



MORNING COMMENT

Conroy Gold and Natural Resources plc (CGNR.L)* 28 June 2022

- **Price:** 26.0p
- **MCp:** £10m
- **Tck:** CGNR.L
- **Sector:** Gold
- **Areas:** Ireland
- **Recommendation:** BUY
- **Target Price** 168p

Conroy Gold and Natural Resources plc (CGNR.L) reported this morning on encouraging initial findings from the first of two holes being drilled on the Clontibret Gold deposit over an eight-hole drill programme of around 3,000 metres, with JV partner Demir Export.

Mineralisation was intersected in both holes, drilled to 285.8 and 179 metre down hole depths, with new mineralisation zones intersected in the first hole and the second hole showing an extension of the known mineralisation zones.

FEQ Comment - This is a good start to the earn-in work programme of at least €4.5m by the Group's Turkish mining conglomerate partner Demir Export for the first phase of the JV. We await details on the assay results in the very near term, once the core has been analysed at the laboratory, along with further results and findings from the other six holes being drilled on this programme in the coming months.

Despite the progress being made at Clontibret, the acceleration of exploration activity now possible via the new JV with Demir, the continuing allure of gold against the backdrop of increasing geo-political tensions and global economic woes, we are very perplexed to see the shares in CGNR marooned at around 26p, with a market cap of £10m. This is some way short of our share price target of 168p, as outlined in our Research Note from 7 April 2022. The discovery of new mineralisation zones, as indicated in today's RNS, could lead to a revision in our numbers in due course.

With the investment rationale strengthened today for Conroy Gold, and a price target of **168p** representing a potential increase of around seven-fold from the current market price, we recommend the shares as a '**Buy**'.

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