

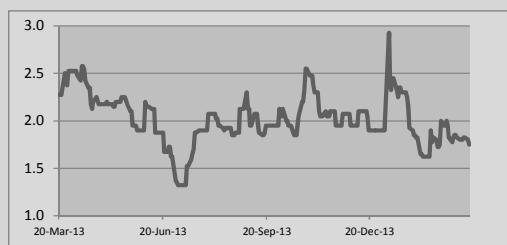
Update

19th March 2014

Key Statistics

Code : CGNR
 Listing : AIM
 Sector : Mining
 Market Cap : £6.2m
 Shares in issue : 352m
 Current Price : 1.75p
 12 mnth. High/Low: 2.925p/1.325p

Stock Performance



Source: Fidessa

Financials

£ m	FY 11A	FY 12A	FY 13A	FY 14E
EBT	-0.4	-0.5	-0.4	-0.3
Book Value	11.6	12.7	13.1	14.1

Source: Annual reports and Hybridan LLP

Company description

Conroy Gold and Natural Resources is a gold exploration and development company primarily focused on Ireland. The Company holds exclusive 100% owned licenses to explore for both gold and base metals in Northern Ireland and the Republic of Ireland (aggregate areas of c. 450 sq. miles) in a geological structure called the Longford-Down Massif. Conroy's most detailed appraisals have been at Clontibret, where a JORC compliant mineral resource of 1 million+ ounces of gold has been identified on 20 per cent. of the target.

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More open to new shareholders

Last month's fundraise of £500,000 at 1.5p, which required changing the par value from €0.03 per ordinary share to €0.01 per ordinary share is a sign that the management is keen to welcome the participation of new shareholders.

The shares have underperformed the gold price in the past three months by around 24%, which may represent a buying opportunity. Among the junior explorers, Conroy Gold continues to stand out in terms of valuation and risk/reward profile of its location.

Further savings identified at Clontibret

Since our last update on 9th December 2013, the company has reported progress on several fronts. In January, it announced that a review by independent consultants Tetra Tech Inc. of the results of the final mineralogical and metallurgical testwork programme on the ore grade material sent to Gold Fields/Biomin in South Africa, has validated the Preliminary Economic Assessment (PEA) process design criteria and operating costs. The final mineralogical and metallurgical testwork results were analysed and evaluated by Tetra Tech in advance of an anticipated prefeasibility study (PFS) enabling Tetra Tech to confirm the preliminary estimates for the processing plant. The decreased sulphur grade implies savings in both capital and operating costs. In relation to these savings the capital cost for the proposed processing plant is now estimated by Tetra Tech at US\$18.5m compared with the US\$ 20.2m in the PEA and the process operating costs are estimated to fall from US\$13.64/t to US\$12.26/t.

Potential at Clay Lake confirmed

In February, the company announced the results of a structural study at its Clay Lake gold target in Co. Armagh by independent consultant structural geologists, Dr Francis Murphy and Dr David Collier. The study has yielded important new geological information which adds further evidence that the Clay Lake gold target may have the potential for high tonnage and overall gold content. The results of the study showed that not only is a gold mineralised anticline present at the Clay Lake gold target, with intense shearing, but that a second gold mineralised anticline is also present to the northwest of the first anticline. Anticline structures are important because they can host significant volumes of gold and are thus a key target in exploration. The identification of the anticlinal structure is of particular significance as gold mineralisation tends to accumulate within the hinge, or top, of the anticline.

For analyst certification and other important disclosures, refer to the Disclosure Section

We believe that the gold price will remain volatile in the short-term until supply adjusts to demand. To investors, we continue to urge caution and recommend selectivity. The optimal exposure should be a combination of low-cost producers such as Randgold and Pan African Resources and exploration companies located in investor friendly countries. Poor infrastructure and political issues will continue to plague most exploration companies and if gold prices remain at current levels, we would expect many of these projects to be abandoned. Among the junior explorers, companies like Conroy Gold continue to stand out in terms of valuation and risk/reward profile of their locations.

Company	Type	Operating Region	Gold	Cut off	EV/oz.
			Resource	grade	of gold
			m oz	g/t Au	
Nyota Minerals	Exp	Ethiopia	1.9	2.3	2.8
Bullabulling	Exp	Western Australia	3.5	0.5	3.4
Ortac resources	Exp	Slovakia	1.3	0.4	4.8
Goldstone	Exp	Africa	0.6	0.5	6.7
Conroy Gold & Nat. Rsrcs.	Exp	Ireland & Finland	1.0	0.8	6.2
Ariana	Exp	Turkey	0.9	0.5	7.5
Condor Gold	Exp	Nicaragua, El Salvador	3.5	1.7	10.1
Serabi Gold	Exp	Brazil	2.5	0.5	13.5
Scotgold	Exp	Scotland	0.2	3.5	17.6
Mariana Resources	Exp	Argentina, Chile & Peru	0.5	1.0	29.2
Patagonia Gold	Exp	Argentina	1.9	0.3	43.8
Aureus Mining	Exp	Cameroon	1.7	0.5	51.0
Metals Exploration	Exp	The Philippines	1.4	1.7	60.6

Source: Company reports, Fidessa

Financials

Income Statement

Year-end May, €	2010A	2011A	2012A	2013A	2014E
Operating Expenses	-151,793	-364,356	-524,888	-411,020	-250,000
Finance income – bank interest receivable	77	5,764	779	12	0
Finance costs – interest on shareholder loan	-138,729	-69,378	-9,153	-12,971	-24,190
Other income	0	0	0	0	0
Loss Before Taxation	-290,445	-427,970	-533,262	-423,979	-274,190
Taxation	0	0	0	0	0
Loss retained for the year	-290,445	-427,970	-533,262	-423,979	-274,190
Loss per ordinary share	-0.0021	-0.002	-0.002	-0.002	-0.001

Source: Conroy Gold & Natural Resources plc Annual Reports, Hybridan LLP estimates

Balance Sheet

Year-end May, €	2010A	2011A	2012A	2013A	2014E
Assets					
Non Current Assets					
Intangible Assets	9,802,468	11,759,028	13,603,186	14,824,846	15,824,846
Investment in Subsidiary	2	2	2	2	2
Property, Plant and Equipment	14,424	23,849	10,688	7,138	6,138
	9,816,894	11,782,879	13,613,876	14,831,986	15,830,986
Current Assets					
Trade and Other Receivables	56,381	81,323	73,940	163,139	113,139
Cash and Other equivalents	1,648,160	749,459	238,647	71,864	22,965
	1,704,541	830,782	312,587	235,003	136,104
Total Assets	11,521,435	12,613,661	13,926,463	15,066,989	15,967,090
EQUITY AND LIABILITIES					
Capital and Reserves					
Called up share capital	5,713,935	6,913,935	8,112,257	8,737,547	10,559,999
Share premium	6,273,383	7,656,028	7,872,573	7,917,717	7,326,528
Capital conversion reserve fund	30,617	30,617	30,617	30,617	30,617
Share based payments reserved	582,656	731,682	880,709	969,735	1,044,248
Retained losses	-3,256,475	-3,684,445	-4,217,708	-4,581,687	-4,855,877
Total Equity	9,344,116	11,647,817	12,678,448	13,073,929	14,105,515
Non-current Liabilities					
Financial Liabilities	1,636,661	646,673	665,318	1,045,775	293,215
Convertible debt					446,075
Total Non-current Liabilities	1,636,661	646,673	665,318	1,045,775	739,290
Current Liabilities					
Trade and other payables	540,658	319,171	582,697	947,285	1,122,285
Total Current Liabilities	540,658	319,171	582,697	947,285	1,122,285
Total liabilities	2,177,319	965,844	1,248,015	1,993,060	1,861,575
Total Equity and Liabilities	11,521,435	12,613,661	13,926,463	15,066,989	15,967,090

Source: Conroy Gold & Natural Resources plc, Annual Reports, Hybridan LLP estimates

Cash Flow Statement

Year-end May, €	2010A	2011A	2012A	2013A	2014E
Cash Flows from Operating Activities					
Operating Expenses	-151,793	-364,356	-524,888	-411,020	-250,000
Working Capital/other movements	1,624	-203,202	313,502	307,433	175,000
Cash used in operations	-150,169	-567,558	-211,386	-103,587	-75,000
Tax paid	0	0	0	0	0
Net cash used in operating activities	-150,169	-567,558	-211,386	-103,587	-75,000
Cash flows from investing activities					
Investment in exploration and evaluation	-945,021	-1,836,028	-1,687,013	-1,049,245	-1,000,000
Payments to acquire property, plant and equipment	-206	-24,158	-938	0	0
Net Cash used in investing activities	-945,227	-1,860,186	-1,687,951	-1,049,245	-1,000,000
Cash flows from financing activities					
Shareholder loan	0	0	0	0	0
Issue of share capital	3,000,632	1,895,105	1,414,867	495,037	782,586
Advances of shareholder loan	190,000	0	0	491,000	-752,560
Convertible debt	0	0	0	0	996,075
Repayment of shareholder loan	-508,897	-42,424	0	0	0
Bank interest received	77	5,764	779	12	0
Interest paid on shareholder loan	0	-329,402	-27,121	0	0
Net cash generated from financing activities	2,681,812	1,529,043	1,388,525	986,049	1,026,101
(Decrease)/Increase in cash and cash equivalents	1,586,416	-898,701	-510,812	-166,783	-48,899
Cash and cash equivalents at beginning of year	61,744	1,648,160	749,459	238,647	71,864
Cash and cash equivalents at end of year	1,648,160	749,459	238,647	71,864	22,965

Source: Conroy Gold & Natural Resources plc, Annual Reports, Hybridan LLP estimates

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