

Conroy Gold and Natural Resources plc

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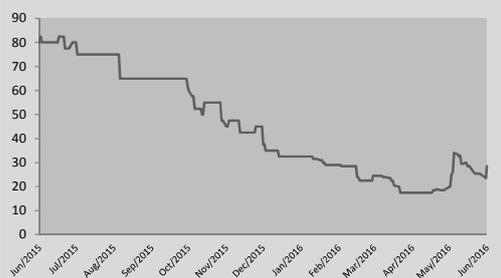
Drill programme

03 June 2016

Key Statistics

Code : CGNR
Listing : AIM
Sector : Mining
Market Cap : £3.14m
Share in issue : 11.01m
Current Price : 28.5p
12 mnth High/Low : 82.5p/17.5p

Stock Performance



Source: Fidessa

Financials

€m y/e May	FY12A	FY13A	FY14A	FY15A
EBT	-0.5	-0.4	-0.4	-0.3
Book Value	12.7	13.1	14.3	15.3

Source: Annual reports and Hybridan LLP estimates

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 601k ounces of gold has been identified on 20 per cent of the target.

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Drilling underway

Conroy Gold and Natural Resources has wasted precious little time in putting to work the funds raised in last month's placing. The company has announced the commencement of a drilling programme. Before moving onto the main development target of Clontibret/Clay Lake, Conroy will drill at least three holes on its Glenish property circa 7km southwest of Clontibret. Glenish is located on the intersection of two major faults, the Glenish Fault and the Orlock Bridge Fault.

The prospect comprises 147 hectares. Previous exploration work has produced grab samples up to 9.4 g/t gold in bedrock and drilling of 2.2 metres at 1.32 g/t gold. The drilling plan is designed to test for the possible presence of gold-in-bedrock in the southern portion of the Glenish target area. We would expect to receive at least some of the results from this work in CyQ3 2016.

Shortly after the work at Glenish is completed the rig will move to the company's flagship asset, the combined Clay Lake – Clontibret gold project where the company will be seeking to make progress against its 5m oz. exploration target.

By the end of the year Conroy should have a far better understanding of its most developed prospect, which if confirmatory of its prospectivity will provide added bargaining power to negotiating any JV opportunity.

Conroy's enlarged market capitalisation of just £3.1m remains strongly supported by the 600,000oz resource attributed to a very small part of the company's license area (20% of Clontibret). According to the company's development plan, the proposed starter pit at Clontibret alone could generate a Net Present Value of \$22m over a three year period at a gold price of \$1,250 discounted at a rate of 8%. The projected extended mine life on this small section of Conroy's licenses is 11.2 years.

By the end of the year the company has the potential to have joined up some more of the dots on the 500 acre Clay Lake/Cargalisgorran targets and we would be particularly encouraged if drilling backed up the results of a recent soil sampling programme, which suggested continuity between the positive intersections/grab samples encountered at the northeastern and southwest corners of the target.

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

Income Statement

Year-end May, €	2013A	2014A	2015A
Operating Expenses	-411,020	-374,323	-315,314
Finance income – bank interest receivable	12	0	0
Finance costs – interest on shareholder loan	-12,971	-5,982	0
Other income	0	0	0
Loss Before Taxation	-423,979	-380,305	-315,314
Taxation	0	0	0
Loss retained for the year	-423,979	-380,305	-315,314
Loss per ordinary share	-0.0015	-0.0012	-0.0008

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

Cash Flow Statement

Year-end May, €	2013A	2014A	2015A
Cash Flows from Operating Activities			
Operating Expenses	-411,020	-374,323	-315,314
Working Capital/other movements	307,433	527,276	462,710
Cash used in operations	-103,587	152,953	147,396
Net cash used in operating activities	-103,587	152,953	147,396
Cash flows from investing activities			
Investment in exploration and evaluation	-1,049,245	-1,064,003	-1,459,440
Payments to acquire property, plant and equipment	0	-4,740	-15,673
Net Cash used in investing activities	-1,049,245	-1,068,743	-1,475,113
Cash flows from financing activities			
Shareholder loan	0	0	
Issue of share capital	495,037	812,621	935,832
Advances of shareholder loan	491,000	205,000	
Convertible debt	0		
Advance from related parties		33,727	336,993
Repayment of shareholder loan	0	-114,600	
Bank interest received	12	0	
Interest paid on shareholder loan	0	-14,450	
Net cash generated from financing activities	986,049	922,298	1,272,825
(Decrease)/Increase in cash and cash equivalents	-166,783	6,508	-54,892
Cash and cash equivalents at beginning of year	238,647	71,864	78,372
Cash and cash equivalents at end of year	71,864	78,372	23,480

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

Balance Sheet

Year-end May, €	2013A	2014A	2015A
Assets			
Non Current Assets			
Intangible Assets	14,824,846	16,033,308	17,280,638
Investment in Subsidiary	2	2	2
Property, Plant and Equipment	7,138	7,854	17,893
	14,831,986	16,041,164	17,298,533
Current Assets			
Trade and Other Receivables	163,139	59,358	344,784
Cash and Other equivalents	71,864	78,372	23,480
	235,003	137,730	368,264
Total Assets	15,066,989	16,178,894	17,666,797
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up share capital	8,737,547	3,520,000	4,373,208
Called up deferred share capital		6,135,597	6,135,597
Share premium	7,917,717	8,447,949	8,855,525
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserved	969,735	1,034,760	1,120,009
Retained losses	-4,581,687	-4,877,992	-5,193,306
Total Equity	13,073,929	14,290,931	15,321,650
Non-current Liabilities			
Financial Liabilities	1,045,775	191,022	191,022
Convertible debt		324,952	
Total Non-current Liabilities	1,045,775	515,974	191,022
Current Liabilities			
Trade and other payables	947,285	1,371,989	2,154,215
Total Current Liabilities	947,285	1,371,989	2,154,215
Total liabilities	1,993,060	1,887,963	2,345,237
Total Equity and Liabilities	15,066,989	16,178,894	17,666,887

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

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