

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

14 November 2018



**Conroy Gold and Natural Resources plc**  
("Conroy Gold" or "the Company")

**FINAL RESULTS FOR THE YEAR TO 31 MAY 2018**

**NOTICE OF ANNUAL GENERAL MEETING**

**DIRECTORATE CHANGE**

Conroy Gold and Natural Resources plc (AIM: CGNR), the gold exploration and development Company focused on Ireland and Finland is pleased to report its audited accounts for the year to 31 May 2018.

**Highlights:**

- Excellent drilling results at Clontibret including the discovery of an extensive gold zone and additional major targets discovered within the Clontibret area. Updated JORC compliant mineral resource of 517,000 ounces.
- Updated estimated Exploration Target\* of 8.8Moz gold for the combined Clontibret, Clay Lake and Glenish areas.
- Further exploration potential on other licences along the Orlock Bridge Fault.

**Post period:**

- Discovery of a new area of bedrock gold mineralisation halfway between the Clontibret gold deposit and the Corcaskea gold target in Ireland. The outcrop lies to the north of the Clontibret gold deposit and to the south of the Corcaskea gold target.

**Final Results for the Year to 31 May 2018**

The full audited annual report and accounts for the year to 31 May 2018 ("Annual Report") can be viewed below:

<http://www.conroygoldandnaturalresources.com/sites/default/files/Conroy-AR-2018.pdf>

The Annual Report will be posted to shareholders today and will be published on the Company's website today. Key elements can also be viewed at the bottom of this announcement.

## **Annual General Meeting**

The annual general meeting of the Company (“AGM”) will be held at The Davenport Hotel, Gandon Suite, 8-10 Merrion Street, Dublin 2 at 10.30 on 7 December 2018. A copy of the notice of AGM can be viewed on the Company’s website.

## **Directorate Change**

Dr Karl Keegan has decided he will not be putting himself forward for re-election at the AGM due to other business commitments. Dr Keegan will therefore cease to be a director of the Company following the AGM.

### ***Chairman, Professor Richard Conroy commented:***

“We have had a series of positive results throughout the year and this has continued into the current financial year. The Company has made excellent progress in its exploration and development programme overall, and I look forward to this continuing on an accelerated basis.”

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*Visit the website at: [www.conroygold.com](http://www.conroygold.com)*

\* An Exploration Target is not, and must not be construed as a mineral resource. It is designed to provide guidance as to the mineral exploration potential of the defined area.

## **Key Information Extracted from Annual Report**

### ***Chairman's Statement***

Dear Shareholder,

I have great pleasure in presenting your Company's Annual Report and Consolidated Financial Statements for the year ended 31 May 2018.

The year has been a very positive one, during which the Company has reported further excellent drilling results and an updated (JORC compliant) mineral resource of 517,000 ounces gold in the Clontibret gold deposit and, post period, an updated estimated Exploration Target\* of 8.8m ounces gold for the combined Clontibret, Clay Lake and Glenish gold target areas.

### **Business Development**

Your Company's business development strategy of building on its exploration success and at the same time continuing to move forward with its planned gold mine at Clontibret in Co. Monaghan has resulted in a series of positive results during the year.

These included further excellent drilling results at Clontibret including the discovery of an extensive gold zone, an updated Joint Ore Reserves Committee ("JORC") compliant mineral resource of 517,000 ounces gold in the Clontibret deposit, with an increase in gold grade of 26% and, post period, an updated estimated Exploration Target of 8.8Moz gold for the combined Clontibret, Clay Lake and Glenish areas in Ireland.

The Clontibret, Clay Lake and Glenish gold targets are situated in the northeast of the Company's licences. Clay Lake is located 7km northeast of Clontibret and Glenish 7km southwest of Clontibret. The targets lie along the Orlock Bridge Fault, a major geological structure in a terrane known as the Longford – Down Massif.

Ireland is already well known as an international zinc province, indeed the Conroy management were involved in the discovery and development of the world class lead/zinc mine at Galmoy in Co. Kilkenny which led to the revival of the Irish base metals industry. Now the gold potential of Ireland, particularly in its northern half, is becoming increasingly recognised and, in this, your Company's gold discoveries have played a major role.

Exploration licences in Ireland give the holder the exclusive right to apply for a mining licence. Ireland is a stable, mining and business friendly jurisdiction which, in 2017, came first in the world for policy perception and fourth in the world for mining investment in the prestigious Fraser Index listings.

Your Company, building on its exploration success, looks forward to mining development on its extensive (700km<sup>2</sup>) and 100% owned licences in Ireland.

(\*An Exploration Target is not and must not be construed as a mineral resource. It is designed to provide guidance as to the mineral exploration potential of the defined area.)

### **2018 Drilling Programme**

The recent drilling programme at Clontibret which commenced in February 2018 led to the discovery, in the first hole drilled, of additional extensive gold zones, with wide mineralised intersections reported and with grades of up to 24g/t gold. In view of the results the drill programme was increased from the original planned 1,000m to over 1,700m. Further excellent results were reported (see Table 1 in the

Annual Report) including an extensive gold zone 30 metres to the south of a historic antimony mine in the area.

The drilling programme concentrated on the Tullybuck-Lisglassan area of Clontibret which measures less than 20 per cent of the overall 1.5km<sup>2</sup> target area at Clontibret or less than 5 per cent of the combined Clontibret, Clay Lake and Glenish target area.

### **Updated Mineral Resource Estimate for Clontibret**

An updated mineral resource for the Clontibret gold deposit estimate was prepared by TetraTech Inc (“TetraTech”). The resource estimate was developed to JORC Standard and represented a detailed geological revision on the scoping study previously undertaken by Tetra Tech in 2011 (See Table 2, in the Annual Report).

The new resource estimate represents an increase in gold grade of 26% and an increase in contained ounces in the indicated category of 23%.

As part of the study additional opportunities to increase the size of the resource were identified. There is strong geological evidence to suggest that the gold lodes have a more extensive strike length than previously interpreted – up to a least 850m, and mineralisation remains open in all directions.

This cut-off grade was supported by using the following:

- A mining cost of US\$1.88/t
- Processing costs of US\$13.04/t
- G&A costs of US\$1.0/t
- A strip ratio of 9.4:1
- Gold recovery: 84%

### **Clontibret – Clay Lake – Glenish Gold Target Estimates of Potential Contained Ounces Gold**

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

The Exploration Target estimated in this report, is an assessment of actual exploration results that define the exploration potential of a mineral occurrence supported by drilling, trenching, geological mapping, structural interpretation, prospecting, sampling, analyses, and/or nearby geological analogies (e.g. the Clontibret deposit which has a JORC compliant resource). The potential quantity and grade of the Exploration Target are essentially conceptual in nature.

It must be noted that there are geological interpretations and assumptions made in these estimates and it is inappropriate to apply any economic parameters to the calculations. The estimates represent an Exploration Target as defined in the JORC guidelines and must not be construed as Resources or Reserves.

Your Company’s licence area, including the Clontibret/Clay Lake/Glenish area, has excellent infrastructure. The N2 highway passes within 2km of the Clontibret-Clay Lake targets whilst the N54 passes across the top of the licences. Additionally, there are two 110kV power lines which traverse the Orlock Bridge Fault and a third 110kV line which runs parallel to all the prospects and is never further than 5km away. The area also has a skilled local workforce in local accommodation and long-term employment is particularly important in regional areas.

Your Company, which is fully conscious of its social and environmental responsibilities, looks forward to developing on a sustainable basis, its first gold mine in the region.

### **Clontibret/Clay Lake – Glenish Gold Target Estimates Of Potential Contained Ounces Of Gold**

The Company has updated its exploration target to include the Glenish gold target to the southwest of the Clontibret and Clay Lake gold targets. This updated Exploration Target, has been calculated by Professor Garth Earls using (1) a 5% drilling success estimate to reflect the drilling success rate to date in the area, (2) the level of geological data available, (3) the understanding of the gold mineralisation in the area and, (4) using 2 g/t Au, the Clontibret deposit JORC grade, as the preferred comparator of grade across all three gold-in-soil anomalies. The calculations are based on coherent gold-in-soil anomalies greater than 10ppb Au.

This results in an updated Exploration Target of 8.8 million ounces of gold to a depth of 200m, excluding the already defined 517,000 ounce JORC resource at Clontibret, within the north-eastern area of the Company's licences (see Table 3 in the Annual Report).

To put this Exploration Target into worldwide industry perspective, your Company's technical staff have drawn a gold trend comparison between the Orlock Bridge Fault zone and the Boulder-Lefroy gold zone in Australia which is 100km long and has produced in excess of 85Moz since its discovery and still has many producing mines.

New discoveries continue to be made despite the region being explored for many decades. There are structural similarities between the Boulder-Lefroy shear zone and the Orlock Bridge Fault zone in your Company's licence area. The major difference is that the Orlock Bridge Fault area has much less exploration to date and there are many known targets waiting to be drilled.

### **Further Exploration Potential**

In addition to the Clontibret/Clay Lake and Glenish gold target areas there is further exploration potential on the Company's other licences along the Orlock Bridge Fault. These targets include Slieve Glah, a large and very promising target 40km to the south of Clontibret, where the Orlock Bridge Fault undergoes a marked strike-swing. Such strike-swings can act as focal points for mineralisation.

Other gold targets in the Longford – Down Massif include Rockcorry and Tullyvin which are large gold-in-soil anomalies along the Orlock Bridge Fault which remain to be tested. These targets lie in an area termed the central structural zone between Slieve Glah and Clontibret. Other gold-in-soil anomalies within the licence area along the Orlock Bridge Fault in the Longford – Down Massif also remain to be tested.

### **Other Targets in Ireland And Finland**

Exploration also continues for gold, zinc and other metals on the Company's other exploration properties in Ireland and also on your Company's Finnish exploration licences. Finland is highly prospective for gold and, at Kittila in Northern Finland, hosts Europe's largest gold mine.

### **Finance**

The loss after taxation for the financial year ended 31 May 2018 was €745,485 (2017: €431,922) and the net assets as at 31 May 2018 were €17,874,350 (2017: €16,760,857). During the year, the Company raised £1,000,000 by way of a placing and subscription for ordinary shares in the Company. Warrants taken up by Managing Director, Ms Maureen Jones and I, raised a further €166,680 during the year.

During the year the Company cancelled the admission of its ordinary shares to trading on ESM. The Company's ordinary shares continue to be admitted to trading on AIM.

On 28 August 2018, the Company raised £500,000 (€556,545) through a placing of 3,636,365 ordinary shares of €0.001 in the capital of the Company ("the Placing Shares") at a price of €0.1375 sterling per Placing Share, being a premium of 20 per cent to the closing mid-market price on 24 August 2018.

## **Directors and Staff**

I would like to express my deep appreciation of the support and dedication of all the directors, consultants and staff, which despite all the difficulties, has made possible the continued progress and success which the Company has achieved. I would like to pay particular tribute to Dr. Karl Keegan, who will not be going forward for re-election, for his excellent contribution to the Board.

## **Future Outlook**

Your Company has continued to make excellent progress in its exploration and development programme. I look forward to this continuing on an accelerated basis as we target a multi-million ounce gold resource in Ireland and move towards mine development at Clontibret.

## **Professor Richard Conroy**

*Chairman*

## ***Extract from the Independent Auditor's Report***

The following section is extracted from the Independent Auditor's Report, but shareholders should read in full the Independent Auditor's Report contained in the Annual Report.

## **Material uncertainty related to going concern**

We draw your attention to Note 1 in the financial statements, which indicates that the Group and Parent Company incurred a net loss of €745,485 during the year ended 31 May 2018 and, as of that date, the Group and Parent Company had net current liabilities of €2,953,825 and €2,607,867 respectively.

In response to this, we:

- Obtained an understanding of the group's and company's controls over the preparation of cash flow forecasts and approval of the projections and assumptions used in cash flow forecasts to support the going concern assumption and assessed the design and implementation of these controls;
- We evaluated management's plans and their feasibility by testing the key assumptions used in the cash flow forecast provided by agreeing the inputs to historical run rates, expenditure commitments and other supporting documentation;
- Inspected confirmations received by the Group and Parent Company from the Directors and former Directors that they will not seek repayment of amounts owed to them by the Group and Parent Company within 12 months of the date of approval of the financial statements, unless the Group and/or Parent Company has sufficient funds to repay;
- Inspected the confirmation received from Karelion Diamond Resources Plc that it does not intend to seek repayment of amounts owed by the Group and Parent Company within 12 months of the date of approval of the financial statements, unless the Group and/or Parent Company has sufficient funds to repay;
- Tested the clerical accuracy of the cash flow forecast model;
- Assessed the adequacy of the disclosures made in the financial statements.

As stated in Note 1, these events or conditions along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Consolidated Income Statement for the financial year ended 31 May 2018

	<i>Note</i>	2018 €	2017 €
<b>Continuing operations</b>			
Operating expenses	2	<b>(745,498)</b>	(431,922)
Finance income – interest		<b>13</b>	-
<b>Loss before taxation</b>	3	<b>(745,485)</b>	(431,922)
Income tax expenses	5	-	-
<b>Loss for the financial year</b>		<b>(745,485)</b>	(431,922)
<b>Loss per share</b>			
Basic loss per share	6	<b>(€0.0485)</b>	(€0.0392)
Diluted loss per share	6	<b>(€0.0396)</b>	(€0.0392)

The total loss for the financial year is entirely attributable to equity holders of the Company.

### Consolidated statement of comprehensive income for the financial year ended 31 May 2018

	2018 €	2017 €
<b>Loss for the financial year</b>	<b>(745,485)</b>	(431,922)
<b>Income/expense recognised in other comprehensive income</b>	-	-
<b>Total comprehensive expense for the financial year</b>	<b>(745,485)</b>	(431,922)

The total comprehensive income for the financial year is entirely attributable to equity holders of the Company.

### Consolidated statement of financial position as at 31 May 2018

	<i>Note</i>	31 May 2018 €	31 May 2017 €
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	8	<b>21,000,286</b>	19,659,104
Property, plant and equipment	9	<b>13,232</b>	15,116
<b>Total non-current assets</b>		<b>21,013,518</b>	19,674,220
<b>Current assets</b>			

Cash and cash equivalents	11	233,161	19,704
Other receivables	10	72,298	98,980
<b>Total current assets</b>		<b>305,459</b>	<b>118,684</b>
<b>Total assets</b>		<b>21,318,977</b>	<b>19,792,904</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Called up share capital	14	20,057	11,014
Called up deferred share capital	14	10,504,431	10,504,431
Share premium	14	12,174,285	10,649,252
Capital conversion reserve fund	14	30,617	30,617
Share-based payments reserve	17	995,489	1,542,961
Retained deficit		(5,850,529)	(5,977,408)
<b>Total equity</b>		<b>17,874,350</b>	<b>16,760,867</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Directors' loans	13	185,343	277,287
<b>Total non-current liabilities</b>		<b>185,343</b>	<b>277,287</b>
<b>Current liabilities</b>			
Trade and other payables	12	3,259,284	2,754,750
<b>Total current liabilities</b>		<b>3,259,284</b>	<b>2,754,750</b>
<b>Total liabilities</b>		<b>3,444,627</b>	<b>3,032,037</b>
<b>Total equity and liabilities</b>		<b>21,318,977</b>	<b>19,792,904</b>

The financial statements were approved by the Board of Directors on 13 November 2018 and authorised for issue on 13 November 2018.

### Consolidated statement of cash flows for the financial year ended 31 May 2018

	2018	2017
	€	€
<b>Cash flows from operating activities</b>		
Loss for the financial year	(745,485)	(431,922)
<i>Adjustments for:</i>		
Depreciation	1,884	3,779
Expense recognised in consolidated income statement in respect of equity settled share-based payments	74,621	15,346
Increase in payables	665,196	460,066
Decrease/(increase) in receivables	26,682	(60,646)
<b>Net cash provided/(outflow) by operating activities</b>	<b>22,898</b>	<b>(13,377)</b>
<b>Cash flows from investing activities</b>		
Expenditure on intangible assets	(1,042,705)	(898,917)
Purchase of property, plant and equipment	-	(2,745)
<b>Cash used in investing activities</b>	<b>(1,042,705)</b>	<b>(901,662)</b>
<b>Cash flows from financing activities</b>		
Issue of share capital	1,534,076	-
Share issue costs	(48,206)	-
(Payments to)/advances from Karelian Diamond Resources P.L.C.	(160,662)	105,035
(Repayments of)/advances from Directors'	(91,944)	142,000
<b>Net cash provided by financing activities</b>	<b>1,233,264</b>	<b>247,035</b>

Increase/(decrease) in cash and cash equivalents	<u>213,457</u>	<u>(668,004)</u>
Cash and cash equivalents at beginning of financial year	<u>19,704</u>	<u>687,708</u>
Cash and cash equivalents at end of financial year	<u>233,161</u>	<u>19,704</u>

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