4 and identified a new gold zone in Target Area 1, located over 1.5km from the gold mineralised zone in Slieve Glah Target Area 2 and over 5.5km from the gold mineralisation in Slieve Glah Target Area 4.

Conroy Gold and Natural Resources plc

Chairman's statement (*continued*)

Finance

The loss after taxation for the half year ended 30 November 2019 was €278,008 (for the six-month period ended 30 November 2018: €285,604) and the net assets as at 30 November 2019 were €17,595,318 (30 November 2018: €18,145,291). During the half year the Company raised a total of €350,000, in two separate tranches, by way of an unsecured convertible loan note with an existing shareholder.

Post period the Company raised, in February 2020, a total of £302,500 by way of a placing and subscription of new shares at a price of 12 pence per share. In addition, each subscriber received one warrant for each placing or subscriber share at a price of 16 pence per share exercisable on or before 21 November 2020. These funds will be used by the Company to undertake further exploration work at Clontibret, Clay Lake and Glenish along the Orlock Bridge Fault in Ireland and for general working capital purposes.

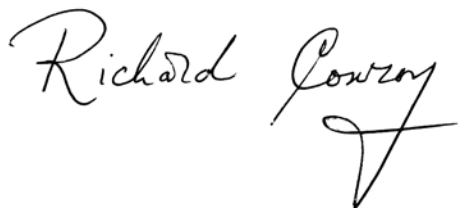
Directors and Staff

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

Outlook

I look forward to the Company continuing to make successful progress with its development and exploration programmes on the district scale gold trend, which the Company has discovered, and also on its other exploration licences.

Yours faithfully,



Professor Richard Conroy
Chairman

26 February 2020

Conroy Gold and Natural Resources plc

Condensed consolidated income statement and condensed consolidated statement of comprehensive income for the six month period ended 30 November 2019

Condensed consolidated income statement

	Note	Six month period ended 30 November 2019 (Unaudited) €	Six month period ended 30 November 2018 (Unaudited) €	Year ended 31 May 2019 (Audited) €
Continuing operations				
Operating expenses		(278,008)	(285,604)	(557,573)
Finance income – interest		-	-	4
Loss before taxation		(278,008)	(285,604)	(557,569)
Income tax expense		-	-	-
Loss for the financial period/year		(278,008)	(285,604)	(557,569)
Loss per share				
Basic and diluted loss per ordinary share	2	(€0.0117)	(€0.0130)	(€0.0244)

Condensed consolidated statement of comprehensive income

	Six month period ended 30 November 2019 (Unaudited) €	Six month period ended 30 November 2018 (Unaudited) €	Year ended 31 May 2019 (Audited) €
Loss for the financial period/year	(278,008)	(285,604)	(557,569)
Income/expense recognised in other comprehensive income	-	-	-
Total comprehensive expense for the financial period/year	(278,008)	(285,604)	(557,569)

The accompanying notes form an integral part of these condensed consolidated financial statements.

Conroy Gold and Natural Resources plc

Condensed consolidated statement of financial position as at 30 November 2019

	Note	30 November 2019 (Unaudited) €	30 November 2018 (Unaudited) €	Year ended 31 May 2019 (Audited) €
Assets				
Non-current assets				
Intangible assets	4	22,077,517	21,487,318	21,772,045
Property, plant and equipment		10,406	12,292	11,347
Total non-current assets		22,087,923	21,499,610	21,783,392
Current assets				
Cash and cash equivalents		95,361	53,773	77,299
Other receivables		74,565	99,664	106,181
Total current assets		169,926	153,437	183,480
Total assets		22,257,849	21,653,047	21,966,872
Equity				
Capital and reserves				
Called up share capital		23,693	23,693	23,693
Called up deferred share capital		10,504,431	10,504,431	10,504,431
Share premium		12,727,194	12,727,194	12,727,194
Capital conversion reserve fund		30,617	30,617	30,617
Share based payments reserve		477,393	751,293	751,293
Retained losses		(6,168,010)	(5,891,937)	(6,163,902)
Total equity		17,595,318	18,145,291	17,873,326
Liabilities				
Non-current liabilities				
Convertible loan	5	350,000	-	-
Directors and former Directors' loans	6	649,832	185,343	551,832
Total non-current liabilities		999,832	185,343	551,832
Current liabilities				
Trade and other payables: amounts falling due within one year		3,662,669	3,322,413	3,541,714
Total current liabilities		3,662,699	3,322,413	3,541,714
Total liabilities		4,662,531	3,507,756	4,093,546
Total equity and liabilities		22,257,849	21,653,047	21,966,872

The accompanying notes form an integral part of these condensed consolidated financial statements.

Conroy Gold and Natural Resources plc

Condensed consolidated statement of cash flows for the six month period ended 30 November 2019

	Six month period ended 30 November 2019 (Unaudited) €	Six month period ended 30 November 2018 (Unaudited) €	Year ended 31 May 2019 (Audited) €
Cash flows from operating activities			
Loss for the financial period/year	(278,008)	(285,604)	(557,569)
<i>Adjustments for:</i>			
Depreciation	941	940	1,885
Decrease/(increase) in other receivables	31,616	(27,366)	(33,883)
Increase in trade and other payables	150,994	58,792	341,326
Net cash outflow from operating activities	(94,457)	(253,238)	(248,241)
Cash flows from investing activities			
Investment in exploration and evaluation	(305,472)	(487,032)	(771,759)
Net cash used in investing activities	(305,472)	(487,032)	(771,759)
Cash flows from financing activities			
Issue of share capital	-	556,545	556,545
Advance from convertible loan	350,000	-	-
Advances from/(repayments to) Directors	98,000	-	(148,293)
(Repayments to)/advances from Karelian Diamond Resources P.L.C.	(30,009)	4,337	89,397
Advances from related parties	-	-	366,489
Net cash provided by financing activities	417,991	560,882	864,138
Increase/(decrease) in cash and cash equivalents	18,062	(179,388)	(155,862)
Cash and cash equivalents at beginning of financial period/year	77,299	233,161	233,161
Cash and cash equivalents at end of financial period/year	95,361	53,773	77,299

The accompanying notes form an integral part of these condensed consolidated financial statements.

Conroy Gold and Natural Resources plc

Condensed consolidated statement of changes in equity for the six month period ended 30 November 2019

	Share capital (including called up deferred share capital) €	Share premium €	Capital conversion reserve fund €	Share based payment reserve €	Retained losses €	Total equity €
Balance at 1 June 2019	10,528,124	12,727,194	30,617	751,293	(6,163,902)	17,873,326
Transfer from share based payment reserve to retained losses	-	-	-	(273,900)	273,900	-
Loss for the financial period	-	-	-	-	(278,008)	(278,008)
Balance at 30 November 2019	10,528,124	12,727,194	30,617	477,393	(6,168,010)	17,595,318
Balance at 1 June 2018	10,524,488	12,174,285	30,617	995,489	(5,850,529)	17,874,350
Share issue	3,636	552,909	-	-	-	556,545
Transfer from share based payment reserve to retained losses	-	-	-	(244,196)	244,196	-
Loss for the financial period	-	-	-	-	(285,604)	(285,604)
Balance at 30 November 2018	10,528,124	12,727,194	30,617	751,293	(5,891,937)	18,145,291

Share capital

The share capital comprises the nominal value share capital issued for cash and non-cash consideration. The share capital also comprises deferred share capital. The deferred share capital arose through the restructuring of share capital which was approved at General Meetings held on 26 February 2015 and 14 December 2015.

Authorised share capital:

The authorised share capital at 30 November 2019 comprised 11,995,569,058 ordinary shares of €0.001 each, 306,779,844 deferred shares of €0.02 each, and 437,320,727 deferred shares of €0.00999 each (€22,500,000), (30 November 2018: 11,995,569,058 ordinary shares of €0.001 each, 306,779,844 deferred shares of €0.02 each, and 437,320,727 deferred shares of €0.00999 each (€22,500,000)).

Share premium

The share premium reserve comprises the excess consideration received in respect of share capital over the nominal value of the shares issued.

Capital conversion reserve fund

The ordinary shares of the Company were re-nominalised from €0.03174435 each to €0.03 each in 2001 and the amount by which the issued share capital of the Company was reduced, was transferred to the capital conversion reserve fund.

Share based payment reserve

The share based payment reserve represents the amount expensed to the condensed consolidated income statement in addition to the amount capitalised as part of intangible assets of share-based payments granted which are not yet exercised and issued as shares. During the six month period ended 30 November 2019 a number of unexercised warrants expired resulting in a transfer of €273,900 from this reserve to retained losses. During the six month period ended 30 November 2018 a number of unexercised warrants expired resulting in a transfer of €244,196 from this reserve to retained losses.

Retained losses

This reserve represents the accumulated losses absorbed by the Company to the condensed consolidated statement of financial position date.

The accompanying notes form an integral part of these condensed consolidated financial statements.

Conroy Gold and Natural Resources plc

Notes

to and forming part of the condensed consolidated financial statements for the six month period ended 30 November 2019

1. Accounting policies

Reporting entity

Conroy Gold and Natural Resources plc (the “Company”) is a company domiciled in Ireland. The unaudited condensed consolidated financial statements for the six month period ended 30 November 2019 comprise the condensed financial statements of the Company and its subsidiaries (together referred to as the “Group”).

Basis of preparation and statement of compliance

Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34: *Interim Financial Reporting*.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 May 2019, which are available on the Group’s website - www.conroygold.com. The accounting policies adopted in the presentation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 May 2019.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value at each reporting date.

The condensed consolidated financial statements are presented in Euro (“€”). € is the functional currency of the Group.

The preparation of condensed 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 financial period in which the estimate is revised and in any future financial periods affected. Details of critical judgements are disclosed in the accounting policies detailed in the annual consolidated financial statements.

The financial information presented herein does not amount to statutory consolidated financial statements that are required by Chapter 4 part 6 of the Companies Act 2014 to be annexed to the annual return of the Company. The statutory consolidated financial statements for the financial year ended 31 May 2019 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those consolidated financial statements was unqualified.

These Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors on 26 February 2020.

Going concern

The Group incurred a loss of €278,008 for the six month period ended 30 November 2019 (six month period ended 30 November 2018: €285,604). The Group had net current liabilities of €3,492,772 at that date (30 November 2018: €3,168,976).

The Board of Directors have considered carefully the financial position of the Group and in that context, have prepared and reviewed cash flow forecasts for the period to 28 February 2021. In reviewing the proposed work programme for exploration and evaluation assets and on the basis of the convertible loan proceeds received during the period and the equity raised subsequent to the period 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 condensed consolidated financial statements on a going concern basis.

Conroy Gold and Natural Resources plc

Notes

to and forming part of the condensed consolidated financial statements for the six month period ended 30 November 2019 (*continued*)

1. Accounting policies (*continued*)

Recent accounting pronouncements

The following new standards, amendments to standards and interpretations adopted and endorsed by the EU came into effect 1 January 2019. The adoption of these amendments and interpretations does not have a significant impact on the consolidated financial statements either due to being not applicable or immaterial:

- Amendments to IFRS 9: Prepayment features with negative compensation – Effective date 1 January 2019
- Amendments to IAS 28: Long-term interests in associates and joint ventures – Effective date 1 January 2019
- Annual improvements to IFRS Standards 2015-2017 Cycle: Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 – Effective date 1 January 2019
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement – Effective date 1 January 2019
- IFRS 16 – Leases – Effective date 1 January 2019
- IFRIC 23: Uncertainty over income tax treatments – Effective date 1 January 2019.

The Company has initially adopted IFRS 16 Leases from 1 January 2019 which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessor. The adoption of IFRS 16 eliminated the classification of leases as either operating leases or finance leases and introduced a single lessee accounting model. The Company has availed of the practical expedient allowing leases previously classified as operating leases and ending within 12 months of the date of transition or deemed to be of an immaterial value of less than €1,000 to be accounted for as short-term leases. As at 30 November 2019, the Company does not hold any lease contracts with a duration of greater than 12 months.

The following new standard 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 period. 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 references to the Conceptual Framework in IFRS Standards – Effective date 1 January 2020
- IFRS 17: Insurance contracts – Effective date 1 January 2021
- Amendments to IFRS 3 Business Combinations – Definition of a Business – Effective date 1 January 2020
- Amendments to IAS 1 and IAS 8 – Definition of Material – Effective date 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform – Effective date 1 January 2020
- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture – postponed indefinitely.

Conroy Gold and Natural Resources plc

Notes

to and forming part of the condensed consolidated financial statements for the six month period ended 30 November 2019 (*continued*)

2. Loss per share

<i>Basic earnings per share</i>	Six month period ended 30 November 2019 (Unaudited) €	Six month period ended 30 November 2018 (Unaudited) €	Year ended 31 May 2019 (Audited) €
Loss for the financial period/year attributable to equity holders of the Company	(278,008)	(285,604)	(557,569)
Number of ordinary shares at start of financial period/year	23,693,039	20,056,674	20,056,674
Number of ordinary shares issued during the financial period/year	-	3,636,365	3,636,365
Number of ordinary shares at end of financial period/year	23,693,039	23,693,039	23,693,039
Weighted average number of ordinary shares for the purposes of basic earnings per share	23,693,039	22,023,947	22,875,878
Basic loss per ordinary share	(€0.0117)	(€0.0130)	(€0.0244)
Weighted average number of ordinary shares for the purposes of diluted earnings per share	23,693,039	22,023,947	22,875,878
Diluted loss per ordinary share	(€0.0117)	(€0.0130)	(€0.0244)

3. Subsidiaries

Shares in subsidiary companies (Unlisted shares) at cost:	30 November 2019 (Unaudited) €	30 November 2018 (Unaudited) €	31 May 2019 (Audited) €
Conroy Gold Limited – 100% owned	-	-	-
Trans International Mineral Exploration Limited – 100% owned	2	2	2
	2	2	2

The registered office of the above non-trading subsidiaries is 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

Basis of consolidation

The condensed consolidated financial statements include the condensed financial statements of Conroy Gold and Natural Resources plc 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 condensed financial statements of subsidiaries are included in the condensed 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 condensed consolidated financial statements.

Conroy Gold and Natural Resources plc

Notes

to and forming part of the condensed consolidated financial statements for the six month period ended 30 November 2019 (*continued*)

4. Intangible assets

Exploration and evaluation assets

Cost	30 November 2019 (Unaudited) €	30 November 2018 (Unaudited) €	31 May 2019 (Audited) €
At 1 June	21,772,045	21,000,286	21,000,286
Expenditure during the financial period/year			
• License and appraisal costs	105,307	259,740	380,394
• Other operating expenses	200,165	227,292	391,365
• Equity settled share based payments	-	-	-
At 30 November/31 May	22,077,517	21,487,318	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 as a result of 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.

5. Convertible loan

On 15 July 2019, the Company entered into an unsecured convertible loan agreement for €250,000 with Hard Metal Machine Tools Limited (the "Lender"). A further unsecured convertible loan note for €100,000 was issued on 30 October 2019 to the Lender. The 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 loan notes (including interest accrued) are convertible into ordinary shares in the capital of the Company at any time during the term of the loan notes at a conversion price of 7 pence sterling per share in respect of the first loan note and 6 pence sterling per share in respect of the second loan note agreement.

6. Related party transactions

(a) Directors' and former Directors' loans

	30 November 2019 (Unaudited) €	30 November 2018 (Unaudited) €	31 May 2019 (Audited) €
At 1 June	551,832	185,343	185,343
Loans advanced	98,000	-	366,489
At 30 November/31 May	649,832	185,343	551,832

The Directors' and former Directors' loan amounts relate to monies owed to Professor Richard Conroy (Chairman) amounting to €305,918 (31 May 2019: €282,918), Maureen T.A. Jones (Managing Director) amounting to €49,425 (31 May 2019: €49,425), Sorca Conroy amounting to €225,000 (31 May 2019: €150,000) and Seamus Fitzpatrick amounting to €69,489 (31 May 2019: €69,489).

Conroy Gold and Natural Resources plc

Notes

to and forming part of the condensed consolidated financial statements for the six month period ended 30 November 2019 (*continued*)

6. Related party transactions (*continued*)

(a) Directors' and former Directors' loans (*continued*)

Sorça Conroy and Seamus 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 Sorça Conroy nor Seamus Fitzpatrick are classified as related parties under the AIM Rules for Companies. These loans are unsecured advances with no interest payable and there are no repayment or maturity terms.

(b) Apart from Directors' remuneration, and loans from Directors, there have been no contracts or arrangements entered into during the six month period in which a Director of the Group had a material interest.

(c) The Group shares accommodation with Karelian Diamond Resources plc which have certain common Directors and shareholders. For the six month period ended 30 November 2019, the Group incurred costs totalling €54,034 (30 November 2018: €74,968) on behalf of Karelian Diamond Resources plc. These costs were recharged to Karelian Diamond Resources plc by the Group. At 30 November 2019, Karelian Diamond Resources plc owed the Group €29,812. At 30 November 2018 the Group owed €117,514 to Karelian Diamond Resources plc.

7. Commitments and contingencies

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 30 November 2019, the Group had work commitments of approximately €310,000 for the forthcoming year, in respect of prospecting licences held (30 November 2018: €340,000).

8. Subsequent events

On 18 February 2020, the Company raised a total of £302,500 by way of a placing and subscription of new shares at a price of 12 pence sterling per share. In addition, each subscriber received one warrant for each placing or subscriber share at a price of 16 pence sterling per share exercisable on or before 21 November 2020.

9. Approval of the Condensed Consolidated Financial Statements

These Condensed Consolidated Financial Statements were approved by the Board of Directors on 26 February 2020. A copy of the Condensed Consolidated Financial Statements will be available on the Group's website www.conroygold.com on 27 February 2020.

