



CONROY
GOLD AND NATURAL RESOURCES PLC

Half-Yearly Report 2014



Chairman's Statement

Dear Shareholder

I have great pleasure in presenting your Company's Half-Yearly Report for the six months ended 30 November 2014. This was a period of further significant progress for your Company during which the viability of the proposed mine at Clontibret was confirmed and that antimony as well as gold may well be economically mined. In addition, excellent results were reported from both the Company's gold and base metal exploration targets. Exploration licences were also granted in a promising gold area of Finland. The focus will however remain on bringing the Clontibret mine into production.

Clontibret

Work continued in relation to your Company's proposed gold mine in Clontibret, Co. Monaghan and in July Michael Brennan was appointed Project Manager to oversee the mine development.

The mine will consist of a Phase 1 starter pit which will concentrate on a high grade, densely drilled portion of the resource and should result in accelerated total project capital payback within year 2 of the operation and a positive cash flow.

Current metallurgical testwork is indicating very favourable flotation and downstream processing characteristics which together with favourable infrastructure and logistical support will help reduce the project's capital and operating costs.

The metallurgical testwork has also revealed that potentially economic quantities of antimony may occur in the gold bearing concentrate following flotation.

Work has therefore been carried out to identify flowsheet options to allow for the extraction of the antimony from the gold bearing concentrate. Several process options have been identified, and future metallurgical testwork will include testing these options and optimising extraction so as to ensure a saleable antimony product.

Antimony is specified by the European Commission as a critical raw material and a large supply deficit is forecast. The product is used primarily in the production of flame retardants.

The potentially economic quantities of the strategically important mineral antimony, in addition to the gold which is intended to be mined at Clontibret, is a very welcome further development as your Company moves forward with its mining plans for Clontibret.

Phase 2 will comprise underground mining and/or further surface pit(s). For the underground mining option there are favourable grades and widths at depth that have been identified by drilling. This ore could be accessed by a spiral ramp at the base of the Phase 1 pit and mined by a high volume method such as sublevel block caving.

The mining plan is also set in the context of the remaining 80 per cent of the Clontibret gold target where significant gold intersections outside the planned mine area for Phase 1 have been previously identified and are expected to be economic to mine.

Exploration

Further highly encouraging results were achieved on your Company's exploration licences. In particular, high resolution satellite imagery has identified 21 gold exploration targets as well as delineating five main lineament orientations in the Longford-Down Massif.

Positive results were also received from a Structural Study undertaken at the Slieve Glah target in County Cavan, Ireland. The study was carried out by independent consultant structural geologists, Dr. Francis Murphy and Dr. David Coller. The study showed that the gold mineralisation at Slieve Glah is associated with a major geological structure, the Orlock Bridge Fault which appears to be the major structural control on mineralisation in the area. The study highlighted the potential for a concentration of gold mineralised faults and of gold target zones within the gold-in-soil anomalies defined at Slieve Glah. These anomalies are approximately 3 km (1.8 miles) in length.

The Slieve Glah area is located approximately 40 km (25 miles) to the south east of the proposed gold mine at Clontibret in County Monaghan. The Orlock Bridge Fault undergoes a significant strike swing, or bend, at Slieve Glah. This has led to the development of a dilation zone which could hold significant mineral potential.

Your Company has also made further progress with its gold exploration programme in Finland with the granting of nine exploration claims in the Sodankyla region of Northern Finland which we are delighted to receive having been involved in gold exploration in Finland for many years.

Sodankyla has become a highly prospective region for gold and copper exploration, hosting both the world class Kittila gold mine and the Kevitsa nickel-copper mine. Previous exploration by your Company in the Sodankyla area yielded very encouraging gold results and historic till sampling within the area has reported values of over 4,000 ppb gold and up to 95 ppm copper. The nine exploration claims which have been granted in Finland together cover an area of 789Ha (c. 1,950 acres).

We look forward to our exploration programme in Finland complementing our successful gold and base metal exploration in Ireland.

Finance

The loss after taxation for the half-year ended 30 November 2014 was €150,230 (2013: loss of €131,527) and the net assets as at 30 November 2014 were €15,449,505 (2013: €13,224,751).

During the period, we raised £750,000 by way of placing and subscription, there was also a debt conversion of £273,500 nominal of unsecured convertible loan and an extension of warrants by five years.

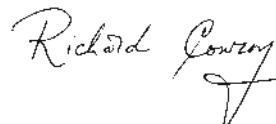
Outlook

Your Company looks forward to continued progress with its planned gold mine at Clontibret and its ongoing exploration programme for gold and base metals.

Directors and Staff

I would like to thank all of my fellow directors, staff and consultants for their support and dedication, which has enabled the continued success of the Company. I look forward to the future with confidence.

Yours faithfully,



Professor Richard Conroy
Chairman

25 February 2015

Income Statement

for half-year ended 30 November 2014

	Six months ended 30 November 2014 (Unaudited) €	Six months ended 30 November 2013 (Unaudited) €	Year ended 31 May 2014 (Audited) €
OPERATING EXPENSES	(150,230)	(125,588)	(374,323)
Finance income – bank interest receivable	–	–	–
Finance costs – interest on shareholder loan	–	(5,939)	(5,982)
LOSS BEFORE TAXATION	(150,230)	(131,527)	(380,305)
Taxation	–	–	–
LOSS FOR HALF-YEAR	(150,230)	(131,527)	(380,305)
Loss per ordinary share – basic and diluted	(€0.0004)	(€0.0004)	(€0.0012)

Statement of Comprehensive Income

for half-year ended 30 November 2014

	Six months ended 30 November 2014 (Unaudited) €	Six months ended 30 November 2013 (Unaudited) €	Year ended 31 May 2014 (Audited) €
LOSS FOR PERIOD	(150,230)	(131,527)	(380,305)
Total income and expense recognised in other comprehensive income	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD – ENTIRELY ATTRIBUTABLE TO EQUITYHOLDERS	(150,230)	(131,527)	(380,305)

Statement of Financial Position

as at 30 November 2014

	30 November 2014 (Unaudited) €	30 November 2013 (Unaudited) €	31 May 2014 (Audited) €
ASSETS			
Non-current Assets			
Intangible assets	16,623,673	15,302,446	16,033,308
Investment in Subsidiary	2	2	2
Property, plant and equipment	279,253	5,363	7,854
	16,902,928	15,307,811	16,041,164
Current Assets			
Trade and other receivables	51,947	331,616	59,358
Cash and cash equivalents	466,585	19,508	78,372
	518,532	351,124	137,730
Total Assets	17,421,460	15,658,935	16,178,894
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up share capital	4,373,208	8,936,758	3,520,000
Called up deferred share capital	6,135,597	–	6,135,597
Share premium	8,855,525	7,926,342	8,447,949
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserve	1,007,780	1,044,248	1,034,760
Retained losses	(4,953,222)	(4,713,214)	(4,877,992)
Total Equity	15,449,505	13,224,751	14,290,931
Non-current Liabilities			
Convertible loan	–	996,075	324,952
Financial Liabilities	191,022	293,215	191,022
Total Non-current Liabilities	191,022	1,289,290	515,974
Current Liabilities			
Trade and other payables	1,780,933	1,144,894	1,371,989
Total Current Liabilities	1,780,933	1,144,894	1,371,989
Total Liabilities	1,971,955	2,434,184	1,887,963
Total Equity and Liabilities	17,421,460	15,658,935	16,178,894

Cash Flow Statement

for the half-year ended 30 November 2014

	Six months ended 30 November 2014 (Unaudited) €	Six months ended 30 November 2013 (Unaudited) €	Year ended 31 May 2014 (Audited) €
Cash flows from operating activities			
Cash generated/(used in) by operations	279,130	(86,373)	186,680
Tax paid	–	–	–
Net cash generated/(used in)by operating activities	279,130	(86,373)	186,680
Cash flows from investing activities			
Investment in exploration and evaluation	(547,312)	(417,334)	(1,068,743)
Payments to acquire property, plant and equipment	(279,436)	–	–
Net cash used in investing activities	(826,748)	(417,334)	(1,068,743)
Cash flows from financing activities			
Issue of share capital	1,260,783	207,836	812,621
Advances/(conversion) of shareholder loan	–	(752,560)	205,000
Convertible loan conversion	(324,952)	996,075	–
Amount repaid to shareholders	–	–	(114,600)
Interest paid on shareholder loan	–	–	(14,450)
Net cash generated from financing activities	935,831	451,351	888,571
Increase/(Decrease) in cash and cash equivalents	388,213	(52,356)	6,508
Cash and cash equivalents at beginning of period	78,372	71,864	71,864
Cash and cash equivalents at end of period	466,585	19,508	78,372

Statement of Changes in Equity

for the half-year ended 30 November 2014

	Share Capital €	Share Premium €	Capital Conversion Reserve Fund €	Share-based Payment Reserve €	Retained Earnings (Deficit) €	Total Equity €
At 1 June 2014	9,655,597	8,447,949	30,617	1,034,760	(4,877,992)	14,290,931
Share issue	853,208	-	-	-	-	853,208
Share premium	-	446,772	-	-	-	446,772
Share issue expenses	-	(39,196)	-	-	-	(39,196)
Share-based payments	-	-	-	48,020	-	48,020
Transfer from share-based payment reserve to retained earnings/(deficit)	-	-	-	(75,000)	75,000	-
Loss for the period	-	-	-	-	(150,230)	(150,230)
At 30 November 2014	10,508,805	8,855,525	30,617	1,007,780	(4,953,222)	15,449,505
At 1 June 2013	8,737,547	7,917,717	30,617	969,735	(4,581,687)	13,073,929
Share issue	199,211	-	-	-	-	199,211
Share premium	-	10,457	-	-	-	10,457
Share issue expenses	-	(1,832)	-	-	-	(1,832)
Share-based payments	-	-	-	74,513	-	74,513
Loss for the period	-	-	-	-	(131,527)	(131,527)
At 30 November 2013	8,936,758	7,926,342	30,617	1,044,248	(4,713,214)	13,224,751

Notes to the Financial Statements

for the half-year ended 30 November 2014

1. Basis of preparation

The half-yearly financial statements have been prepared on the basis of the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and their interpretations adopted by the International Accounting Standards Board (IASB). The accounting policies used in the preparation of the half-yearly financial information are the same as those used in the Company's audited financial statements for the year ended 31 May 2014.

2. Earnings per share

The calculation of the loss per ordinary share of €0.0004 (2013: €0.0004) is based on the loss for the financial year of €150,230 (2013: €131,527) and the weighted average number of ordinary shares in issue during the period of 363,060,039 (2013: 293,465,001).

Since the Company incurred a loss the effect of share options and warrants would be anti-dilutive.

3. Dividends

No dividends were paid or are proposed in respect of the period ended 30 November, 2014.

4. Copies of Accounts

A copy of the Half-Yearly Report will be available on the Company's website www.conroygold.com and will be available from the Company's registered office, 10 Upper Pembroke Street, Dublin 2.