



## MORNING COMMENT

Conroy Gold and Natural Resources plc (CGNR.L)\* 28 June 2022

- **Price:** 26.0p
- **MCp:** £10m
- **Tck:** CGNR.L
- **Sector:** Gold
- **Areas:** Ireland
- **Recommendation:** BUY
- **Target Price** 168p

**Conroy Gold and Natural Resources plc** (CGNR.L) reported this morning on encouraging initial findings from the first of two holes being drilled on the Clontibret Gold deposit over an eight-hole drill programme of around 3,000 metres, with JV partner Demir Export.

Mineralisation was intersected in both holes, drilled to 285.8 and 179 metre down hole depths, with new mineralisation zones intersected in the first hole and the second hole showing an extension of the known mineralisation zones.

**FEQ Comment** - This is a good start to the earn-in work programme of at least €4.5m by the Group's Turkish mining conglomerate partner Demir Export for the first phase of the JV. We await details on the assay results in the very near term, once the core has been analysed at the laboratory, along with further results and findings from the other six holes being drilled on this programme in the coming months.

Despite the progress being made at Clontibret, the acceleration of exploration activity now possible via the new JV with Demir, the continuing allure of gold against the backdrop of increasing geo-political tensions and global economic woes, we are very perplexed to see the shares in CGNR marooned at around 26p, with a market cap of £10m. This is some way short of our share price target of 168p, as outlined in our Research Note from 7 April 2022. The discovery of new mineralisation zones, as indicated in today's RNS, could lead to a revision in our numbers in due course.

With the investment rationale strengthened today for Conroy Gold, and a price target of **168p** representing a potential increase of around seven-fold from the current market price, we recommend the shares as a '**Buy**'.

*Jason Robertson*

*D: +44 (0)20 7330 1883*

*E: jasonrobertson@firstequitylimited.com*

*\*First Equity Limited act as Broker to the Company.*

## **DISCLAIMER**

This is a non-independent marketing communication under the FCA Conduct of Business Rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of dissemination of the investment research. First Equity Limited (FEQ) has procedures in place to manage any conflicts which might arise in the production of investment research, including Chinese Wall procedures. The views expressed in this marketing communication are those of FEQ's Analyst. They are based on information believed to be reliable but no warranty or representation, express or implied, is made about the accuracy or completeness of this information, which may be subject to change without notice. Any opinion given reflects the analyst's judgement as at the date of this document's publication. Any or all statements about the future may turn out to be incorrect. This marketing communication is designed for information purposes only and does not constitute a personal recommendation, offer or invitation to buy or sell any investment referred to within it. Investors should form their own conclusions and/or seek their own advice to determine whether any particular transaction is suitable for them in the light of their investment objectives, the benefits and risks associated with the transaction and all other relevant circumstances.

FEQ's investment research products are paid by corporate clients as part of their broker retainer fee. Therefore, this document comes under the scope of Article 123(b) of the European Commission's Delegated Directive of 7 April 2016 and thus qualifies as an 'acceptable minor non-monetary benefit' and does not qualify as 'chargeable research'. FEQ can therefore send this document to investors without the requirement for any compensation to be paid to FEQ from the recipients – it is hence available without charge.

### **This document is not for distribution into the United States, Japan, Canada or Australia**

Neither this document nor any copy of it may be taken or transmitted into the United States of America, or distributed, directly or indirectly, in the United States of America or to any US person as defined in Regulation S under the United States Securities Act of 1933. Any failure to comply with this restriction may constitute a violation of United States securities laws. Neither this document nor any copy of it may be taken or transmitted into or distributed in Japan or to any resident thereof for the purpose of solicitation or subscription or offer for sale of any securities. Any failure to comply with this restriction may constitute a violation of Japanese securities laws.

Neither this document nor any copy of it may be taken or transmitted into Canada or distributed in Canada or to any individual outside Canada who is a resident of Canada, except in compliance with applicable Canadian securities laws. Neither this document nor any copy of it may be taken or transmitted into or distributed in Australia or to any resident thereof except in compliance with Australian securities laws. Any failure to comply with this restriction may constitute a violation of Australian securities laws.

**First Equity Limited, its clients and staff members may be share and warrant holders in Conroy Gold and Natural Resources plc.**