



**CONROY**

GOLD AND NATURAL RESOURCES

28 November 2011

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

**Final Results For The Year Ended 31 May 2011**

**A Year of Significant Progress**

Conroy (AIM: CGNR; ESM: CGNRI), the Irish based resource company exploring and developing gold and other projects in Ireland, is pleased to announce its results for the year ended 31 May 2011. A year during which the Company has moved from being solely focussed on exploration towards initial preparations relating to development and production.

- **Scoping Study results on Clontibret Gold project positive on both financial and technical grounds**
- **Preliminary environmental studies completed**
- **Positive results from infill drilling programme**
- **Positive results from step out drilling at Clay Lake gold target**
- **£1,800,000 sterling (over €2,000,000) raised during period.**

**Chairman, Professor Richard Conroy commented:**

*“The positive outcome of the Scoping Studies at Clontibret provide a sound technical and financial basis for the next phase of the project, the positive results of the infill drilling showing increased widths of mineralisation and high grade intersections and, the positive results of step out drilling at Clay Lake confirm the potential of the licence areas. We have established that a gold mine is viable, on a section of the 30 mile trend we have delineated, which we intend to bring into production in the near term.”*

***Further Information:***

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## **CHAIRMAN'S STATEMENT**

I have pleasure in presenting your Company's Final Results for the year ended 31 May 2011. The year has been one of substantial progress for your Company as it moves from being solely focussed on exploration to being also involved in development and making initial preparations relating to production.

A sound basis for this has been provided by the positive results on both financial and technical grounds from the independent Scoping Study completed by Tetra Tech Wardrop Engineering Inc. ("Wardrop") on your Company's Clontibret gold prospect in Co. Monaghan where we plan to develop a conventional open pit gold mine.

### **Clontibret Gold Project**

The positive outcome of the scoping studies indicates that the Clontibret gold project is viable and forms the foundation for the next stage of the project in the knowledge that the ore system remains open and that further expansion of the resource is likely.

The Joint Ore Reserves Committee ("JORC") Standard Scoping Study by Wardrop was focussed on the Tullybuck-Lisglassan area which comprises approximately 20 per cent of your Company's Clontibret gold target. Wardrop recommended that following on the positive outcome of the scoping study, infill and step-out drilling along strike together with metallurgical studies be carried out.

The scope of the study included Geology, including Regional Geology, Resource Review, Deposit Types and Mineralisation; Mine Plan and Plant Design, Infrastructure/ Utilities and Ancillary Facilities, Mine Water and Waste Management, Capital and Operating Costs Estimates and Financial Analysis.

An ongoing definitive infill drilling programme commenced in the spring. This programme is designed to further define gold zones within the proposed mine area, potentially increasing the resource and also to provide geotechnical information for mine design purposes together with the ore material required for metallurgical test work. Positive results to date from the infill drilling include increased widths of mineralisation (up to 19.35 metres) and high grade intersections (including 2 metres of 11.24 g/t Au).

During the year, preliminary environmental studies were completed by environmental consultants Golder Associates. Detailed environmental monitoring and site assessments have been initiated, ecological studies are underway, surface water monitoring locations established and a weather station installed.

Pre and final feasibility studies will follow leading in turn to the submission of planning and mining applications as a prerequisite to mine development.

### **Clay Lake Gold Target**

Positive drilling results were received from the step out drilling programme in the Clay Lake gold target in Co. Armagh, 4.5 miles (7 km) to the northeast of Clontibret.

The Clay Lake target covers an area of approximately 141 hectares and has returned the highest gold-in-soil values recorded by your Company on its Irish exploration licences. The step out drilling programme builds on previous positive gold results which demonstrated the presence of a broad zone of gold mineralisation.

The target is named after the Clay Lake nugget containing 28g of gold which was found in a stream bed in the 1980s.

## **Gold Trend**

Both Clontibret and Clay Lake are located along the 50 km (30 mile) gold trend outlined on your Company's licences which stretch from Co. Armagh in Northern Ireland across counties Monaghan and Cavan in the Republic of Ireland in a geological structure called the Longford-Down Massif.

The gold area is adjacent to a historic lead-mining district and your Company, during the course of its exploration, has also discovered a very large (100km<sup>2</sup>) zinc-in-soil anomaly, suggesting a zonation in mineralisation in the area and further expanding the metallurgical potential of the area.

## **Total Gold Potential**

In-house studies by your Company, though conceptual in nature, suggest that the total gold potential of the Company's exploration licences in the Longford-Down Massif could now lie in the 15 million – 20 million ounce range. This projection is based on (i) the 1 million ounce JORC-compliant resource outlined in only 20 per cent of the Clontibret project, (ii) the potential of the remaining 80 per cent of that target, (iii) the discovery at Clay Lake and (iv) other large gold-in-soil anomalies that have been outlined elsewhere on its licences. Whilst there has been insufficient exploration to date to define such a mineral resource, and there is no certainty that further exploration will result in a resource of this magnitude being realised, your directors believe that the potential of the area is clear and the possibilities exciting.

## **Gold in Ireland**

As we move towards development a brief note on gold in Ireland is appropriate. Gold has been known to exist in Ireland for over 2,000 years as demonstrated by the magnificent gold ornaments in the National Museum in Dublin. However, apart from a small gold rush in County Wicklow in the 19th century, Ireland, though well known as an international base-metals province, has not previously been regarded as a gold province. We are hopeful that our recent success will lead to this perception changing. Your Company's management, who were involved in the zinc discovery at Galmoy, which revived Ireland as a major base-metals province, have long believed that there was also significant potential for gold in Ireland and, with that objective in mind, initiated the exploration programme by your Company which has successfully identified this new gold district stretching across three counties and where, at Clontibret, in Co. Monaghan, your Company proposes to develop a gold mine.

## **Mining in Ireland**

Ireland is currently a major base metal producer. There is a long established mining tradition, a favourable business climate and excellent infrastructure. The Conroy executive team involved in the discovery and development of the Galmoy zinc ore bodies which led to the revival of the Irish base metal industry now look forward to the development of a gold mine at Clontibret.

## **World Gold Production**

Global gold mine production reached a peak of 2,600 tonnes in 2001 but has since declined with countries such as South Africa producing far less gold than previously. Demand for gold is greater than supply with the deficit made up by recycling and Central Bank sales. The trend of Central Bank selling has now reversed. China is said to be doubling its gold reserves and other countries are also increasing their purchases of gold. This excess of demand over supply is a very important development which augurs well for your Company's future as it moves towards becoming a gold producer.

## **Share Price**

Your Board believes that your Company's value as measured by the share price is yet to reflect the increasing value of its underlying assets as it moves towards development and production.

## **Finance**

The loss after taxation for the year ended 31 May 2011 was €427,970 (2010: €290,445) and the net assets as at 31 May 2011 were €11,647,817 (2010: €9,344,116). Cash at bank as at 31 May 2011 was €749,459 (2010: €1,648,160).

During the year £1,800,000 sterling (prior to expenses) was raised by the issue of 30,000,000 shares for cash at a price of 6 pence per share and I converted €687,540 (the equivalent of £600,000 sterling) of my loans to the Company into shares at the same price.

As in previous years, I have supported the working capital requirements of the Company. The balance of the loans due to me at the period end was €554,612. The loans have been made on normal commercial terms. The other Directors consider, having consulted with the Company's Nominated Adviser and the Company's ESM Adviser, that the terms of the loans are fair and reasonable in so far as the Company's shareholders are concerned.

Subsequent to the year end a further £750,000 sterling was raised by issue of 20,689,685 ordinary shares of €0.03 at 3.625p sterling together with 20,689,685 warrants exercisable at 4.25 pence per share. The Subscription Shares were placed at 3.625 pence per share, a premium of 22% to the closing price on the previous day. I personally subscribed for 6,896,552 of the Subscription Shares.

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.

## **Auditors**

I would like to take this opportunity of thanking the partners and staff of Deloitte & Touche for their services to your Company during the course of the year.

## **Directors, Consultants and Staff**

I would also like to express my deep appreciation of the support and dedication of the Directors, Consultants and Staff, which has made possible the continued progress and success which your Company has achieved.

## **Future Outlook**

Your Company has made further excellent progress in the financial year to 31 May 2011. I look forward to the future with confidence as we move from the exploration phase into the development phase.

Professor Richard Conroy  
Chairman

28 November 2011

**INCOME STATEMENT  
FOR YEAR ENDED 31 MAY 2011**

	2011 €	2010 €
<b>OPERATING EXPENSES</b>	<b>(364,356)</b>	(151,793)
Finance income – bank interest receivable	<b>5,764</b>	77
Finance costs – interest on shareholder loan	<b>(69,378)</b>	(138,729)
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<b>LOSS BEFORE TAXATION</b>	<b>(427,970)</b>	(290,445)
Taxation	-	-
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<b>LOSS FOR THE YEAR</b>	<b>(427,970)</b>	(290,445)
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Loss per ordinary share – basic and diluted	<b>(€0.0020)</b>	(€0.0021)
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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2011**

	2011	2010
	€	€
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Intangible assets	11,759,028	9,802,468
Investment in Subsidiary	2	2
Property, plant and equipment	<u>23,849</u>	<u>14,424</u>
	<u>11,782,879</u>	<u>9,816,894</u>
<b>Current Assets</b>		
Trade and other receivables	81,323	56,381
Cash and cash equivalents	<u>749,459</u>	<u>1,648,160</u>
	<u>830,782</u>	<u>1,704,541</u>
<b>Total Assets</b>	<u>12,613,661</u>	<u>11,521,435</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Called up share capital	6,913,935	5,713,935
Share premium	7,656,028	6,273,383
Capital conversion reserve fund	30,617	30,617
Share based payments reserve	731,682	582,656
Retained losses	<u>(3,684,445)</u>	<u>(3,256,475)</u>
<b>Total Equity</b>	<u>11,647,817</u>	<u>9,344,116</u>
<b>Non-current Liabilities</b>		
Financial Liabilities	<u>646,673</u>	<u>1,636,661</u>
<b>Total Non-current Liabilities</b>	<u>646,673</u>	<u>1,636,661</u>
<b>Current Liabilities</b>		
Trade and other payables	<u>319,171</u>	<u>540,658</u>
<b>Total Current Liabilities</b>	<u>319,171</u>	<u>540,658</u>
<b>Total Liabilities</b>	<u>965,844</u>	<u>2,177,319</u>
<b>Total Equity and Liabilities</b>	<u>12,613,661</u>	<u>11,521,435</u>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2011**

	<b>2011</b>	<b>2010</b>
	€	€
<b>Cash flows from operating activities</b>		
Cash used in operations	(567,558)	(150,169)
Tax paid	-	-
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<b>Net cash used in operating activities</b>	<b>(567,558)</b>	<b>(150,169)</b>
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<b>Cash flows from investing activities</b>		
Investment in exploration and evaluation	(1,836,028)	(945,021)
Payments to acquire property, plant and equipment	(24,158)	(206)
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<b>Net cash used in investing activities</b>	<b>(1,860,186)</b>	<b>(945,227)</b>
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<b>Cash flows from financing activities</b>		
Issue of share capital	1,895,105	3,000,632
Advances of shareholder loan	-	190,000
Repayment of shareholder loan	(42,424)	(508,897)
Bank interest received	5,764	77
Interest paid on shareholder loan	(329,402)	-
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<b>Net cash generated from financing activities</b>	<b>1,529,043</b>	<b>2,681,812</b>
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<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(898,701)</b>	<b>1,586,416</b>
Cash and cash equivalents at beginning of year	1,648,160	61,744
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<b>Cash and cash equivalents at end of year</b>	<b>749,459</b>	<b>1,648,160</b>
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## Notes to the Financial Statements

### **1. Publication of non-statutory accounts**

The financial information set out in this preliminary announcement are abbreviated accounts as defined in Section 19 of the Companies (Amendment) Act 1986.

The financial information for the period ended 31 May 2011 has been extracted from the Company's financial statements to that date which have received an unqualified auditor's report but have not yet been delivered to the Registrar of Companies.

### **2. Earnings per share**

The calculation of the loss per ordinary share of €0.0020 (2010 - €0.0021) is based on the loss for the financial year of €427,970 (2010 – €290,445) and the weighted average number of ordinary shares in issue during the year of 213,797,820 (2010 – 136,981,154).

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 31 May, 2011.

### **4. Copies of Accounts**

A copy of the Annual Report and Financial Statements, Notice of Meeting and Proxy Form will be available on the Company's website [www.conroygoldandnaturalresources.com](http://www.conroygoldandnaturalresources.com) and will be available from the Company's registered office, 10 Upper Pembroke Street, Dublin 2. It will also be forwarded to shareholders who requested a hard copy.