



CONROY
GOLD AND NATURAL RESOURCES

HALF-YEARLY REPORT 2011

CHAIRMAN'S STATEMENT

I am pleased to report on the technical and financial activities of your Company for the six months ended 30 November 2011, a period of further very positive progress.

During the period, Tetra Tech WEI Inc ("Tetra Tech") completed an updated evaluation of Conroy's Clontibret Gold Project using updated commodity prices, operating and capital costs and an updated resource model.

The update has transformed the mine economics of the project with an increase of in excess of a 100 per cent in contained gold, a substantial increase in gold production, a reduction in operating costs, an increase in mine life to over 11 years, and a two year payback period. The new resource and evaluation was developed by Tetra Tech to Joint Ore Reserves Committee ("JORC") standard and is an update on the scoping study previously undertaken by Tetra Tech. The evaluation was based on a long-term gold price of US\$1,372 per oz Au and on a new resource estimate based on infill drilling, assay results and updated geological interpretation. The new resource estimate, using a minimum mining width of 2 metres and a cut-off grade of 0.60g/t Au, shows a 25 per cent increase in tonnage to 11,709,700 tonnes and a 19 per cent increase in total ounces of gold to over 600,000 oz at 1.60 g/t Au (indicated 259,956 oz Au, inferred 341,148 oz Au) (see table below). The mineral resource was evaluated for mining potential using Whittle pit optimisation software.

Summary of Resource Estimate

Indicated			Inferred			Total		
Tonnes	Au (g/t)	Ozt	Tonnes	Au (g/t)	Ozt	Tonnes	Au (g/t)	Ozt
4,926,900	1.64	259,956	6,782,800	1.56	341,148	11,709,700	1.60	601,104

Note: Contained metal estimates remain subject to factors such as mining dilution and process recovery losses

The Whittle evaluation showed a 120 per cent increase in contained gold within a conventional open pit configuration, a 9 per cent reduction in operating costs due to economy of scale, a reduction in stripping ratio from 11.8 to 9.4, a doubling of production rate from 400,000 to 800,000 tonnes per annum, a decrease in gold grade from 2.19 g/t Au to 1.53g/t Au, an assumed overall recovery rate of approximately 85 per cent using a bio-oxidation process; in-situ gold averaging over 50,000 oz per annum in the first five years of mine life and an increase in mine life to 11.2 years. The increase in size and throughput will increase capital costs to US\$77.8M (from US\$ 47.9M) but with a reduction in payback period to two years.

The economic evaluation was based on a pre-tax financial model, taking a base case commodity price for gold of US\$1,372 per ounce, this gave a 49.4 per cent internal rate of return (IRR) and a net present value (NPV), at an 8 per cent discount rate, of US\$72.3M. These are very encouraging results as your Company moves towards the development of a gold mine at Clontibret.

Elsewhere exploration continued on the Company's other licences in the Longford-Down Massif. Seven additional prospecting licences in lithologies similar to those in which the Company has made its discoveries in Counties Monaghan and Armagh were acquired in Counties Clare, Tipperary and Kilkenny.

Finance

The loss after taxation for the half-year ended 30 November 2011 was €203,752 (2010: €213,504) and the net assets as at 30 November 2011 were €12,381,024 (2010: €11,787,771). Cash at bank as at 30 November 2011 was €412,951 (2010: €2,178,075).

During the period £750,000 was raised by issue of 20,689,685 ordinary shares of €0.03 at 3.625 pence per share (“Subscription Shares”) together with 20,689,685 warrants exercisable at 4.25 pence per share (“Warrants”). The Subscription Shares were placed at 3.625 pence per share, a premium of 22% to the closing price on the day prior to their issue. I personally subscribed for Subscription Shares with an aggregate value of £250,000.

The Warrants can be exercised at any time from admission of the Subscription Shares to the second anniversary of the admission of the Subscription Shares. The Warrants also contain a mandatory exercise clause if the closing price of the Ordinary Shares remains at 5.5 pence per share or higher for five or more consecutive business days.

Outlook

The delivery of the updated Scoping Study on your Company’s gold project at Clontibret further enhances the economics of the project. Much remains to be done but it is your Board’s intention to bring in a mine at Clontibret as soon as possible.

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. I look forward to the future with confidence.

Yours faithfully,

Professor Richard Conroy
Chairman

28 February 2012

**INCOME STATEMENT
FOR HALF-YEAR ENDED 30 NOVEMBER 2011**

	Six months ended 30 November 2011 (Unaudited) €	Six months ended 30 November 2010 (Unaudited) €	Year ended 31 May 2011 (Audited) €
OPERATING EXPENSES	(199,802)	(208,972)	(364,356)
Finance income – bank interest receivable	542	5,070	5,764
Finance costs – interest on shareholder loan	(4,492)	(9,602)	(69,378)
LOSS BEFORE TAXATION	(203,752)	(213,504)	(427,970)
Taxation	-	-	-
LOSS FOR THE YEAR	(203,752)	(213,504)	(427,970)
Loss per ordinary share – basic and diluted	(€0.0009)	(€0.0011)	(€0.0020)

**STATEMENT OF COMPREHENSIVE INCOME
FOR HALF-YEAR ENDED 30 NOVEMBER 2011**

	Six months ended 30 November 2011 (Unaudited) €	Six months ended 30 November 2010 (Unaudited) €	Year ended 31 May 2011 (Audited) €
LOSS FOR PERIOD	(203,752)	(213,504)	(427,970)
Total income and expense recognised in other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD – ENTIRELY ATTRIBUTABLE TO EQUITYHOLDERS	(203,752)	(213,504)	(427,970)

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 NOVEMBER 2011**

	Share Capital €	Share Premium €	Capital Conversion Reserve Fund	Share-based Payment Reserve €	Retained Earnings (Deficit) €	Total Equity €
At 1 June 2010	5,713,935	6,273,383	30,617	582,656	(3,256,475)	9,344,116
Share issue	1,200,000	-	-	-	-	1,200,000
Share premium	-	1,382,645	-	-	-	1,382,645
Share-based payments	-	-	-	74,514	-	74,514
Loss for the period	-	-	-	-	(213,504)	(213,504)
At 30 November 2010	6,913,935	7,656,028	30,617	657,170	(3,469,979)	11,787,771
At 1 December 2010	6,913,935	7,656,028	30,617	657,170	(3,469,979)	11,787,771
Share-based payments	-	-	-	74,512	-	74,512
Loss for period	-	-	-	-	(214,466)	(214,466)
At 31 May 2011	6,913,935	7,656,028	30,617	731,682	(3,684,445)	11,647,817
At 1 June 2011	6,913,935	7,656,028	30,617	731,682	(3,684,445)	11,647,817
Share issue	620,690	-	-	-	-	620,690
Share premium	-	241,756	-	-	-	241,756
Share-based payments	-	-	-	74,513	-	74,513
Loss for the period	-	-	-	-	(203,752)	(203,752)
At 30 November 2011	7,534,625	7,897,784	30,617	806,195	(3,888,197)	12,381,024

**STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2011**

	30 November 2011 (Unaudited) €	30 November 2010 (Unaudited) €	31 May 2011 (Audited) €
ASSETS			
Non-current Assets			
Intangible assets	12,845,738	10,612,546	11,759,028
Investment in Subsidiary	2	2	2
Property, plant and equipment	17,306	19,735	23,849
	12,863,046	10,632,283	11,782,879
Current Assets			
Trade and other receivables	68,464	60,613	81,323
Cash and cash equivalents	412,951	2,178,075	749,459
	481,415	2,238,688	830,782
Total Assets	13,344,461	12,870,971	12,613,661
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up share capital	7,534,625	6,913,935	6,913,935
Share premium	7,897,784	7,656,028	7,656,028
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserve	806,195	657,170	731,682
Retained losses	(3,888,197)	(3,469,979)	(3,684,445)
Total Equity	12,381,024	11,787,771	11,647,817
Non-current Liabilities			
Financial Liabilities	588,097	554,612	565,625
Total Non-current Liabilities	588,097	554,612	565,625
Current Liabilities			
Trade and other payables	375,340	528,588	400,219
Total Current Liabilities	375,340	528,588	400,219
Total Liabilities	963,437	1,083,200	965,844
Total Equity and Liabilities	13,344,461	12,870,971	12,613,661

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 30 NOVEMBER 2011**

	Six months ended 30 November 2011 (Unaudited) €	Six months ended 30 November 2010 (Unaudited) €	Year ended 31 May 2011 (Audited) €
Cash flows from operating activities			
Cash used in operations	(194,641)	(566,270)	(567,558)
Tax paid	-	-	-
Net cash used in operating activities	(194,641)	(566,270)	(567,558)
Cash flows from investing activities			
Investment in exploration and evaluation	(1,026,444)	(749,812)	(1,836,028)
Payments to acquire property, plant and equipment	(883)	(11,754)	(24,158)
Net cash used in investing activities	(1,027,327)	(761,566)	(1,860,186)
Cash flows from financing activities			
Issue of share capital	862,446	1,895,105	1,895,105
Advances of shareholder loan	22,472	-	-
Repayment of shareholder loan	-	(42,424)	(42,424)
Bank interest received	542	5,070	5,764
Interest paid on shareholder loan	-	-	(329,402)
Net cash generated from financing activities	885,460	1,857,751	1,529,043
(Decrease)/Increase in cash and cash equivalents	(336,508)	529,915	(898,701)
Cash and cash equivalents at beginning of period	749,459	1,648,160	1,648,160
Cash and cash equivalents at end of period	412,951	2,178,075	749,459

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 2011.

2. Earnings per share

The calculation of the loss per ordinary share of €0.0009 (2010 - €0.0011) is based on the loss for the financial year of €203,752 (2010 – €213,504) and the weighted average number of ordinary shares in issue during the year of 237,361,005 (2010 – 193,797,820).

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 period ended 30 November, 2011.