CONROY
GOLD AND NATURAL RESOURCES

Annual Report and Consolidated Financial Statements 2022

Contents

Chairman's Statement

Professor Richard Conroy
Chairman

Project Inis – Drilling Clontibret gold deposit

Dear Shareholder,

I have great pleasure in presenting the Company's Annual Report and Consolidated Financial Statements for the year ended 31 May 2022, which was a transformational year for the Company.

During the year the Company agreed and completed a joint venture ("JV") agreement to develop the district scale gold trend which the Company has discovered in the Longford-Down Massif in Ireland with the primary aim being the development of a mine at Clontibret in County Monaghan and/or elsewhere in the Longford-Down Massif.

The Joint Venture agreement is an earn-in agreement with the long established mining company, Demir Export AŞ ("Demir Export"). Demir Export has interests in iron, coal, gold and base metals in Turkey and has a strong in-house technical team with mining and exploration expertise. Demir Export brings over 60 years of mine operating experience to bear on the project and the company places a strong emphasis on the adoption of international environmental, health and safety management standards.

The investment by Demir Export is directly into operating companies, wholly owned subsidiaries of Conroy Gold and Natural Resources, which have been established to hold and operate the various licences in the JV. These companies are: Conroy Gold (Clontibret) Limited, which holds the Clontibret Licence; Conroy Gold (Armagh) Ltd, which holds the Licences and Mines Royal options in Northern Ireland; and Conroy Gold (Longford Down) Limited, which holds the remaining prospecting licences in the Republic of Ireland.

In addition, three new prospecting licenses in the Longford-Down Massif have been granted to Conroy Gold and Natural Resources (PL3131, PL4554, and PL4559). It is intended that application will be made for these licences to be transferred to Conroy Gold (Longford-Down) Limited, which would bring the number of licences held by the JV in the Longford-Down Massif to fifteen and the total area held by the Joint Venture in the Longford-Down Massif to approximately 1000 km^2.

Under the terms of the JV agreement a cash payment of €1 million was made to the Company upon completion of the JV agreement in March 2022. Further expenditure of over €4.5 million by Demir Export in work commitments is

Project Inis – Core shed, Professor Richard Conroy (Chairman), Kevin McNulty (Senior Geologist) and Cathal Jones (Finance Consultant)

Technical team core shed presentations

required for Demir Export to earn a 25% interest in each project. Subsequent expenditure of €4.5m plus by Demir Export will earn an additional 15% interest. The additional expenditure required to reach construction ready status for mine development will earn an additional 17.5% interest to bring Demir Export's total holding to 57.5% in any given development.

Thereafter the Company may continue to retain a 42.5% interest in the mine development by participating pro rata in the expenditures required for mine development, or avail itself of a number of alternatives, such as being carried for these expenditures through a "carry loan" for a 25% interest with a payback over a six year period from the net profit due to the Company.

The Company has as a result, during the year, moved from its activities primarily being mineral exploration to having mine development as its main focus. This is a major, and transformational, event in the Company's history. We are confident that the Company has enough data and background knowledge to warrant this shift in emphasis and in Demir Export we have an experienced JV partner who have already, in a short space of time, contributed significantly to the JV partnership.

Although the primary aim of the joint venture is the development of a mine on the Clontibret gold deposit and/or elsewhere in the Longford-Down Massif, exploration along the 65km (40 mile) gold trend will continue. A number of other gold targets, in addition to the Clontibret gold deposit, have already been discovered and we expect the exploration programmes to discover further gold targets. Possible base metal targets in the Longford-Down Massif will also be followed up.

An EGM was held during the period under review at which shareholder's approval was sought, and granted, for the joint venture. Completion of the joint venture was also conditional on the necessary regulatory consents being granted in the Republic of Ireland and Northern Ireland for the transfer of the relevant licences to the various joint venture companies which were set up under the joint venture agreement. These regulatory consents were received in the first quarter of 2022.

During the year and post period, exploration at Clontibret and elsewhere in the Longford-Down Massif has continued. Excellent results included the widest yet gold intercept drilled to date at Clontibret – 94.5m grading 1.0g/t Au, including 45m grading 1.5g/t Au, in the stockwork zone. The drill hole also intersected lodes which assayed 6m grading 4.4g/t Au, 2.7m grading 5g/t Au and 1.55m grading 4.0g/t Au. An initial c.3000m joint venture step out drilling programme also commenced in April 2022 at Clontibret and results to date have included the discovery of four new gold zones and further continuity of the gold mineralization in the stockwork, including an intersection of 22m@0.6g/t gold (as announced by the Company on 1 September 2022).

Other exploration work, including drilling, deep overburden sampling and geophysics work, was also carried out during the year with highly encouraging results.

The current drill programme at Clontibret, which is being carried out in conjunction with Demir Export, is designed to build upon the previous work carried out by Conroy over many years, by enhancing our knowledge of the Clontibret deposit and increasing the existing JORC resource figure.

Ramazan Yön, CEO Demir Export and Professor Richard Conroy, Conroy Chairman, at PDAC Canada

Project Inis site visit, Professor Richard Conroy (Chairman), Dr. Sorċa Conroy (Strategy Consultant), Tamer Talu (Demir Export Consultant - Strategy & Business Development) and Cathal Jones (Finance Consultant)

Environmental, Social and Governance issues

Great emphasis is placed by the Company on Environmental, Social and Governance issues. The Company is committed to high standards of corporate governance and integrity in all of its activities and operations including rigorous health and safety compliance, environmental consciousness and the promotion of a culture of good ethical values and behaviour.

The Company conducts its business with integrity, honesty and fairness and requires its partners, contractors and suppliers to meet similar ethical standards. Individual staff members must ensure that they apply and maintain these standards in all their actions.

It is a requirement of the Chairman of the Board to regularly monitor and review the Company's ethical standards and cultural environment and where necessary, take appropriate action to ensure proper standards are maintained.

COVID-19

COVID-19 measures continued to be taken by the Company during the year in accordance with government guidelines to protect the health, safety and well-being of its employees, contractors and partners.

Financials

The loss after taxation from continuing operations for the financial year ended 31 May 2022 was €183,129 (31 May 2021: profit of €211,010).

As at 31 May 2022, the Group had cash reserves of €1,216,097 (31 May 2021: €1,513,286) and net assets of €19,804,072 (31 May 2021: €19,987,222).

Directors and Staff

I would like to express my deep appreciation for the support and dedication of the Directors, staff and consultants which has made possible the excellent progress and success which the Company has achieved during the year, in particular to those that helped with the successful conclusion of the joint venture with Demir Export.

Richard Conroy

Professor Richard Conroy

Chairman

29 November 2022

Company Information

Directors

Professor Richard Conroy*
Chairman

Maureen T.A. Jones*
Managing Director

Professor Garth Earls+§
Non-executive Director

Brendan McMorrow*+§
Non-executive Director

Howard Bird*§
Non-executive Director

* *Member of the Executive Committee*
§ *Member of the Remuneration Committee*
\+ *Member of the Audit Committee*

Company registration number

232059

Company secretary

Maureen T.A. Jones

Registered office

3300 Lake Drive
Citywest Business Campus
Dublin 24, D24 TD21, Ireland

Nominated adviser (NOMAD)

Allenby Capital Limited
5 St. Helens Place
London, EC3A 6AB, United Kingdom

Broker

First Equity Ltd
Salisbury House, Finsbury
London, EC2M 5QQ, United Kingdom

Statutory audit firm

Deloitte Ireland LLP
Chartered Accountants
and Statutory Audit Firm
6 Lapps Quay
Cork, T12 VY7W, Ireland

Banker

AIB
1-4 Lower Baggot Street
Dublin 2, D02 X342, Ireland

Registrar

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Dublin 2, D02 A342, Ireland

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Helsinki

Head office

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London Stock Exchange

AIM Market Symbol: CGNR
SEDOL: BZ4BW18
ISIN number: IE00BZ4BTZ13

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

Professor Garth Earls
Non-Executive Director

Brendan McMorrow
Non-Executive Director

Howard M. Bird
Non-Executive Director

Board of Directors

Professor Richard Conroy - Chairman of the Board of Directors
Professor Richard Conroy is responsible for leading the Board and ensuring it operates in an effective manner whilst promoting communication with shareholders. He has over 40 years' experience of founding and growing companies in the natural resources industry with a track record in making discoveries of global significance.

Experience
Professor Richard Conroy has been involved in natural resources for many years. He established Trans-International Oil, which was primarily involved in Irish offshore oil exploration. Trans-International Oil initiated the Deminex Consortium which included Deminex, Mobil, Amoco and DSM. Trans-International Oil was merged with Aran Energy P.L.C. in 1979, which was later acquired by Statoil.

Professor Richard Conroy founded Conroy Petroleum and Natural Resources P.L.C. ("Conroy Petroleum"). Conroy Petroleum was involved in both onshore and offshore oil production and exploration and also in mineral exploration. Conroy Petroleum, in 1986, made the significant discovery of the Galmoy zinc deposits in County Kilkenny which was later developed as a major zinc mine. The discovery at Galmoy led to the revival of the Irish base metal industry and to Ireland becoming an international zinc province.

Conroy Petroleum was also a founding member of the Stoneboy consortium, which included Sumitomo Metal Mining Co. Ltd., an exploration Group which discovered the world class Pogo gold deposit in Alaska, now in production as a major gold mine.

Conroy Petroleum acquired Atlantic Resources P.L.C. in 1992 and subsequently changed its name to ARCON International Resources P.L.C. ("ARCON"). The oil and gas interests in ARCON were transferred to form Providence Resources P.L.C. ARCON was later acquired by Lundin Mining Corporation.

Professor Richard Conroy was Chairman and Chief Executive of Conroy Petroleum/ARCON from 1980 to 1994. He founded Conroy Gold and Natural Resources P.L.C. in 1995. Since then, Professor Richard Conroy has utilised his extensive experience in the exploration industry in his role as Chairman of the Board.

Professor Richard Conroy served in the Irish Parliament as a Member of the Senate. He was at various times front bench spokesman for the Government party in the Upper House on Energy, Industry and Commerce, Foreign Affairs and Northern Ireland.

Professor Richard Conroy is Emeritus Professor of Physiology in the Royal College of Surgeons in Ireland. Professor Richard Conroy's research included pioneering work on jet lag, shift working and decision making in business after intercontinental flights. He co-authored the first textbook on human circadian rhythms.

Maureen T.A. Jones - Managing Director
Maureen T.A. Jones oversees all of the Company's business and is responsible for formulating the Company's objectives and strategy. She is also the Company Secretary for the Company and ensures all filings and requirements of the Companies Acts are fulfilled.

Experience
Maureen T.A. Jones joined Conroy Petroleum and Natural Resources P.L.C. on its foundation in 1980 and was a director and member of the Board of Directors of Conroy Petroleum/ARCON from 1986 to 1994. Maureen T.A. Jones has a medical background and specialised in the radiographic aspects of nuclear medicine before becoming a manager of International Medical Corporation in 1977.

Maureen T.A. Jones has over twenty years' experience at senior level in the natural resource sector. She has been Managing Director of Conroy Gold and Natural Resources P.L.C. since 1998. Maureen T.A. Jones brings a vast amount of managerial experience to the Board along with extensive experience of the exploration industry.

Professor Garth Earls - Non-executive Director

Professor Garth Earls provides technical advice and guidance to the Company in relation to the exploration and resource development matters. He was appointed to the Board on 15 November 2016.

Experience

Professor Garth Earls is Consulting Economic Geologist and Professor in the Department of Geology, University College Cork. He has been a Member of the Board of Directors and Managing Director of both AIM and TSX listed companies and has worked globally on a wide range of gold and base metal projects. In the 1980s he was part of the team that discovered the Curraghinalt gold deposit in Co. Tyrone. Professor Garth Earls is a former Director of the Geological Survey of Northern Ireland and former Chairman of the Geosciences Committee of the Royal Irish Academy. This experience is invaluable to the Company to assist in his role of technical advisor.

Brendan McMorrow - Non-executive Director

Brendan McMorrow was appointed to the Board on 28 August 2017. He brings a broad range of knowledge gained through holding senior financial roles in a variety of listed public companies in the natural resources sector.

Experience

Brendan McMorrow has over 25 years' experience in a number of public companies in the oil and gas and base metals mining sectors listed in London, Toronto and Dublin where he held senior executive finance roles. He is currently Chief Executive Officer of Ormonde Mining P.L.C., a natural resources exploration company. Prior to that he was Chief Financial Officer of Circle Oil P.L.C. from 2005 to 2015, an AIM listed oil and gas exploration, development and production company, with operations in North Africa and the Middle East. Brendan is a Fellow of the Chartered Association of Certified Accountants.

Howard Bird - Non-executive Director

Howard Bird brings a broad range of knowledge gained through holding senior positions in a variety of different roles in the natural resources sector. He was appointed to the Board on 28 July 2020.

Experience

Howard Bird is an internationally experienced Professional Geoscientist (diamonds, gold, platinum and base metals) and has over 30 years' diverse junior and senior mining company exploration, development and mining experience, including over 15 years at senior executive management level. Howard has extensive worldwide experience and was involved in programmes that have led to the discovery of over 100 kimberlites, working in Canada, Australia, Brazil, South Africa, Angola, Zimbabwe, Democratic Republic of Congo, Botswana and Gabon.

Together, the Directors form the Board of Directors with a gender mix of four and one. The mix of experience that the Directors bring to the Board include financial and managerial experience, mining, development and natural resources experience which are crucial to the business of the Company and crucial to the smooth running of a Board of Directors and company.

Directors' Report

The Board of Directors submit their annual report together with the audited consolidated financial statements of Conroy Gold and Natural Resources P.L.C. (the "Company") and its subsidiaries ("Conroy Gold", or the "Group") and the separate financial statements of the Company for the financial year ended 31 May 2022.

Principal activities, business review and future developments
Information with respect to the Group's principal activities and the review of the business and future developments as required by Section 327 of the Companies Act 2014 is contained in the Chairman's statement on pages 3 to 5. The Company is a mineral exploration and development company whose objective is to discover and develop world class ore bodies in order to create value for its shareholders. The Company's strategy is to explore in politically stable and geographically attractive countries such as Ireland and Finland.

The challenges facing the Company in achieving this strategy are world commodity prices and general economic activity, ensuring compliance with governmental and environmental legislation and meeting work commitments under exploration permits and licences sufficient to maintain the Company's interest therein. To accomplish its strategy and manage the challenges involved, the Company employs experienced individuals with a track record of success of discovering world class ore bodies together with suitably qualified technical personnel and consultants, experienced drilling and geophysical and other contractors and uses accredited international laboratories and technology to interpret and assay technical results. Additionally, the Company ensures as far as possible to obtain adequate working capital to carry out its work obligations and commitments. Please refer to the section on risks and uncertainties on pages 15 and 16 for further details.

By co-ordinating all of the above, this should result in a satisfactory return and value for shareholders.

Results for the year and state of affairs at 31 May 2022
The consolidated income statement for the financial year ended 31 May 2022 and the consolidated statement of financial position at that date are set out on pages 24 and 26. The loss for the financial year amounted to €256,484 (31 May 2021: profit of €211,010) and net assets at 31 May 2022 were €19,730,738 (31 May 2021: €19,987,222). No interim or final dividends have been or are recommended by the Board of Directors.

The Group is not yet in a production stage and accordingly has no operating income. Consequently, the Group is not expected to report profits until it is in a position to profitably develop or otherwise turn to account its exploration projects. The Directors monitor the activities and performance of the Group on a regular basis and use both financial and non-financial indicators to assess the Group's performance.

Important events since the year-end
Post year end, the Company announced that it had received notice of conversion from Hard Metal Machine Tools Limited (the ''Lender'') in relation to convertible loan notes which were issued on 15 July 2019 and 30 October 2019. The loan and all accrued interest was converted into new ordinary shares in the Company. On the date of the shares being admitted to trading, Mr. Philip Hannigan had a beneficial interest in ordinary shares representing 19.19% of the issued share capital of the Company.

On 1 September 2022 and 6 October 2022, the Company announced the results from the four drill holes in the 3,000 metre eight-hole step-out drilling programme on its Clontibret Gold deposit in Ireland that was carried out in conjunction with the Company's joint venture partner, Demir Export A.S.

There were no further important events to note post year end.

Directors
Please refer to pages 1, 6 and 7 for a listing of Directors and further details.

Except as disclosed in the tables below, neither the Directors nor their families had any beneficial interest in the share capital of the Company. Apart from Directors' remuneration (detailed in Note 4), loans from Directors (detailed in Note 12) and professional services provided by Professor Garth Earls and Brendan McMorrow (detailed in Note 17 (h)), there have been no contracts or arrangements entered into during the financial year ended 31 May 2022 in which a Director of the Company had a material interest. Refer to Note 17 for further details.

Company Secretary
Maureen T.A. Jones served as Company Secretary throughout the year.

Directors' shareholdings and other interests

The interests of the Directors and their connected persons in the share capital of the Company were as follows:

Director	Date of signing financial statements	Date of signing financial statements	31 May 2022	31 May 2022	31 May 2021	31 May 2021
	Ordinary Shares of €0.001 each	Warrants	Ordinary Shares of €0.001 each	Warrants	Ordinary Shares of €0.001 each	Warrants
Professor Richard Conroy	**3,194,036***	**519,713**	**3,194,036**	**519,713**	**3,194,036***	**519,713**
Maureen T.A. Jones	**368,329**	**125,761**	**368,329**	**125,761**	**368,329**	**125,761**
Professor Garth Earls	-	-	-	-	-	-
Brendan McMorrow	**26,060**	**26,060**	**26,060**	-	**26,060**	**26,060**
Howard Bird	-	-	-	-	-	-

** Of the 3,194,036 (31 May 2021: 3,194,036) ordinary shares beneficially held by Professor Richard Conroy, 192,942 (31 May 2021: 192,942) are held by Conroy P.L.C., a company in which Professor Richard Conroy has a controlling interest.*

Details of warrants are as follows:

Director	Date of signing financial statements	Date of signing financial statements	31 May 2022	31 May 2022	31 May 2021	31 May 2021	Expiry Date
	Warrants	Price €	Warrants	Price €	Warrants	Price €	
Professor Richard Conroy	**121,198**	**4.33**	**121,198**	**4.33**	**121,198**	**4.33**	16 November 2022
Professor Richard Conroy	-	-	-	-	-	-	15 November 2020
Professor Richard Conroy	**398,515**	**0.50**	**398,515**	**0.50**	**398,515**	**0.50**	16 March 2023
Maureen T.A. Jones	**39,090**	**0.50**	**39,090**	**0.50**	**39,090**	**0.50**	16 March 2023
Maureen T.A. Jones	**86,671**	**4.33**	**86,671**	**4.33**	**86,671**	**4.33**	16 November 2022
Maureen T.A. Jones	-	-	-	-	-	-	15 November 2020
Brendan McMorrow	**26,060**	**0.50**	**26,060**	**0.50**	**26,060**	**0.50**	16 March 2023

Directors' Report (continued)

Directors' shareholdings and other interests *(continued)*

Substantial shareholdings

So far as the Board of Directors are aware, no person or company, other than the shareholders listed below, held 3% or more of the issued ordinary share capital of the Company.

Shareholder	Date of signing financial statements	Date of signing financial statements	31 May 2022	31 May 2022	31 May 2021	31 May 2021
	Ordinary Shares of €0.001 each	%	Ordinary Shares of €0.001 each	%	Ordinary Shares of €0.001 each	%
Mr. Philip Hannigan	**8,588,075**	**19.19**	**2,011,577**	**5.12**	**2,011,577**	**5.12**
Professor Richard Conroy	**3,194,036***	**7.14**	**3,194,036***	**8.13**	**3,194,036***	**8.13**
Mr. Patrick O'Sullivan	**3,000,000**	**6.70**	**3,000,000**	**7.64**	**3,000,000**	**7.64**
Paul and Marial Johnson	**1,686,255**	**3.77**	**1,686,255**	**4.29**	**1,686,255**	**4.29**

**Of the 3,194,036 (31 May 2021: 3,194,036) ordinary shares beneficially held by Professor Richard Conroy, 192,942 (31 May 2021: 192,942) are held by Conroy P.L.C., a company in which Professor Richard Conroy has a controlling interest.*

Compliance policy statement of Conroy Gold and Natural Resources P.L.C.

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to compliance with relevant obligations;
- appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- a review has been conducted, during the financial year, of those arrangements and structures.

It is the policy of the Group to review during the course of each financial year the arrangements and structures referred to above which have been implemented with a view to determining if they provide a reasonable assurance of compliance in all material respects with relevant obligations.

Statement of Directors' responsibilities in respect of the annual report and the consolidated financial statements

The Directors are responsible for preparing the annual report, including the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations. Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law and the Company financial statements in accordance with Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS101"), issued by the Financial Reporting Council.

Under company law, the Directors must not approve the Consolidated and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that financial year and otherwise comply with the Companies Act 2014. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group and Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Statement of Directors' responsibilities in respect of the annual report and the consolidated financial statements *(continued)*

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and the Company are prepared in accordance with the relevant accounting framework and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group and the Company recorded a loss of €256,484 (31 May 2021: profit of €211,010) for the financial year ended 31 May 2022. The Group and the Company had net assets of €19,730,738 (31 May 2021: €19,987,222) at that date. The Group had net current liabilities of €2,113,516 (31 May 2021: €1,790,142) and the Company had net current liabilities of €1,476,293 (31 May 2021: €1,271,009) at that date. The Group had cash and cash equivalents of €1,216,097 at 31 May 2022 (31 May 2021: €1,513,286). The Company had cash and cash equivalents of €964,997 at 31 May 2022 (31 May 2021: €1,513,286).

The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls, Brendan McMorrow, Howard Bird and former Directors, namely James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,069,148 (31 May 2021: €3,119,148) for a minimum period of 12 months from the date of approval of the financial statements, unless the Group has sufficient funds to repay.

The Board of Directors have considered carefully the financial position of the Group and the Company and in that context, have prepared and reviewed cash flow forecasts for the period to 30 November 2023. As set out in the Chairman's statement, the Group and the Company expects to incur capital expenditure in 2022 and 2023, consistent with its strategy as an exploration company. The Directors recognise that the Group's net current liabilities of €2,113,516 is a material uncertainty that may cast significant doubt on the Group and the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. In reviewing the proposed work programme for exploration and evaluation assets, the results obtained from the exploration programme, the prospects for raising additional funds as required and the joint venture arrangement with Demir Export, the Board of Directors are satisfied that it is appropriate to prepare the Group and the Company financial statements on a going concern basis.

Corporate governance

The Board has adopted the QCA Corporate Governance Code ("QCA Code"), which is derived from the 2018 UK Corporate Governance Code and the Guidance on Board Effectiveness (the "Code") but adapted to the needs of smaller quoted companies. The Company agrees that good governance contributes to sustainable success and recognises the renewed emphasis on business building trust by forging strong relationships with key stakeholders. The Company understands the importance of a corporate culture that is aligned with the Company's purpose and business strategy, and which promotes integrity and includes diversity. The Company conducts its business with integrity, honesty and fairness and requires its partners, contractors and suppliers to meet similar ethical standards. The Board is satisfied that its corporate culture and culture of its employees aligns the Company's objectives, strategy and business model. It is an objective of the Company that all individuals are aware of their responsibilities in applying and maintaining these standards in all their actions. The Board ensures that support is available in the form of staff training and updating its employee handbook such that staff members understand what is expected of them. The Company's Statement of Compliance with the QCA code is available on the Company's website: www.conroygoldandnaturalresources.com/corporate-governance.

Directors' Report (continued)

Board of Directors

The Board of Directors is made up of two executive and three non-executive Directors. Biographies of each of the Directors are set out on pages 6 and 7.

The Board of Directors agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. Meetings are usually held at the head office in 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland. Due to COVID-19, a number of these meetings were held by way of Zoom and teleconference calls. Board of Directors' meetings were held on 8 occasions from 1 June 2021 to 31 May 2022 and attendance is set out in the table below. An agenda and supporting documentation were circulated in advance of each meeting.

	Board
Meetings held during the year	**8**
Professor Richard Conroy	**8**
Maureen T.A. Jones	**8**
Professor Garth Earls	**8**
Brendan McMorrow	**8**
Howard Bird	**6**

There is an agreed list of matters which the Board of Directors has formally reserved to itself for decision, such as approval of the Group's commercial strategy, trading and capital budgets, financial statements, Board of Directors' membership, major capital expenditure and risk management policies. Responsibility for certain matters is delegated to Board of Directors' committees. Executive Directors spend as much time on Group matters as is necessary for the proper performance of their duties. Non-executive Directors are expected to spend a minimum of one day a month on Group activities in addition to preparation for and attendance at Board and sub-committee meetings.

There is an agreed procedure for Directors to take independent legal advice. The Company Secretary is responsible for ensuring that Board of Director's procedures are followed, and all Directors have direct access to the Company Secretary.

All Directors receive regular reports and full Board of Directors' papers are sent to each Director in sufficient time before Board of Director's meetings, and any further supporting papers and information are readily available to all Directors on request. The Board of Director's papers include the minutes of the Audit committee of the Board of Directors which have been held since the previous Board of Director's meeting, and, the Chairman of each committee is available to give a report on the committee's proceedings at Board of Director's meetings if appropriate.

The Board of Directors has a process whereby each year every Director may meet the Chairman to review the conduct of Board of Directors' meetings and the general corporate governance of the Group.

The Board, having fully considered the corporate needs of the Group, is satisfied that it has an appropriate balance of experience and skills to carry out its duties. The Chairman of the Company oversees this process and reviews the Board composition to ensure it has the necessary experience, skills and capabilities. The Chairman and the Board, consider and review the independence of the Directors on an annual basis.

The current non-executive Directors have a wide range of financial and technical skills based on both qualifications and experience including significant fundraisings, financial management, technical expertise and the discovery and bringing into production of operating mines. Each board member keeps their skills up to date through a combination of courses, continuing professional development through professional bodies and reading.

The Company Secretary provides Directors with updates on key developments relating to the Company, the sector in which the Company operates, legal and governance matters including advice from the Company's brokers, lawyers and advisors.

Board of Directors *(continued)*

Board performance

The Board, through its Chairman, will in the coming year evaluate its ongoing performance, based on the requirements of the business and corporate governance standards.

It is envisaged that the review process will include the use of internal reviews and periodic external facilitation. The results of such reviews will be used to determine whether any alterations are needed at either a board or senior management level or whether any additional training would be beneficial. It is intended that with effect from the end of the next financial year, these evaluations will be undertaken annually, after the end of each financial year but prior to the publication of the respective annual report and accounts.

Director's performance will be measured by way of such matters as:

- Commitment;
- Independence;
- Relevant experience;
- Impartiality;
- Specialist knowledge; and
- Effectiveness on the Board.

As set out in the Constitution of the Company, each year, one third (or the number nearest to one third) of the Directors with the exception of the Chairman and the Managing Director, retire from the Board of Directors by rotation. Effectively, therefore, each such Director will retire by rotation within a two-year period.

Ethical values and behaviours

The Board of Directors is committed to high standards of corporate governance and integrity in all its activities and operations and promotes a culture of good ethical values and behaviour. The Group conducts its business with integrity, honesty and fairness and requires its partners, contractors and suppliers to meet similar ethical standards. Individual staff members must ensure that they apply and maintain these standards in all their actions.

The Chairman of the Board of Directors regularly monitors and reviews the Group's ethical standards and cultural environment and where necessary takes appropriate action to ensure proper standards are maintained. Due to the size and available resources of the Company, the Chairman of the Board of Directors carries out executive functions. The Group is fully committed to complying with all relevant health, safety and environment rules and regulations as these apply to its operations. It is an objective of the Group that all individuals are aware of their responsibilities in providing a safe and secure working environment.

Board Committees

The Board of Directors has implemented an effective committee structure to assist in the discharge of its responsibilities. Membership of the Audit Committee, is comprised exclusively of non-executive Directors. The Remuneration and Executive Committees were both re-constituted during the financial year and its membership is set out under Company Information on page 1 of this report.

Remuneration Committee

The Remuneration Committee monitors the performance of each of the Company's executive Directors and senior executives to ensure they are rewarded fairly for their contribution to the Group. The executive Director is excused from the meetings to determine his remuneration. It also sets the remuneration and terms and conditions of appointment for the non-executive Directors. In determining remuneration levels, the Board takes into consideration the practices of other companies of similar scope and size to ensure that senior executives and Board members are properly rewarded and motivated to perform in the best interests of the shareholders. No meetings of the remuneration committee were held in the period under review.

Directors' Report (continued)

Board of Directors *(continued)*

Executive Committee

The Executive Committee supports the Managing Director in carrying out the duties delegated to her by the Board of Directors. It also ensures that regular reports are presented to the Board of Directors, that effective internal controls are in place and functioning and that there is an effective risk management process in operation throughout the Company.

Audit Committee

The Audit Committee's terms of reference have been approved by the Board of Directors. The Audit Committee, constituted in accordance with Section 1097 of the Companies Act 2014, comprises of the three non-executive Directors and is chaired by Brendan McMorrow. Attendance at the Audit Committee meetings is set out below:

	Audit Committee
Meetings held during the year	**3**
Brendan McMorrow	**3**
Professor Garth Earls	**3**
Howard Bird	**3**

The Audit Committee reviews the accounting principles, policies and practices adopted, and areas of management judgement and estimation during the preparation of the interim and annual financial statements and discusses with the Group's Auditor the results and scope of the audit. The external auditor has the opportunity to meet with the members of the Audit Committee alone at least once a year.

The Audit Committee advises the Board of Directors on the appointment of the external auditor and on their remuneration and discusses the nature and scope of the audit with the external auditor. An analysis of the fees payable to the external audit firm in respect of audit services during the financial year is set out in Note 3 to the consolidated financial statements.

The Audit Committee also undertakes a review of any non-audit services provided to the Group; and a discussion with the auditor of all relationships with the Group and any other parties that could affect independence or the perception of independence. Services in relation to tax were provided during the year under review.

The Audit Committee is responsible for monitoring the controls which are in force to ensure the information reported to the shareholders is accurate and complete. The Audit Committee also reviews the effectiveness of the Group's internal controls and risk management systems. It also considers the need for an internal audit function, which it believes is not required at present because of the size of the Group's operations. The members of the Audit Committee have agreed to make themselves available should any member of staff wish to make representations to them about the conduct of the affairs of the Group.

Internal control

The Directors have overall responsibility for the Group's system of internal control to safeguard shareholders' investments and the Group assets. They operate a system of financial controls which enables the Board of Directors to meet its responsibilities for the integrity and accuracy of the Group's accounting records. Among the processes applied in reviewing the effectiveness of the system of internal controls are the following:

- The Board of Directors establishes risk policies as appropriate, for implementation by executive management;
- All commitments for expenditure and payments are subject to approval by personnel designated by the Board of Directors; and
- Regular management meetings take place to review financial and operational activities.

The Board of Directors has considered the requirement for an internal audit function. Based on the scale of the Group's operations and close involvement of the Board of Directors, the Directors have concluded that an internal audit function is not currently required.

Risks and uncertainties

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and is considered as part of all Board meetings.

An ongoing process for identifying, evaluating and managing or mitigating the principal risks faced by the Group has been in place throughout the financial year and has remained in place up to the approval date of the report and accounts. The Board intends to keep its risk control procedures under constant review, particularly with regard to the need to embed internal control and risk management procedures further into the operations of the business and to deal with areas of improvement which come to management's and the Board's attention.

As might be expected in a group of this size, a key control procedure is the day-to-day supervision of the business by the Executive Directors, supported by the senior managers with responsibility for key operations. The Board has considered the impact of the values and culture of the Group and ensures that, through staff communication and training, the Board's expectations and attitude to risk and internal control are embedded in the business. The Board of Directors consider the following risks to be the principal risks affecting the business.

General Industry Risk

The Group's business may be affected by the general risks associated with all companies in the gold exploration industry. These risks (the list of which is not exhaustive) include: general economic activity, global gold prices, government and environmental regulations, permits and licenses, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. As such there is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. To mitigate this risk, the Board regularly reviews Group cash flow projections and considers different sources of funds.

Environmental Risk

Environmental and safety legislation may change in a manner that may require stricter or additional standards than those now in effect. These could result in heightened responsibilities for the Group and could cause additional expense, capital expenditures, restrictions and delays in the activities of the Group, the extent of which cannot be predicted. The primary area that is expected to impact the Group is in the area of climate change and the impact of this risk will continue to be monitored by the Directors and management. Management will continue to closely monitor any regulatory updates in this area and its potential impact on the Group. The Group employs staff experienced in the requirements of the relevant environmental authorities and seeks, through their experience, to mitigate the risk of non-compliance with accepted best practice.

Exploration Risk

All drilling to establish productive gold resources is inherently speculative and, therefore, a considerable amount of professional judgement is involved in the selection of any prospect for drilling. In addition, in the event drilling successfully encounters gold, unforeseeable operating problems may arise which render it uneconomic to exploit such finds. Estimates of potential resources include substantial proportions which are undeveloped. These resources require further capital expenditure in order to bring them into production. No guarantee can be given as to the success of drilling programmes in which the Group has an interest. The Group employs highly competent experienced staff and uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.

Financial Risk

Refer to Note 19 in relation to the use of financial instruments by the Group, the financial risk management objectives of the Group and the Group's exposure to inflation, interest rate risk, foreign currency risk, liquidity risk and credit risk. Management is authorised to achieve best available rates in respect of each forecast currency requirement.

Directors' Report (continued)

Risks and uncertainties *(continued)*

Pandemic Risk

The COVID-19 pandemic continued to have some impact on the Company's activities during the financial year. Since the outbreak of the COVID-19 pandemic, the Company has taken necessary measures in accordance with Government's guidelines to protect the health, safety and wellbeing of its employees, contractors and partners in Ireland and Finland including for a period, staff working remotely. The field and laboratory work was not impacted as much in this financial year and the Company's exploration and development programme continued.

Russia/Ukraine war Risk

Since February 2022, the world has been watching closely the situation between Russia and the Ukraine and the impact on Europe and the rest of the world. The main impacts seen to date are on the energy prices and any supply issues that may occur in the energy sector as a result of restrictions imposed. Directors and management will continue to closely monitor the situation and in particular the impact which it may have on the operations of the business.

Communication with shareholders

The Group gives high priority to communication with both shareholders and all other stakeholder groups. This is achieved through publications such as the annual and interim report, and news releases on the Company's website www.conroygoldandnaturalresources.com, which is regularly updated.

The Company encourages shareholders to attend the Annual General Meeting (AGM) to meet, exchange views and discuss the progress of the Group. The Directors are available after the conclusion of the formal business of the AGM to meet, listen to shareholders and discuss any relevant matters arising.

Political donations

There were no political donations during the financial year (31 May 2021: €Nil).

Accounting records

The Board of Directors are responsible for ensuring adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. The Board of Directors, through the use of appropriate procedures and systems and the employment of competent persons have ensured that measures are in place to secure compliance with these requirements.

The accounting records are maintained at the Company's business address, 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

Disclosure of information to auditor

So far as each of the Directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

Auditor

Deloitte Ireland LLP will continue in office in accordance with Section 383 (2) of the Companies Act 2014. Shareholders will be asked to authorise the Directors to fix their remuneration.

On behalf of the Directors:

______________________________	______________________________
Professor Richard Conroy (Chairman)	**Maureen T.A. Jones (Managing Director)**

29 November 2022

Independent Auditors' Report

Report on the audit of the financial statements
Opinion on the financial statements of Conroy Gold and Natural Resources Plc (the 'company')

In our opinion the group and parent company financial statements (the 'financial statements')

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 May 2022 and of the loss of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

The group financial statements:
- the Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated statement of financial position;
- the Consolidated statement of changes in equity;
- the Consolidated statement of cash flows; and
- the related notes 1 to 21, including a summary of significant accounting policies as set out in note 1.

The parent company financial statements:
- the Company statement of financial position;
- the Company statement of changes in equity;
- the Company statement of cash flows; and
- the related notes 1 to 21, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The relevant financial reporting framework that has been applied in the preparation of the parent company financial statements is the Companies Act 2014 and FRS 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditors' Report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw your attention to Note 1 in the financial statements, which indicates that during the year ended 31 May 2022, the group and parent company incurred a loss of €256,484 and, as of that date, the group and parent company had net current liabilities of €2,113,516 and €1,476,293 respectively.

As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the group and parent company's relevant 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;
- assessing the design and determining the implementation of these relevant controls;
- evaluating directors' plans and their feasibility by agreeing the inputs used in the cash flow forecast to expenditure commitments and other supporting documentation;
- challenging the reasonableness of the assumptions applied by the directors in their going concern assessment;
- obtaining confirmations received by the group and parent company from the directors and former directors evidencing 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;
- assessing the mechanical accuracy of the cash flow forecast model; and
- assessing the adequacy of the disclosures made in the financial statements.

.Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Going concern (see material uncertainty related to going concern section) • Valuation of intangible assets and investment in subsidiaries. Within this report, any new key audit matters are identified with and any key audit matters which are the same as the prior year identified with .

Materiality	The materiality that we used in the current year for both the group and parent company was €577,000 which was determined on the basis of approximately 3% of Shareholder's Equity.
Scoping	We identified one significant component, which was the parent company, Conroy Gold and Natural Resources Plc.
Significant changes in our approach	As disclosed in note 8 to the financial statements, the parent company transferred some licences and associated intangible assets to three new subsidiaries during the year by way of a capital contribution. Consequently, our current year audit of the financial statements of the parent company involved a change in scope to consider the carrying value of the resulting investment in subsidiaries as well as intangible assets. The focus of our key audit matter determination has also changed on prior year, as a result.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of intangible assets and investment in subsidiaries	
Key audit matter description	At 31 May 2022, the carrying value of exploration and evaluation assets included in intangible assets in the group and parent company statement of financial position amounted to €23,888,833 and €3,421,364 respectively. The parent company statement of financial position also includes amounts relating to investment in subsidiaries of €18,423,347. We draw your attention to the disclosures made in Note 1, 7 and 8 to the financial statements concerning the valuation of intangible assets and investment in subsidiaries. The valuation of intangible assets for both the group and the parent company and the underlying valuation of the investment in subsidiaries for the parent company, are dependent on the 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. The valuation of intangible assets in the group statement of financial position and the valuation of intangible assets and investment in subsidiaries in the parent company statement of financial position were assessed as significant risks and given the balances in total at the respective financial statement level also constitutes the majority of the total assets recorded, we considered the valuation of intangible assets and investment in subsidiaries a key audit matter.

Independent Auditors' Report (continued)

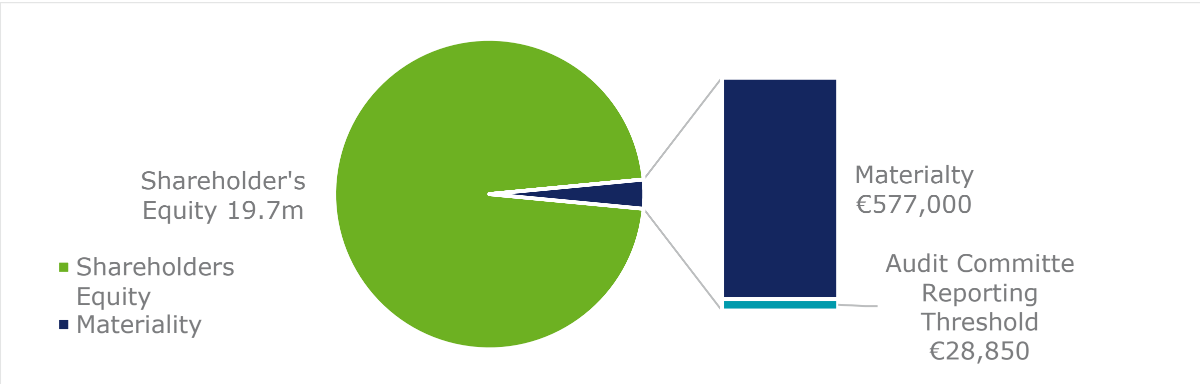
How the scope of our audit responded to the key audit matter	We performed the following procedures: • We evaluated the design and determined the implementation of relevant controls in place over capitalisation and subsequent valuation of intangible assets. • We inspected documentation in respect of new licences held (as relevant); • We challenged the directors' assessment of indicators of impairment in relation to exploration and evaluation assets in both Ireland and Finland; • We performed a review of proposed exploration programme in respect of the group's assets in Ireland and Finland; including: - discussing and challenging the allocation of capitalised costs used for their reasonableness, - assessing the reasonableness of the assets capitalised in the current year, and - reviewing and considering indicators of impairment. • We obtained a listing of intangible asset additions in the financial year and selected a sample of additions to ensure the capitalisation was in line with accounting policies; • We performed a review of Board of Directors meeting minutes and press releases issued by the group in relation to the status of exploration and evaluation assets; • We performed a review of budgeted expenditure for the next 12 months from the date of approval of the financial statements; • We challenged the directors' assessment of indicators of impairment in relation to the carrying value of investment in subsidiaries; and • We also considered the adequacy of the disclosure in the financial statements.
Key observations	A significant uncertainty exists in relation to the ability of the group and parent company to realise the exploration and evaluation assets capitalised to intangible assets and consequently the investment made in subsidiaries. As noted above, we draw your attention to the disclosures made in Note 1, 7 and 8 to the financial statements concerning the valuation of intangible assets and investment in subsidiaries. The valuation of intangible assets for both the group and the parent company and the underlying valuation of the investment in subsidiaries for the parent company, are dependent on the 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. The financial statements do not include any adjustments in relation to these uncertainties and the ultimate outcome cannot, at present, be determined. Our opinion is not modified in respect of this matter.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group and parent company to be €577,000 (2021: €625,000) which is approximately 3% of Shareholder's Equity. We have considered Shareholder's Equity to be the critical component for determining materiality as we determined the Shareholder's Equity to be of most importance to the principal external users of the financial statements. Raising equity funding is of key importance to the group and parent company in continuing it current operations and is reflective of the current business life cycle of the group and parent company. We have considered quantitative and qualitative factors such as understanding the group and parent company and their environment, history of misstatements, complexity of the group and parent company and reliability of control environment.



We agreed with the Audit Committee that we would report to them any audit differences in excess of €28,850 (2021: €31,250), as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

We scoped our audit by obtaining an understanding of the group and its environment and assessing the risks of material misstatement at the group level. Based on that assessment, we focused our group audit scope primarily on the audit work in one significant component, which was the parent company. This component was subject to a full scope audit and the value of total assets in the parent company statement of financial position accounts for 94% of the value of total assets in the consolidated statement of financial position. The remaining 5 components were subject to specified audit procedures where the extent of our testing was based on our assessment of the risks of material misstatement to the group financial statements. The parent company transferred some licences and associated intangible assets to three new subsidiaries during the year by way of a capital contribution. Consequently, our current year audit of the financial statements of the parent company involved a change in scope to consider the carrying value of the resulting investment in subsidiaries as well as intangible assets.

Independent Auditors' Report (continued)

Other information

The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Consolidated Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Butler
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
6 Lapp's Quay
Cork

Date: 29 November 2022

Conroy Gold and Natural Resources P.L.C.

Consolidated income statement
for the financial year ended 31 May 2022

	Note	**2022 €**	2021 €
Continuing operations			
Operating expenses	*2*	**(832,340)**	(752,619)
Movement in fair value of warrants	*18*	**585,954**	1,055,490
Share-based payment expense	*18*	**-**	(71,596)
Operating (loss)/profit		**(246,386)**	231,275
Finance income – interest		**41**	13
Interest expense	*13*	**(10,139)**	(20,278)
Net finance cost		**(10,098)**	(20,265)
(Loss)/profit before taxation	*3*	**(256,484)**	211,010
Income tax expense	*5*	**-**	-
(Loss)/profit for the financial year		**(256,484)**	211,010
(Loss)/earnings per share			
Basic (loss)/earnings per share	*6*	**(0.0065)**	0.0065
Diluted (loss)/earnings per share	*6*	**(0.0065)**	0.0065

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

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Professor Richard Conroy
Chairman

____
Maureen T.A. Jones
Managing Director

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of comprehensive income
for the financial year ended 31 May 2022

	2022	2021
	€	€
(Loss)/profit for the financial year	**(256,484)**	211,010
Income recognised in other comprehensive income	**-**	-
Total comprehensive (loss)/profit for the financial year	**(256,484)**	211,010

The total comprehensive (loss)/profit for the financial year is entirely attributable to equity holders of the Company.

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of financial position
as at 31 May 2022

	Note	31 May 2022	31 May 2021
		€	€
Assets			
Non-current assets			
Intangible assets	*8*	**23,888,833**	22,988,974
Property, plant and equipment	*9*	**7,589**	9,474
Total non-current assets		**23,896,422**	22,998,448
Current assets			
Cash and cash equivalents	*11*	**1,216,097**	1,513,286
Other receivables	*10*	**429,329**	458,769
Total current assets		**1,645,426**	1,972,055
Total assets		**25,541,848**	24,970,503
Equity			
Capital and reserves			
Share capital presented as equity	*15*	**10,543,694**	10,543,694
Share premium	*15*	**15,256,556**	15,256,556
Capital conversion reserve fund	*15*	**30,617**	30,617
Share-based payments reserve	*18*	**42,664**	42,664
Other reserve		**79,929**	79,929
Retained deficit		**(6,222,722)**	(5,966,238)
Total equity		**19,730,738**	19,987,222
Non-controlling interests			
Convertible shares	*14*	**1,406,899**	-
Total non-controlling interests		**1,406,899**	-
Liabilities			
Non-current liabilities			
Convertible loans	*13*	**388,219**	378,080
Warrant liabilities	*13*	**257,050**	843,004
Total non-current liabilities		**645,269**	1,221,084
Current liabilities			
Trade and other payables	*12*	**3,621,943**	3,625,198
Related party loans	*12*	**136,999**	136,999
Total current liabilities		**3,758,942**	3,762,197
Total liabilities		**4,404,211**	4,983,281
Total equity, non-controlling interests and liabilities		**25,541,848**	24,970,503

The financial statements were approved by the Board of Directors on 29 November 2022 and authorised for issue on 29 November 2022. They are signed on its behalf by:

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

Conroy Gold and Natural Resources P.L.C.

Company statement of financial position
as at 31 May 2022

	Note	31 May 2022	31 May 2021
		€	€
Assets			
Non-current assets			
Investment in subsidiaries	*7*	**18,423,347**	3
Intangible assets	*8*	**3,421,364**	22,469,838
Property, plant and equipment	*9*	**7,589**	9,474
Total non-current assets		**21,852,300**	22,479,315
Current assets			
Cash and cash equivalents	*11*	**964,997**	1,513,286
Other receivables	*10*	**1,198,558**	977,902
Total current assets		**2,163,555**	2,491,188
Total assets		**24,015,855**	24,970,503
Equity			
Capital and reserves			
Called up share capital presented as equity	*15*	**10,543,694**	10,543,694
Share premium	*15*	**15,256,556**	15,256,556
Capital conversion reserve fund	*15*	**30,617**	30,617
Share-based payments reserve	*18*	**42,664**	42,664
Other reserve		**79,929**	79,929
Retained deficit		**(6,222,722)**	(5,966,238)
Total equity		**19,730,738**	19,987,222
Liabilities			
Non-current liabilities			
Convertible loans	*13*	**388,219**	378,080
Warrant liabilities	*13*	**257,050**	843,004
Total non-current liabilities		**645,269**	1,221,084
Current liabilities			
Trade and other payables	*12*	**3,502,849**	3,625,198
Related party loans	*12*	**136,999**	136,999
Total current liabilities		**3,639,848**	3,762,197
Total liabilities		**4,285,117**	4,983,281
Total equity and liabilities		**24,015,855**	24,970,503

The loss for the financial year was €256,484 (31 May 2021: profit of €211,010).

The financial statements were approved by the Board of Directors on 29 November 2022 and authorised for issue on 29 November 2022. They are signed on its behalf by:

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of changes in equity
for the financial year ended 31 May 2022

	Share capital	**Share premium**	**Capital conversion reserve fund**	**Share-based payment reserve**	**Other reserve**	**Retained deficit**	**Total equity**
	€	**€**	**€**	**€**	**€**	**€**	**€**
Balance at 1 June 2021	**10,543,694**	**15,256,556**	**30,617**	**42,664**	**79,929**	**(5,966,238)**	**19,987,222**
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**(256,484)**	**(256,484)**
Balance at 31 May 2022	**10,543,694**	**15,256,556**	**30,617**	**42,664**	**79,929**	**(6,222,722)**	**19,730,738**

	Share capital	Share premium	Capital conversion reserve fund	Share-based payment reserve	Other reserve	Retained deficit	Total equity
	€	€	€	€	€	€	€
Balance at 1 June 2020	10,530,645	13,084,647	30,617	574,875	8,333	(6,583,802)	17,645,315
Share issue *(see Note 15)*	13,049	4,070,403	-	-	-	-	4,083,452
Share issue costs	-	-	-	-	-	(125,657)	(125,657)
Warrant issue	-	(1,898,494)	-	-	-	-	(1,898,494)
Warrant exercise	-	-	-	-	71,596	-	71,596
Transfer from share-based payment reserve to retained deficit	-	-	-	(532,211)	-	532,211	-
Profit for the financial year	-	-	-	-	-	211,010	211,010
Balance at 31 May 2021	10,543,694	15,256,556	30,617	42,664	79,929	(5,966,238)	19,987,222

Share capital
The share capital comprises of 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 Extraordinary General Meetings held on 26 February 2015 and 14 December 2015. A detailed breakdown of the share capital figure is included in Note 15.

Share premium
The share premium reserve comprises of the excess consideration received in respect of share capital over the nominal value of share 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 comprises of the fair value of all share options and warrants which have been charged over the vesting period, net of amounts relating to share options and warrants forfeited or lapsed during the year, which are reclassified to retained deficit.

Other reserve
The other reserve comprises of the equity portion of convertible loans.

Retained deficit
This reserve represents the accumulated losses absorbed by the Group to the consolidated statement of financial position date.

Conroy Gold and Natural Resources P.L.C.

Company statement of changes in equity
for the financial year ended 31 May 2022

	Share capital	**Share premium**	**Capital conversion reserve fund**	**Share-based payment reserve**	**Other reserve**	**Retained deficit**	**Total equity**
	€	**€**	**€**	**€**	**€**	**€**	**€**
Balance at 1 June 2021	**10,543,694**	**15,256,556**	**30,617**	**42,664**	**79,929**	**(5,966,238)**	**19,987,222**
Loss for the financial year	**-**	**-**	**-**	**-**	**-**	**(256,484)**	**(256,484)**
Balance at 31 May 2022	**10,543,694**	**15,256,556**	**30,617**	**42,664**	**79,929**	**(6,222,722)**	**19,730,738**

	Share capital	Share premium	Capital conversion reserve fund	Share-based payment reserve	Other reserve	Retained deficit	Total equity
	€	€	€	€	€	€	€
Balance at 1 June 2020	10,530,645	13,084,647	30,617	574,875	8,333	(6,583,802)	17,645,315
Share issue *(see Note 15)*	13,049	4,070,403	-	-	-	-	4,083,452
Share issue costs	-	-	-	-	-	(125,657)	(125,657)
Warrant issue	-	(1,898,494)	-	-	-	-	(1,898,494)
Warrant exercise	-	-	-	-	71,596	-	71,596
Transfer from share-based payment reserve to retained deficit	-	-	-	(532,211)	-	532,211	-
Profit for the financial year	-	-	-	-	-	211,010	211,010
Balance at 31 May 2021	10,543,694	15,256,556	30,617	42,664	79,929	(5,966,238)	19,987,222

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of cash flows
for the financial year ended 31 May 2022

	2022	2021
	€	€
Cash flows from operating activities		
(Loss)/profit for the financial year	**(256,484)**	211,010
Adjustments for non-cash items:		
Movement in fair value of warrants	**(585,954)**	(1,055,490)
Interest expense	**10,139**	20,278
Depreciation	**1,885**	1,885
Share-based payment	**-**	71,596
	(830,414)	(750,721)
Payments from/(payment to) Karelian Diamond Resources P.L.C.	**70,000**	(228,402)
Increase in receivables	**(40,560)**	(368,821)
Decrease in payables	**(3,255)**	(32,105)
Net cash used in operating activities	**(804,229)**	(1,380,049)
Cash flows from investing activities		
Expenditure on intangible assets	**(899,859)**	(658,230)
Purchase of property, plant and equipment	**-**	(667)
Net Cash used in investing activities	**(899,859)**	(658,897)
Cash flows from financing activities		
Convertible shares	**1,406,899**	-
Share issue costs	**-**	(125,657)
Issue of share capital	**-**	3,643,044
Payments to related parties	**-**	(82,425)
Net cash (used in)/provided by financing activities	**1,406,899**	3,434,962
(Decrease)/ increase in cash and cash equivalents	**(297,189)**	1,396,016
Cash and cash equivalents at beginning of financial year	**1,513,286**	117,270
Cash and cash equivalents at end of financial year	**1,216,097**	1,513,286

Conroy Gold and Natural Resources P.L.C.

Company statement of cash flows
for the financial year ended 31 May 2022

	2022	2021
	€	€
Cash flows from operating activities		
(Loss)/ profit for the financial year	**(256,484)**	211,010
Adjustments for non-cash items:		
Movement in fair value of warrants	**(585,954)**	(1,055,490)
Interest expense	**10,139**	20,278
Depreciation	**1,885**	1,885
Share-based payment	**-**	71,596
	(830,414)	(750,721)
Increase in receivables	**(290,656)**	(531,306)
Decrease in payables	**(122,348)**	(32,105)
Payments from/(payments to) Karelian Diamond Resources P.L.C.	**70,000**	(228,402)
Net cash used in operating activities	**(1,173,418)**	(1,542,534)
Cash flows from investing activities		
Investment from subsidiaries	**1,000,000**	-
Expenditure on intangible assets	**(374,870)**	(495,745)
Payments to acquire property, plant and equipment	**-**	(667)
Net Cash used in investing activities	**625,130**	(496,412)
Cash flows from financing activities		
Share issue costs	**-**	(125,657)
Issue of share capital	**-**	3,643,044
Payments to related parties	**-**	(82,425)
Net cash (used in)/ provided by financing activities	**-**	3,434,962
(Decrease)/ increase in cash and cash equivalents	**(548,288)**	1,396,016
Cash and cash equivalents at beginning of financial year	**1,513,286**	117,270
Cash and cash equivalents at end of financial year	**964,997**	1,513,286

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022

1 Accounting policies

Reporting entity

Conroy Gold and Natural Resources P.L.C. (the “Company”) is a company domiciled in Ireland. The consolidated financial statements of the Company for the financial year ended 31 May 2022 comprise the financial statements of the Company and its subsidiaries (together referred to as the “Group”). The Company is a public limited company incorporated in Ireland under registration number 232059. The registered office is located at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

Basis of preparation

The consolidated financial statements are presented in euro (“€”). The € is the functional currency of the Company. The consolidated financial statements are prepared under the historical cost basis except for derivative financial instruments, where applicable, which are measured at fair value at each reporting date.

The preparation of 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 period in which the estimate is revised and in any future periods affected. Details of critical judgements are disclosed in the accounting policies. The consolidated financial statements were authorised for issue by the Board of Directors on 29 November 2022.

Going Concern

The Group and the Company recorded a loss of €256,484 (31 May 2021: profit of €211,010) for the financial year ended 31 May 2022. The Group and the Company had net assets of €19,730,738 (31 May 2021: €19,987,222) at that date. The Group had net current liabilities of €2,113,516 (31 May 2021: €1,790,142) and the Company had net current liabilities of €1,476,293 (31 May 2021: €1,271,009) at that date. The Group had cash and cash equivalents of €1,216,097 at 31 May 2022 (31 May 2021: €1,513,286). The Company had cash and cash equivalents of €964,997 at 31 May 2022 (31 May 2021: €1,513,286). The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls, Brendan McMorrow, Howard Bird and former Directors, namely, James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,069,148 (31 May 2021: €3,119,148) which are included in net current liabilities, within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay.

On 31 March 2022, the Company announced that the Joint Venture Agreement with Demir Export was completed, all outstanding conditions having been met and a payment of €1 million made to the Company. The 3000 metre drilling programme as part of the Joint Venture Agreement started in the second half of April 2022.

The Board of Directors have considered carefully the financial position of the Group and the Company and in that context, have prepared and reviewed cash flow forecasts for the period until 30 November 2023. The Directors have fully considered both current and future capital expenditure commitments and the options to fund such commitments in the twelve month period to November 2023.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

Going Concern *(continued)*

The Directors recognise that the Group's net current liabilities of €2,113,516 (31 May 2021: €1,790,142) is a material uncertainty that may cast significant doubt on the Group and the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. In reviewing the proposed work programme for exploration and evaluation of assets, the results obtained from the exploration programme, the prospects for raising additional funds as required and the completed Joint Venture Agreement, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis. The consolidated and the Company's financial statements do not include any adjustments to the carrying value and classification of assets and liabilities that would arise if the Group and the Company were unable to continue as going concern.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the requirements of the Companies Act 2014. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS101") and the requirements of the Companies Act 2014.

Recent accounting pronouncements

(a) New and amended standards adopted by the Group and the Company

The Group and the Company have adopted the following amendments to standards for the first time for its annual reporting year commencing 1 June 2021:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39 regarding replacement issues in the context of the IBOR reform – Phase 2 - Effective date 1 January 2021;
- Amendments to IFRS 4 Insurance Contracts- deferral of IFRS 9 – Effective 1 January 2021;

The adoption of the above amendments to standards had no significant impact on the financial statements of the Group and the Company either due to being not applicable or immaterial.

(b) New standards and interpretations not yet adopted by the Group and the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 31 May 2022 reporting periods and have not been early adopted by the Group and the Company.

The following amendments to standards adopted and endorsed by the EU have been issued by the International Accounting Standards Board to date and are not yet effective for the financial year from 1 June 2021. The Board of Directors is currently assessing whether these standards once adopted by the Group and the Company will have any impact on the financial statements of the Group and the Company.

- IFRS 4 amendments regarding the expiry date of the deferral approach – Effective date 1 January 2023;
- IAS 8 amendments regarding the definition of accounting estimates – Effective date 1 January 2023;
- IAS 1 amendments regarding the disclosure of accounting policies - Effective date 1 January 2023;
- IFRS 17 Insurance contracts – Effective date deferred to 1 January 2023;
- Amendment to IFRS 16 about providing lessees with an extension of one year to exemption from assessing whether a COVID-19-related rent concession is a lease modification – Effective date 1 April 2021;
- IFRS 3 amendments updating a reference to the Conceptual Framework – Effective date 1 January 2022;
- IAS 16 amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use – Effective date 1 January 2022; and

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

Recent accounting pronouncements *(continued)*

(b) New standards and interpretations not yet adopted by the Group and the Company *(continued)*

- IAS 37 amendments regarding the costs to include when assessing whether a contract is onerous – Effective date 1 January 2022.
- IFRS 1 amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter) – Effective date 1 January 2022; and
- IFRS 9 amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the ''10 per cent'' test for derecognition of financial liabilities) – Effective date 1 January 2022;

The following new standards 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 year. The Board of Directors is currently assessing whether these standards once endorsed by the EU will have any impact on the financial statements of the Group and the Company.

- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture – Postponed indefinitely;
- Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction – Effective date 1 January 2023;
- Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback – Effective date 1 January 2024; and
- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current and classification of liabilities as current or non-current – Effective date 1 January 2024.

Basis of consolidation

The consolidated financial statements include the financial statements of Conroy Gold and Natural Resources P.L.C. 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 financial statements of subsidiaries are included in the 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 consolidated financial statements. The Company recognises investment in subsidiaries at cost less impairment.

(a) Intangible assets

The Company accounts for mineral expenditure in accordance with IFRS 6: *Exploration for and Evaluation of Mineral Resources*.

(i) Capitalisation

Certain costs (other than payments to acquire the legal rights to explore) incurred prior to acquiring the rights to explore are charged directly to the consolidated income statement. Exploration, appraisal and development expenditure incurred on exploring, and testing exploration prospects are accumulated and capitalised as intangible exploration and evaluation ("E&E") assets.

E&E capitalised costs include geological and geophysical costs, and other direct costs of exploration (drilling, trenching, sampling and technical feasibility and commercial viability activities). In addition, E&E capitalised costs include an allocation from operating expenses.

All such costs are necessary for exploration and evaluation activities. E&E capitalised costs are not amortised prior to the conclusion of appraisal activities.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

(a) Intangible assets *(continued)*

(i) Capitalisation (continued)

At completion of appraisal activities if technical feasibility is demonstrated and commercial resources are discovered, then the carrying amount of the relevant E&E asset will be reclassified as a development and production asset, once the carrying value of the asset has been assessed for impairment. If following completion of appraisal activities in an area, it is not possible to determine technical feasibility and commercial viability, or if the right to explore expires, then the costs of such unsuccessful exploration and evaluation is written off to the consolidated income statement in the period in which the event occurred.

(ii) Impairment

If facts and circumstances indicate that the carrying value of an E&E asset may exceed its recoverable amount, an impairment review is performed. The following are considered to be key indicators of impairment in relation to E&E assets:

- The period for which the entity has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For E&E assets, where the above indicators exist on an annual basis, an impairment test is carried out. The E&E assets are categorised into Cash Generating Units (''CGU'') on a country-by-country basis for the years ended 31 May 2022 and 31 May 2021. The carrying value of the CGU is compared to its recoverable amount and any resulting impairment loss is written off to the consolidated income statement. The recoverable amount of the CGU is assessed as the higher of its fair value, less costs to sell, and its value in use.

(b) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis to write off the cost less estimated residual value of the assets over their estimated useful lives as follows:

Motor vehicles	5 years
Plant and office equipment	10 years

(c) Income taxation expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in the consolidated statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

(c) Income taxation expense *(continued)*

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities on a net basis or their tax assets and liabilities will be settled simultaneously. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Share-based payments

The Group classifies instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. When the warrants issued (see note 18 for details) have an exercise price in sterling, they are derivative in nature and are liability classified. They do not qualify for equity classification as any cash settlement on exercise of these warrants will be received in a foreign currency. Where warrants are issued in the functional currency of the Group and meet the other necessary conditions, they are recognised as equity instruments. The warrant liabilities are recognised at their fair value on initial recognition and subsequently are measured at fair value through profit or loss. Any change in direct costs associated with the issuance of warrants are taken as an immediate charge or credit through the income statement. See note 13 for further details.

For equity-settled share-based payment transactions (i.e. the granting of share options and share warrants), the Group measures the services and the corresponding increase in equity at fair value at the measurement date (which is the grant date). In both instances a recognised valuation methodology for the pricing of financial instruments is used (Binomial Lattice Model or Black Scholes Model).

(e) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank held by the Group and short-term bank deposits with a maturity of three months or less. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments.

(g) Trade and other receivables and payables

Trade and other receivables are measured at their transaction price and subsequently measured at amortised cost. Trade and other payables are measured at initial recognition at fair value, and subsequently measured at amortised cost.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

(h) Pension costs

The Group provides for pensions for certain employees through a defined contribution pension scheme. The amounts are charged to the consolidated income statement. Any difference between amounts charged and contributions paid to the pension scheme is included in receivables or payables in the consolidated statement of financial position.

(i) Foreign currencies

Transactions denominated in foreign currencies relating to costs and non-monetary assets are translated into € at the rates of exchange ruling on the dates on which the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated into € at the rate of exchange ruling at the consolidated statement of financial position date. The resulting profits or losses are dealt with in the consolidated income statement.

(j) Loans

The Directors' loans are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

As the convertible loans are made up of both equity and liability components, they are considered to be compound financial instruments. At initial recognition, the carrying amount of a compound financial instrument is allocated to its equity and liability components. When the initial carrying amount is allocated, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The fair value of the conversion feature is taken directly to equity. The fair value of the liability, which is the difference between the transaction price and the fair value of the conversion feature, is recognised as a liability in the consolidated statement of financial position. The liability is subsequently measured at amortised cost. The Company accounts for the interest expense on the liability component of the convertible loan notes at the effective interest rate. The difference between the effective interest rate and interest rate attached to the convertible loan increases the carrying amount of the liability so that, on maturity, the carrying amount is equal to the capital cash repayment that the Company may be required to pay.

(k) Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares and share warrants are recognised as a deduction from retained earnings, net of any tax effects. Effective 6 July 2022, share issue costs can be deducted from share premium. Costs in relation to the issuance of warrants will continue to be deducted from retained earnings.

(l) Impairment – financial assets measured at amortised cost

Financial assets measured at amortised cost are reviewed for impairment loss at each reporting date. The Company applies the simplified approach in accordance with IFRS 9.

The Company measures the loss allowance at an amount equal to the lifetime expected credit losses ("ECL") as required under a simplified approach for trade receivables that do not contain a financing component. The Company's approach to ECL reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial re-organisation and default in payments are all considered indicators for increases in credit risks. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. Any contractual payment which is more than 90 days past due is considered credit impaired.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

(m) Significant accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires the Board of Directors to make judgements and estimates and form assumptions that affect the amounts of assets, liabilities, contingent liabilities, revenues and expenses reported in the consolidated financial statements. On an ongoing basis, the Board of Directors evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The Board of Directors bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances, the results of which form the basis of the reported amounts that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions and conditions. In the process of applying the Group's accounting policies above, the Board of Directors have identified the judgemental areas that have the most significant impact on the amounts recognised in the consolidated financial statements (apart from those involving estimations), which are dealt with as follows:

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised exploration and evaluation costs or expensed involves judgement. The Board of Directors consider the nature of each cost incurred and whether it is deemed appropriate to capitalise it within exploration and evaluation assets. Given that the activity of management and the resultant administration and salary costs are primarily focused on the Group's gold prospects, the Board of Directors consider it appropriate to capitalise a portion of such costs. These costs are reviewed on a line by line basis with the resultant calculation of the amount to be capitalised being specific to the activities of the Company in any given year.

The carrying value of exploration and evaluation assets in the consolidated statement of financial position was €23,888,833 (31 May 2021: €22,988,974) at 31 May 2022 (Note 8). The Board of Directors carried out an assessment, in accordance with IFRS 6: *Exploration for and Evaluation of Mineral Resources* relating to likelihood of licence renewal, likelihood of further expenditure, possible discontinuation of activities over specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than its carrying amount. Licenses were transferred to the three new subsidiaries during the year and all previously capitalised expenditure were transferred to the subsidiaries. Based on this assessment the Board of Directors is satisfied as to the carrying value of these assets and is satisfied that these are recoverable, acknowledging however that their recoverability is dependent on future successful exploration efforts.

Going concern

The preparation of consolidated financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern assumption is dependent on the successful further development and ultimate production of the mineral resources and the availability of sufficient finance to bring the resources to economic maturity and profitability. The Directors recognise that described above are material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board of Directors, having reviewed the proposed programme for exploration and evaluation assets, the results from the exploration programme and the prospects for raising additional funds as required, are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

Refer to pages 32 and 33 for further details.

Deferred tax

No deferred tax asset has been recognised in respect of tax losses as it is not considered probable that future taxable profit will be available against which the related temporary differences can be utilised.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

1 Accounting policies *(continued)*

(m) Significant accounting judgements and key sources of estimation uncertainty *(continued)*

Cash Generating Units (''CGUs'')

As outlined in the Intangible assets accounting policy, the exploration and evaluation assets should be allocated to CGU. The determination of what constitutes a CGU requires judgement.

The carrying value of each CGU is compared to its recoverable amount. The recoverable amount of the CGU is assessed as the higher of its fair value less costs to sell and its value in use. The determination of value in use requires the following judgements:

- Estimation of future cash flows expected to be derived from the asset;
- Expectation about possible variations in the amount or timing of the future cash flows; and
- The determination of an appropriate discount rate.

Key sources of estimation uncertainty

The preparation of the consolidated financial statements requires the Board of Directors to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the consolidated statement of financial position date and the amounts reported for revenues and expenses during the financial year. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. While uncertainty exists, primarily due to the nature of the mining and exploration business, this assessment includes a review of the possible outcomes that can be reasonably expected in the forthcoming financial period.

Employee benefits - Share-based payment transactions

The Company had equity-settled share-based payment arrangements with non-market performance conditions which fall within the scope of and are accounted for under the provisions of IFRS 2: *Share-based Payment*. Accordingly, the grant date fair value of the options under these schemes is recognised as an operating expense with a corresponding increase in the "Share-based payment reserve", within equity, where the exercise price is granted in EUR or recognised as a liability where a different currency is quoted as the exercise price over the vesting period. The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Company is the Black Scholes Model. The fair value of these options is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

(n) Segmental reporting

Operating segment information is presented in the consolidated financial statements in respect of the Group's geographical segments which represent the financial basis by which the Group manages its business. The Group has one class of business, Gold Exploration. The Group has two principal reportable segments as follows:

- Irish exploration assets: gold exploration assets in Ireland; and
- Finnish exploration assets: gold exploration assets in Finland.

Group assets and liabilities include cash resources held by the Group. Corporate expenses include other operational expenditure incurred by the Group. These are not within the definition of an operating segment. Performance is measured based on segment result and total asset value as included in the internal management reports that are reviewed by the Group's Board of Directors. There are no significant inter segment transactions. Costs that are directly attributable to Ireland and Finland have been capitalised to exploration and evaluation assets as appropriate (Note 8). The Group did not earn any revenue in the current or comparative financial year.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

2 Operating expenses

(a) Analysis of operating expenses	**2022** **€**	2021 €
Operating expenses	**1,150,229**	1,111,737
Transfer to intangible assets	**(317,889)**	(359,118)
	832,340	752,619
Operating expenses are analysed as follows:		
Wages, salaries and related costs	**508,895**	453,345
Professional fees	**425,395**	317,698
Other operating expenses	**184,554**	309,309
Auditor's remuneration	**29,500**	29,500
Depreciation	**1,885**	1,885
	1,150,229	1,111,737

Of the above costs, a total of €317,889 (31 May 2021: €359,118) is capitalised to intangible assets based on a review of the nature and quantum of the underlying costs. The costs capitalised to intangible assets mainly relate to salaries of geological and on-site staff together with an appropriate portion of executive management salaries. €112,976 (31 May 2021: €97,022) is charged to the Statement of Comprehensive Income in relation to Directors' salaries.

(b) Wages, salaries and related costs as disclosed above is analysed as follows: The following amounts has been charged to Profit and Loss account:	**2022** **€**	2021 €
Wages and salaries	**486,176**	432,059
Social insurance costs	**22,719**	21,286
	508,895	453,345

The amount of wages, salaries and related costs capitalised as intangible assets during the financial year was €311,481 (31 May 2021: €307,275).

The average number of persons employed during the financial year (including executive Directors) by activity was as follows:

	2022	2021
Exploration and evaluation	**6**	6
Corporate management and administration	**2**	2
	8	8

The Group has an externally funded defined contribution scheme in order to satisfy the pension arrangements in respect of certain management personnel.

No contributions were made during the year ended 31 May 2022 and 31 May 2021.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

2 Operating expenses *(continued)*

An analysis of remuneration for each Director of the Company in the current financial year (prior to amounts transferred to intangible assets) is as follows:

	Fees	Salary	Share-based payment charge	Pension contributions	Total
	€	€	€	€	€
Professor Richard Conroy	**22,220**	**179,250**	**-**	**-**	**201,470**
Maureen T.A. Jones	**9,523**	**114,851**	**-**	**-**	**124,374**
Professor Garth Earls	**9,523**	**-**	**-**	**-**	**9,523**
Brendan McMorrow	**9,523**	**-**	**-**	**-**	**9,523**
Howard Bird	**9,523**	**-**	**-**	**-**	**9,523**
	60,312	**294,101**	**-**	**-**	**354,413**

An analysis of remuneration for each Director of the Company in the prior financial year (prior to amounts transferred to intangible assets) is as follows:

	Fees	Salary	Share-based payment charge	Pension contributions	Total
	€	€	€	€	€
Professor Richard Conroy	15,211	136,784	-	-	151,995
Maureen T.A. Jones	7,142	86,264	-	-	93,406
Professor Garth Earls	7,142	-	-	-	7,142
Brendan McMorrow	7,142	-	-	-	7,142
Howard Bird	7,142	-	-	-	7,142
	43,779	223,048	-	-	266,827

During the year ended 31 May 2021, the Directors made the decision to decrease their remuneration due to the impact of Covid-19. During the year ended 31 May 2022, Directors' remuneration has returned to the pre-agreed rates. No actual increases occurred during the year ended 31 May 2022.

3 (Loss)/profit before taxation

The (loss)/profit before taxation is arrived at after charging the following items, those items are stated at amounts prior to the transfer to intangible assets:

	2022	2021
	€	€
Depreciation	**1,885**	1,885
Auditor's remuneration - Group		
The analysis of the auditor's remuneration is as follows:		
• Audit of financial statements	**35,000**	29,500
Auditor's remuneration - Company		
The analysis of the auditor's remuneration is as follows:		
• Audit of financial statements	**30,000**	28,500

Fees of €33,630 (31 May 2021: €5,500 for tax advisory services) were incurred for tax advisory and other non-audit services in respect of the current financial years. Included within the Group audit fee (above) is the amount incurred by the Company.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

4 Directors' remuneration

	2022	2021
	€	€
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	**354,413**	266,827

During the year ended 31 May 2022 and 31 May 2021, one Director was a member of a defined contribution scheme but no amounts were paid and accordingly, no other disclosures are required by Section 305 of the Companies Act 2014.

No compensation has been paid for the loss of office or other termination benefit in respect of the loss of office of Director or other offices (31 May 2021: €Nil).

5 Income tax expense

No taxation charge arose in the current or prior financial year due to losses being carried forward in the current financial year and losses incurred in the prior financial year.

Factors affecting the tax charge for the financial year:
The total tax charge for the financial year is different to the standard rate of Irish corporation tax. This is due to the following:

	2022	2021
	€	€
(Loss)/profit on ordinary activities before tax	**(256,484)**	211,010
Irish standard tax rate	**12.5%**	12.5%
Tax credit at the Irish standard rate	**(32,061)**	26,376
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Losses carried forward for future utilisation	**32,061**	-
Losses utilised	**-**	(26,376)
Tax charge for the financial year	**-**	-

No deferred tax asset has been recognised on accumulated tax losses as it cannot be considered probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Unutilised losses may be carried forward from the date of the origination of the losses but may only be offset against taxable profits earned from the same trade. Unutilised losses carried forward amounted to €22,749,957 at 31 May 2022 and €22,493,473 at 31 May 2021 .

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

6 (Loss)/earnings per share

	2022	2021
	€	€
(Loss)/earnings for the financial year attributable to equity holders of the Company	**(256,484)**	211,010
Basic earnings per share		
	No. of shares	No. of shares
Number of ordinary shares at start of financial year	**39,262,880**	26,213,872
Number of ordinary shares issued during the financial year	**-**	13,049,008
Number of ordinary shares at end of financial year	**39,262,880**	39,262,880
Weighted average number of ordinary shares for the purposes of basic earnings per share	**39,262,880**	32,257,188
(Loss)/earnings per ordinary share	**(0.0065)**	0.0065

Diluted earnings/(loss) per share
The effect of share options and warrants is anti-dilutive.

7 Subsidiaries

	% Owned	31 May 2022	31 May 2021
		€	€
Conroy Gold Longford-Down Limited	**100%**	**9,034,144**	-
Conroy Gold Clontibret Limited	**100%**	**5,703,992**	-
Conroy Gold Armagh Limited	**100%**	**3,685,208**	-
Armagh Gold Limited	**100%**	**3**	3
Conroy Gold Limited	**100%**	**1**	1
		18,423,348	4

Trans International Mineral Exploration Limited, a prior subsidiary held, was dissolved during the year ended 31 May 2021.

The Company holds 2 ordinary shares of €0.30 each in Conroy Gold Limited.

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

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

8 Intangible assets

Exploration and evaluation assets

Group: Cost	**31 May 2022**	31 May 2021
	€	€
At 1 June	**22,988,974**	22,330,743
Expenditure during the financial year		
• License and appraisal costs	**30,986**	299,113
• Other operating expenses	**868,873**	359,118
At 31 May	**23,888,833**	22,988,974

Company: Cost	**31 May 2022**	31 May 2021
	€	€
At 1 June	**22,469,838**	21,974,093
Expenditure during the financial year		
• License and appraisal costs	**30,986**	136,627
• Other operating expenses	**523,623**	359,118
Transfer of intangible assets to subsidiaries	**(18,423,344)**	-
Sale of intangible assets to subsidiaries	**(1,000,000)**	
Transfer of current year costs to subsidiaries	**(179,739)**	-
At 31 May	**3,421,364**	22,469,838

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 over 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 Irish licenses in relation to Clontibret, Long-ford Down and Armagh were transferred to the three new subsidiaries during the year. See Note 7. All prior costs capitalised in line with IFRS 6 as above, in relation to these three licenses, were transferred to the subsidiaries where the licenses are now held. Costs incurred in the current year in relation to the three licenses were also transferred to the subsidiaries.

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. Please refer to Note 16 for details of further work commitments.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

8 Intangible assets *(continued)*

Mineral interests are categorised as follows:

Group: Ireland	**31 May**	31 May
Cost	**2022**	2021
	€	€
At 1 June	**20,506,725**	19,920,213
Expenditure during the financial year		
• License and appraisal costs	**28,752**	281,261
• Other operating expenses	**550,984**	305,251
At 31 May	**21,086,461**	20,506,725

Group: Finland	**31 May**	31 May
Cost	**2022**	2021
	€	€
At 1 June	**2,482,249**	2,410,530
Expenditure during the financial year		
• License and appraisal costs	**2,234**	17,851
• Other operating expenses	**317,889**	53,868
At 31 May	**2,802,372**	2,482,249

Company: Ireland	**31 May**	31 May
Cost	**2022**	2021
	€	€
At 1 June	**19,987,589**	19,563,563
Expenditure during the financial year		
• License and appraisal costs	**28,752**	118,776
• Other operating expenses	**205,734**	305,250
Transfer of intangible assets to subsidiaries	**(18,423,344)**	-
Sale of intangible assets to subsidiaries	**(1,000,000)**	
Transfer of current year costs to subsidiaries	**(179,739)**	-
At 31 May	**618,992**	19,987,589

Company: Finland	**31 May**	31 May
Cost	**2022**	2021
	€	€
At 1 June	**2,482,249**	2,410,530
Expenditure during the financial year		
• License and appraisal costs	**2,234**	17,851
• Other operating expenses	**317,889**	53,868
At 31 May	**2,802,372**	2,482,249

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

9 Property, plant and equipment

In respect of the current financial year:

Group and Company	**Motor Vehicles**	**Plant & Office Equipment**	**Total**
	€	**€**	**€**
Cost			
At 1 June 2021	**17,754**	**138,121**	**155,875**
Additions	**-**	**-**	**-**
At 31 May 2022	**17,754**	**138,121**	**155,875**
Accumulated depreciation			
At 1 June 2021	**17,754**	**128,647**	**146,401**
Charge for the financial year	**-**	**1,885**	**1,885**
At 31 May 2022	**17,754**	**130,532**	**148,286**
Carrying amount at 31 May 2022	**-**	**7,589**	**7,589**

In respect of the previous financial year:

Group and Company	Motor Vehicles	Plant & Office Equipment	Total
	€	€	€
Cost			
At 1 June 2020	17,754	137,454	155,208
Additions	-	667	667
At 31 May 2021	17,754	138,121	155,875
Accumulated depreciation			
At 1 June 2020	17,754	126,762	144,516
Charge for the financial year	-	1,885	1,885
At 31 May 2021	17,754	128,647	146,401
Carrying amount at 31 May 2021	-	9,474	9,474

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

10 Other receivables

Group	**31 May 2022 €**	31 May 2021 €
Amount owed by Karelian Diamond Resources P.L.C.	**199,806**	169,933
Other receivables	**90,670**	249,764
VAT receivable	**138,853**	37,299
Warrants exercised receivable	**-**	1,773
	429,329	458,769

Company	**31 May 2022 €**	31 May 2021 €
Amounts owed from Conroy Gold Limited	**519,133**	519,133
Amount due from Karelian Diamond Resources P.L.C.	**199,806**	169,933
Vat receivable	**135,202**	37,299
Amounts owed from Conroy Gold Clontibret Limited	**107,596**	-
Amounts owed from Conroy Gold Longford-down Limited	**101,411**	-
Other receivables	**90,790**	249,764
Amounts owed from Conroy Gold Armagh Limited	**44,620**	-
Warrants exercised receivable	**-**	1,773
	1,198,558	977,902

The realisation of amounts owed by Group companies to the Company is dependent on the 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. The Company has confirmed that it will not call on these balances within twelve months from the date of signing of these financial statements. However, as these amounts are receivable from the Group companies, the Directors are confident that the probability of default is negligible.

Karelian Diamond Resources P.L.C. is not a group company but considered related due to common directors, registered office, the sharing of personnel and office facilities. Due to this relationship, expenses are shared and allocated to one another and payment of these is through an intercompany account.

11 Cash and cash equivalents

Group	**31 May 2022 €**	31 May 2021 €
Cash held in bank accounts	**1,216,097**	1,513,286
	1,216,097	1,513,286

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

11 Cash and cash equivalents *(continued)*

Company	**31 May 2022 €**	31 May 2021 €
Cash held in bank accounts	**964,997**	1,513,286
	964,997	1,513,286

12 Current liabilities

Trade and other payables

Group	**31 May 2022 €**	31 May 2021 €
Other creditors and accruals	**552,795**	506,050
Amounts falling due within one year:		
Accrued Directors' remuneration		
Fees and other emoluments	**2,368,045**	2,368,045
Pension contributions	**164,675**	164,675
Accrued former Directors' remuneration		
Fees and other emoluments	**507,345**	507,345
Pension contributions	**29,083**	79,083
	3,621,943	3,625,198

Company	**31 May 2022 €**	31 May 2021 €
Other creditors and accruals	**433,701**	506,050
Amounts falling due within one year:		
Accrued Directors' remuneration		
Fees and other emoluments	**2,368,045**	2,368,045
Pension contributions	**164,675**	164,675
Accrued former Directors' remuneration		
Fees and other emoluments	**507,345**	507,345
Pension contributions	**29,083**	79,083
	3,502,849	3,625,198

It is the Group's practice to agree terms of transactions, including payment terms with suppliers. It is the Group's policy that payment is made according to the agreed terms. The carrying value of the trade and other payables approximates to their fair value.

The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls, Brendan McMorrow, Howard Bird and former Directors, namely James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,069,148 (31 May 2021: €3,119,148) for a minimum period of 12 months from the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

12 Current liabilities *(continued)*

Related party loans – Group and Company

Related party loans	**31 May 2022 €**	31 May 2021 €
Opening balance 1 June	**136,999**	659,832
Loan conversion to equity	**-**	(440,408)
Loan repayments	**-**	(82,425)
Closing balance 31 May	**136,999**	136,999

The related party loans amounts relate to monies owed to Professor Richard Conroy amounting to €101,999 (31 May 2021: €101,999), Maureen T.A. Jones amounting to €Nil (31 May 2021: €Nil), Séamus P. Fitzpatrick (former Director) amounting to €35,000 (31 May 2021: €35,000) and Dr. Sorċa Conroy (former Director) amounting to €Nil (31 May 2021: €Nil). During the prior year, as part of the share issuance on 16 March 2021, the following amounts were converted to equity from the respective Directors' loans in exchange for a total of 1,147,726 shares in the Company; €225,000 was converted on the loan of Dr. Sorċa Conroy, €180,919 was converted on the loan of Professor Richard Conroy and €34,489 was converted on the loan of Séamus P. Fitzpatrick. The Directors and former Directors have confirmed that they will not seek repayment of the remaining loan balances owed to them by the Group and Company at 31 May 2022 within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay. There is no interest payable in respect of these loans, no security has been attached to these loans and there is no repayment or maturity terms. Séamus P. Fitzpatrick is a former director in the Company having left the board in August 2017 (and is a shareholder of the Company owning less than 3% of the issued share capital of the Company).

13 Non-current liabilities

Warrant liabilities

During the year ended 31 May 2022, no new warrants were issued. During the prior year, 11,005,065 warrants were issued with a sterling exercise price and a range of expiry times from six to twenty-four months. The fair value at grant date amounted to €1,921,971 and was recorded as warrant liabilities with a corresponding charge to share premium for those warrants issued as part of the share issuance. At 31 May 2022, the warrants in issue were again fair valued resulting in a movement in fair value of €585,954 being recorded in the income statement and as a reduction in warrant liabilities. See note 18 for further details.

Convertible loan

During the year ended 31 May 2020, the Company raised €350,000 through the issue of two unsecured convertible loan notes ("Convertible Loan Notes") to Hard Metal Machine Tools Limited (the "Lender"). Both 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 Convertible Loan Notes are unsecured. The first Convertible Loan Note has a monetary amount of €250,000 and was issued on 15 July 2019. This Convertible Loan Note, including the total amount of accrued but unpaid interest, is convertible at the conversion price of £0.07 at any time. The second Convertible Loan Note has a monetary amount of €100,000 and was issued on 30 October 2019. This Convertible Loan Note, including the total amount of accrued but unpaid interest, is convertible at the conversion price of £0.06 at any time. The convertible loans amount to €388,219 (31 May 2021: €378,080) at 31 May 2022.

	31 May 2022 €	31 May 2021 €
Opening Balance	**378,080**	357,802
Interest payable	**10,139**	20,278
	388,219	378,080

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

14 Non-controlling interests

Convertible shares

Under the terms of the joint venture and related agreements entered into between the Company and Demir Export on 31 December 2021, in return for fulfilling funding and other obligations as set out in the agreements, Demir Export will earn an equity interest in the following wholly owned subsidiaries of the Company: Conroy Gold (Clontibret) Limited, Conroy Gold (Longford Down) Limited and Conroy Gold (Armagh) Limited. The investment by Demir Export is effected by the issuance of convertible shares in each subsidiary company which have no voting or participation rights.

When all of the conditions (including, inter-alia a minimum of €5.5 million in cash investment) in relation to the first phase of the joint venture operation (Phase 1) have been fulfilled, the convertible shares will be converted into ordinary shares in each subsidiary company such that Demir Export will hold a 25% ordinary equity interest in each company. Demir Export can earn further equity in each subsidiary company by meeting the commitments set down in Phases 2 and 3 of the joint venture.

At 31 May 2022, Demir Export had invested €1,406,899 in the subsidiary companies with convertible shares issued for the first €1,000,000 of this investment and the balance to be issued post year end in line with the agreement. This amount is recorded as a non-controlling interest at the year end.

The joint venture agreements provide that in certain limited circumstances, Demir Export will be entitled to a net smelter royalty in the licences, capped at the level of investment made, in lieu of their convertible shares should it exit or terminate its involvement in the joint venture during the current Phase 1 stage.

	31 May 2022	31 May 2021
	€	€
Conroy Gold Clontibret Limited	**1,206,899**	-
Conroy Gold Longford Down Limited	**100,000**	-
Conroy Gold Armagh Limited	**100,000**	-
	1,406,899	-

15 Called up share capital and share premium – Group and Company

Authorised:	**31 May 2022**	31 May 2021
	€	€
11,995,569,057 ordinary shares of €0.001 each	**11,995,569**	11,995,569
306,779,844 deferred shares of €0.02 each	**6,135,597**	6,135,597
437,320,727 deferred shares of €0.00999 each	**4,368,834**	4,368,834
	22,500,000	22,500,000

The deferred shares do not entitle the holder to receive a dividend or other distribution. Furthermore, the deferred shares do not entitle the shareholder to receive notice of or vote at any general meeting of the Company, and do not entitle the shareholder to any proceeds on a return of capital or winding up of the Company.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

15 Called up share capital and share premium – Group and Company *(continued)*

Issued and fully paid – Current financial year

	Number of ordinary shares	Called up share capital €	Capital conversion reserve fund €	Called up deferred share capital €	Share premium €
Start of financial year	**39,262,880**	**39,263**	**30,617**	**10,504,431**	**15,256,556**
End of financial year	**39,262,880**	**39,263**	**30,617**	**10,504,431**	**15,256,556**

Issued and fully paid – Prior financial year

	Number of ordinary shares	Called up share capital €	Capital conversion reserve fund €	Called up deferred share capital €	Share premium €
Start of financial year	**26,213,872**	**26,214**	**30,617**	**10,504,431**	**13,084,647**
Share issue (a)	1,358,333	1,358	-	-	239,654
Share issue (b)	3,200,000	3,200	-	-	883,964
Share issue (c)	100,000	100	-	-	17,644
Share issue (d)	1,387,500	1,388	-	-	246,413
Share issue (e)	60,000	60	-	-	23,240
Share issue (f)	125,000	125	-	-	50,030
Share issue (g)	6,818,175	6,818	-	-	2,609,458
Adjustment for valuation of warrants	-	-	-	-	(1,898,494)
End of financial year	39,262,880	39,263	30,617	10,504,431	15,256,556

(a) On 31 July 2020, the Company raised €241,012 (£217,333), through a placing of 1,358,333 ordinary shares €0.001 in the capital of the Company at a price of £0.1600 per share following the exercise of warrants.

(b) On 11 August 2020, the Company raised €887,164 (£800,000), through a placing of 3,200,000 ordinary shares €0.001 in the capital of the Company at a price of £0.2500 per share.

(c) On 17 August 2020, the Company raised €17,744 (£16,000), through a placing of 100,000 ordinary shares €0.001 in the capital of the Company at a price of £0.1600 per share following the exercise of warrants.

(d) In November 2020, the Company raised €247,801 (£222,000), through a four separate warrant exercises over 1,387,500 ordinary shares €0.001 in the capital of the Company at an exercise price of £0.1600 per share.

(e) On 8 January 2021, the Company raised €23,300 (£21,000), through a warrant exercise over 60,000 ordinary shares €0.001 in the capital of the Company at a price of £0.3500 per share.

(f) On 15 February 2021, the Company raised €50,155 (£43,750), through a warrant exercise over 125,000 ordinary shares €0.001 in the capital of the Company at a price of £0.3500 per share.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

15 Called up share capital and share premium – Group and Company *(continued)*

(g) On 16 March 2021, the Company raised €2,616,276 (£2,250,000), through a placing and subscription of 5,670,449 ordinary shares €0.001 in the capital of the Company at a price of £0.3300 per share and the issue of 1,147,726 ordinary shares €0.0001 in the capital of the Company as part of a capitalisation of debt owed to certain parties. As part of this share issuance, shares were issued to Directors and former Directors in exchange for repayment of their loans. This amounted to €440,408. See note 12 for further details.

Warrants: At 31 May 2022, warrants over 10,793,116 (31 May 2021: 10,793,116) shares exercisable at prices from £0.35 (31 May 2021: £0.35) to €4.33 (31 May 2021: €4.33) per share, with various exercisable dates up to 15 February 2023 (31 May 2021: 15 February 2023) were outstanding. Refer to Note 18 for further details.

Share Price: The share price at 31 May 2022 was £0.3050 (31 May 2021: £0.2260). During the financial year, the price ranged from £0.1963 to £0.4350 (31 May 2021: from £0.0975 to £0.4560).

16 Commitments and contingencies

Exploration and evaluation activities

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 31 May 2022, the Group had work commitments of €328,055 (31 May 2021: €520,000) for year to May 2023, in respect of these prospecting licences held. These commitments will be funded by Demir Export A.S., the JV partner on Longford Down Massif as per the agreed terms of the JV agreement.

The Group also hold prospecting license in Finland which are currently under application for extending, however there are no work or financial commitments in respect of these licenses as at 31 May 2022 (31 May 2021: €Nil)

17 Related party transactions

(a) Details as to shareholders and Directors' loans and share capital transactions with Professor Richard Conroy, Maureen T.A. Jones, Séamus P. Fitzpatrick (former Director) and Dr. Sorċa Conroy (former Director) are outlined in in Note 12 of the consolidated financial statements. The loans do not incur interest, are not secured and will not be called upon within twelve months from the date of signing of these consolidated financial statements.

(b) For the financial year ended 31 May 2022, the Company incurred costs totalling €99,873 (31 May 2021: €54,872) on behalf of Karelian Diamond Resources P.L.C., which has certain common shareholders and Directors. These costs were recharged to Karelian Diamond Resources P.L.C. This intercompany account does not incur interest and no final settlement of the balance has been agreed. Both entities will continue to incur and share costs as with prior years.

These costs are analysed as follows:

	2022	2021
	€	€
Office salaries	**72,469**	49,048
Rent and rates	**15,850**	-
Other operating expenses	**11,554**	5,824
	99,873	54,872

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

17 Related party transactions *(continued)*

(c) At 31 May 2022, the Company recorded a receivable of €199,806 from Karelian Diamond Resources P.L.C. (31 May 2021: €169,933). Amounts from Karelian Diamond Resources P.L.C. are included within "Trade and other receivables" in the current and prior financial year statements. During the financial year ended 31 May 2022, €70,000 was paid by (31 May 2021: €173,530 paid to) Karelian Diamond Resources P.L.C. to the Company. During the financial year ended the Company charged Karelian Diamond Resources P.L.C. €99,873 (31 May 2021: €54,872) in respect of the allocation of certain costs as detailed in (b) above. The Group and the Company will not seek repayment of amounts owed to it by Karelian Diamond Resources P.L.C. within 12 months of the date of approval of the consolidated financial statements. No interest is incurred on this intercompany account and there are no other terms or conditions attached.

(d) At 31 May 2022, Conroy Gold Limited owed €519,133 (31 May 2021: €519,133) to the Company.

(e) At 31 May 2022, the Company was owed €13,933 (31 May 2021: €22,903) by Trans-International Oil Exploration Limited. Professor Richard Conroy and Maureen T.A. Jones are Directors of Trans-International Oil Exploration Limited. Professor Richard Conroy holds 50.7% of the share capital of this company. A further €35,885 (31 May 2021: €28,961) is owed by Conroy P.L.C., a company in which Professor Richard Conroy has a controlling interest. Amounts totalling €3,076 (31 May 2021: €5,290) were owed by companies in which Professor Richard Conroy and Maureen T.A. Jones hold a 50% interest each. The amounts owed by the various companies are included within "Other receivables" in the current and previous financial year's consolidated statement of financial position and company's statement of financial position.

(f) At 31 May 2022, the Company was owed €107,596 (31 May 2021:€Nil) by Conroy Gold Clontibret Limited, €101,412 (31 May 2021:€Nil) by Conroy Gold Longford-Down Limited and €44,620 (31 May 2021:€Nil) by Conroy Gold Armagh Limited. These balances relate to administration expenses that are recharged to the subsidiaries from the Company as per the agreements with the companies.

(g) Details of key management compensation which comprises Directors' remuneration is as set out in detail in Note 2.

(h) Professor Garth Earls invoiced the Group for €9,785 (31 May 2021: €24,068) during the financial year for professional services rendered to the Group. At 31 May 2022, Professor Garth Earls was owed €33,331 (31 May 2021: €33,331) in respect of these services. Brendan McMorrow invoiced the Group for €14,725 (31 May 2021: €24,500) during the financial year for professional services rendered to the Group. At 31 May 2022, Brendan McMorrow was owed €26,189 (31 May 2021: €26,189) in respect of these services.

(i) The Company raised €350,000 through the issue of two unsecured Convertible Loan Notes to Hard Metal Machine Tools Limited (the "Lender") during the year ended 31 May 2020. The Lender is a company 99% owned by an existing shareholder of the Company. Refer to Note 13 for details of the interest charged and the conditions attached to the loans.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

18 Share-based payments

The Company has an equity-settled share-based payment arrangement with non-market performance conditions. At 31 May 2022, there were no share options outstanding (31 May 2021: €Nil).

Warrants granted generally have a vesting period of two years. Details of the warrants outstanding during the financial year are below.

	2022 No. of share warrants	**2022 Weighted average exercise price €**	2021 No. of share warrants	2021 Weighted average exercise price €
At 1 June	**10,793,116**	**0.646**	3,424,109	1.139
Lapsed during the financial year *(Note 15)*	-	-	(605,225)	3.545
Exercised during the financial year *(Note 15)*	-	-	(3,030,833)	0.199
Granted during the financial year *(Note 15)*	-	-	11,005,065	0.528
At 31 May	**10,793,116**	**0.646**	10,793,116	0.646

As a result of the valuation performed at the year end, the fair value of the sterling based warrants was €257,050 (31 May 2021: 843,004) and accordingly €585,954 was credited to the Income Statement as a movement in the fair value of warrants.

The Company estimated the fair value of warrants using the Black Scholes Model. The determination of the fair value of the warrants on the date of grant using the Black Scholes Model is affected by the Company's share price as well as assumptions regarding a number of other variables. These variables include the expected term of the warrants, the share price volatility, the risk-free interest rate and the expected dividends.

The following key input assumptions were used to calculate the fair value of the sterling based warrants:

	2022 Warrants	2021 Warrants
Dividend yield	**0%**	0%
Share price volatility	**79%**	100%
Risk free interest rate	**1.24%**	0.1%
Expected life (in years)	**2**	2

During the year ended 31 May 2022, no warrants were lapsed. During the prior year, amounts relating to warrants which lapsed during the prior year and which were reclassified to retained earnings were €434,729.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

19 Financial instruments

Financial risk management objectives, policies and processes

The Group has exposure to the following risks from its use of financial instruments:

(a) Inflation;
(b) Interest rate risk;
(c) Foreign currency risk;
(d) Liquidity risk; and
(e) Credit risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and framework in relation to the risks faced.

(a) Inflation

The Group is exposed to the risk associated with inflation such as the impact of increased operating expenses including rent, light & heat and wages and salaries. The Chairman and Managing Director monitor costs on an ongoing basis.

(b) Interest rate risk

The Group currently finances its operations through shareholders' funds. Short term cash funds are invested, if appropriate, in short-term interest-bearing bank deposits. There were no short-term interest-bearing bank deposits at 31 May 2022 or 31 May 2021 and no sensitivity analysis has been performed. The Group did not enter into any hedging transactions with respect to interest rate risk.

(c) Foreign currency risk

The Group is exposed to currency risk on purchases, loans and bank deposits that are denominated in a currency other than the functional currency of the entities of the Group.

It is Group policy to ensure that foreign currency risk is managed wherever possible by matching foreign currency income and expenditure. During the financial years ended 31 May 2022 and 31 May 2021, the Group did not utilise foreign currency forward contracts or other derivatives to manage foreign currency risk.

The Group's foreign currency risk exposure in respect of the principal foreign currencies in which the Group operates was as follows at 31 May 2022:

	Sterling exposure denominated in €	Not at risk €	Total €
Cash and cash equivalents	63,602	1,152,495	1,216,097
Convertible shares	-	(1,406,899)	(1,406,899)
Convertible loans	(388,219)	-	(388,219)
Trade and other payables	(49,222)	(3,572,721)	(3,621,943)
Other receivables	-	229,523	229,523
Amount due from related party	-	199,806	199,806
Related party loans	-	(136,999)	(136,999)
Total exposure	**(373,839)**	**(3,534,795)**	**(3,908,634)**

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

19 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(c) Foreign currency risk *(continued)*

The Group's foreign currency risk exposure in respect of the principal foreign currencies in which the Group operates was as follows at 31 May 2021:

	Sterling exposure denominated in €	**Not at risk €**	**Total €**
Other receivables	-	277,764	277,764
Amount due from related party	-	169,933	169,933
Cash and cash equivalents	1,348,838	164,448	1,513,286
Trade and other payables	(162,707)	(3,463,143)	(3,625,850)
Related party loans	-	(136,999)	(136,999)
Convertible loans	(378,080)	-	(378,080)
Total exposure	808,051	(2,987,997)	(2,179,946)

The following are the significant exchange rates that applied against €1 during the financial year:

	Average rate 2022	Average rate 2021	**Spot rate 31 May 2022**	Spot rate 31 May 2021
GBP	**0.844**	0.888	**0.852**	0.858

Sensitivity analysis

A 10% strengthening of Euro against Sterling, based on outstanding financial assets and liabilities at 31 May 2022 would have decreased the reported loss by €37,384 (31 May 2021: increased the reported loss by €80,805) as a consequence of the retranslation of foreign currency denominated financial assets and liabilities at those dates. A weakening of 10% of the Euro against Sterling would have had an equal and opposite effect. It is assumed that all other variables, especially interest rates, remain constant in the analysis.

(d) Liquidity risk

Liquidity is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and adverse conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by regularly monitoring cash flow projections. The nature of the Group's exploration and appraisal activities can result in significant differences between expected and actual cash flows.

Contractual maturities of financial liabilities as at 31 May 2022 were as follows:

Item	**Carrying amount €**	**Contractual cash flows €**	**6 months or less €**	**6 -12 months €**	**1-2 years €**	**2-5 years €**
Trade and other payables (including related party loans)	**3,621,943**	**3,621,943**	**552,795**	**3,069,148****	**-**	**-**
Convertible loans	**388,219**	**402,500**	**-**	**-**	**-**	**388,219*****
	4,010,162	**4,024,443**	**552,795**	**3,069,148****	**-**	**388,219*****

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

19 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(d) Liquidity risk *(continued)*

Contractual maturities of financial liabilities as at 31 May 2021 were as follows:

Item	Carrying amount €	Contractual cash flows €	6 months or less €	6 -12 months €	1-2 years €	2-5 years €
Trade and other payables (including related party loans)	3,762,197	3,762,197	506,050*	3,256,147**	-	-
Convertible loans	378,080	402,500	-	-	-	378,080***
	4,140,277	4,164,697	506,050*	3,256,147**	-	378,080***

*The amount of €552,795 (31 May 2021: €506,050) relates to other creditors and accruals.

**The Directors, namely Professor Richard Conroy, Maureen T.A. Jones, Professor Garth Earls, Brendan McMorrow, Howard Bird and former Directors, namely James P. Jones, Séamus P. Fitzpatrick, C. David Wathen, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €3,069,148 (31 May 2021: €3,119,148) within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay.

**The related party loans amounts relate to monies owed to Professor Richard Conroy amounting to €101,999 (31 May 2021: €101,999), Maureen T.A. Jones amounting to €Nil (31 May 2021: €Nil), Séamus P. Fitzpatrick (former Director) amounting to €35,000 (31 May 2021: €35,000) and Dr. Sorċa Conroy (former Director) amounting to €Nil (31 May 2021: €Nil).

***More information regarding the convertible loans is detailed in Note 13.

The Group had cash and cash equivalents of €1,216,097 at 31 May 2022 (31 May 2021: €1,513,286).

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation.

Credit risk is the risk of financial loss to the Group if a cash deposit, amount owed by related party and other receivables is not recovered. Group deposits are placed only with banks with appropriate credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 May 2022 and 31 May 2021 was:

	31 May 2022 €	31 May 2021 €
Cash and cash equivalents	**1,216,097**	1,513,286
Amount owed by Karelian Diamond Resources Plc	**199,806**	169,933
Other receivables	**90,670**	277,764
	1,506,573	1,960,983

The Group's cash and cash equivalents are held at AIB Bank which has a credit rating of "BBB+" (31 May 2021: BBB+) as determined by Fitch, and Bank of Ireland which a credit rating of "F2'' (31 May 2021: BBB+) as determined by Fitch.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

19 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(e) Credit risk *(continued)*

Expected credit loss

The Group measures credit risk and expected credit losses on financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss. At 31 May 2022 and 31 May 2021, all cash is accessible on demand and held with counterparties with a credit rating of BBB+ or higher. Having considered the credit rating of the counterparties and the outstanding balances, management have determined that for both financial years presented, the amount of ECL is immaterial.

The amount receivable from Conroy Gold Clontibret Limited, Conroy Gold Longford Down Limited, Conroy Gold Armagh Limited and Conroy Gold Limited which relates mainly to the cash advances and payment of expenses incurred in the name of Conroy Gold Clontibret Limited, Conroy Gold Longford Down Limited, Conroy Gold Armagh Limited and Conroy Gold Limited, is a receivable at the Company level but not at the Group level and therefore is not subject to expected credit losses at the Group level. See Note 10 for further details.

However, as these amounts are receivable from the Group companies, the Directors of the Company are confident that the probability of default is close to zero.

As a result of the above, no loss allowance has been recognised based on lifetime expected credit losses as any such impairment would be wholly insignificant to the Company.

(f) Fair values versus carrying amounts

Due to the short-term nature of the Group's current financial assets and liabilities held at amortised cost at 31 May 2022 and 31 May 2021, the fair value equals the carrying amount in each case. The carrying value of non-current financial assets and liabilities is a reasonable approximation of fair value.

(g) Capital management

The Group's objective is to discover and develop world class ore bodies in order to create value for its shareholders. The Group's strategy is to explore in politically stable and geographically attractive countries such as Ireland and Finland. The Group ensures as far as possible to obtain adequate working capital to carry out its work obligations and commitments. The Group's overall strategy remains unchanged from the prior period.

The Group has historically funded its activities through share issues and placings and loans. The Group's capital structure is kept under review by the Board of Directors and it is committed to capital discipline and continues to maintain flexibility for future growth.

The capital structure of the Group consists of equity of the Group (refer to the statement of changes in equity and Note 15). The Group is not subject to any externally imposed capital requirements.

Conroy Gold and Natural Resources P.L.C.

Notes
to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2022 *(continued)*

20 Post balance sheet events

Post year end, the Company announced that it has received notice of conversion from the Lender in relation to the convertible loan notes which were issued as on 15 July 2019 and 30 October 2019. The loan and all accrued interest will be converted into new ordinary shares in the Company. The Company has made the application to the London Stock Exchange for the new ordinary shares to be admitted to trading on AIM. Upon admission to the AIM, Mr. Philip Hannigan will have a beneficial interest in ordinary shares in the Company representing 19.19% of the issued share capital of the Company.

The Company announced the results from the four drill holes in the 3,000 metre eight-hole step-out drilling programme on its Clontibret Gold deposit in Ireland that was carried out in conjunction with the Company's joint venture partner, Demir Export A.S.

The Company announced the issue of new ordinary shares to its former non-executive director, Charles David Wathen, in lieu of his outstanding fees. The Company made the application to the London Stock Exchange for the new ordinary shares issued to be admitted to trading on AIM and these shares were admitted to trading on AIM on 23 August 2022. As a result of these issues of ordinary shares post year-end, the total number of ordinary shares in issue at the date of signing of these financial statements is 44,756,101.

There were no further material events after the reporting year requiring adjustment to or disclosure in these audited consolidated and company's financial statements.

21 Approval of the audited consolidated financial statements for the financial year ended 31 May 2022

These audited consolidated financial statements were approved by the Board of Directors on 29 November 2022. A copy of the audited consolidated financial statements will be available on the Company's website www.conroygold.com and will be available from the Company's registered office at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.