

## The Interview Prof Richard Conroy

Conroy Gold chairman

# Glittering career of a prospecting professor

'There's gold in them there hills' and thanks to an archaic law, it is owned by the State. There are also prospects for a lot of jobs in getting it out of the ground, writes **Mark Keenan**

**S**ERIAL driller Richard Conroy has become something of a pest for the writers of Ireland's geography books.

Twice instrumental in forcing them to change our natural resources listing – first to add oil, then zinc – the chairman of Conroy Gold and Resources now hopes to rewrite the book yet again by adding the glitter of gold to the national inventory.

Last year saw his company graduate from “explorer” to “developer” when a JORC compliant report confirmed mine-

### PROFILE

**Age:** 79

**Born:** Birmingham

**From:** Booterstown, Dublin

**Educated:** Blackrock College

**Family:** Widower (the late Dr Pamela Conroy), daughters Deirdre and Sorchá (both doctors), four grandchildren

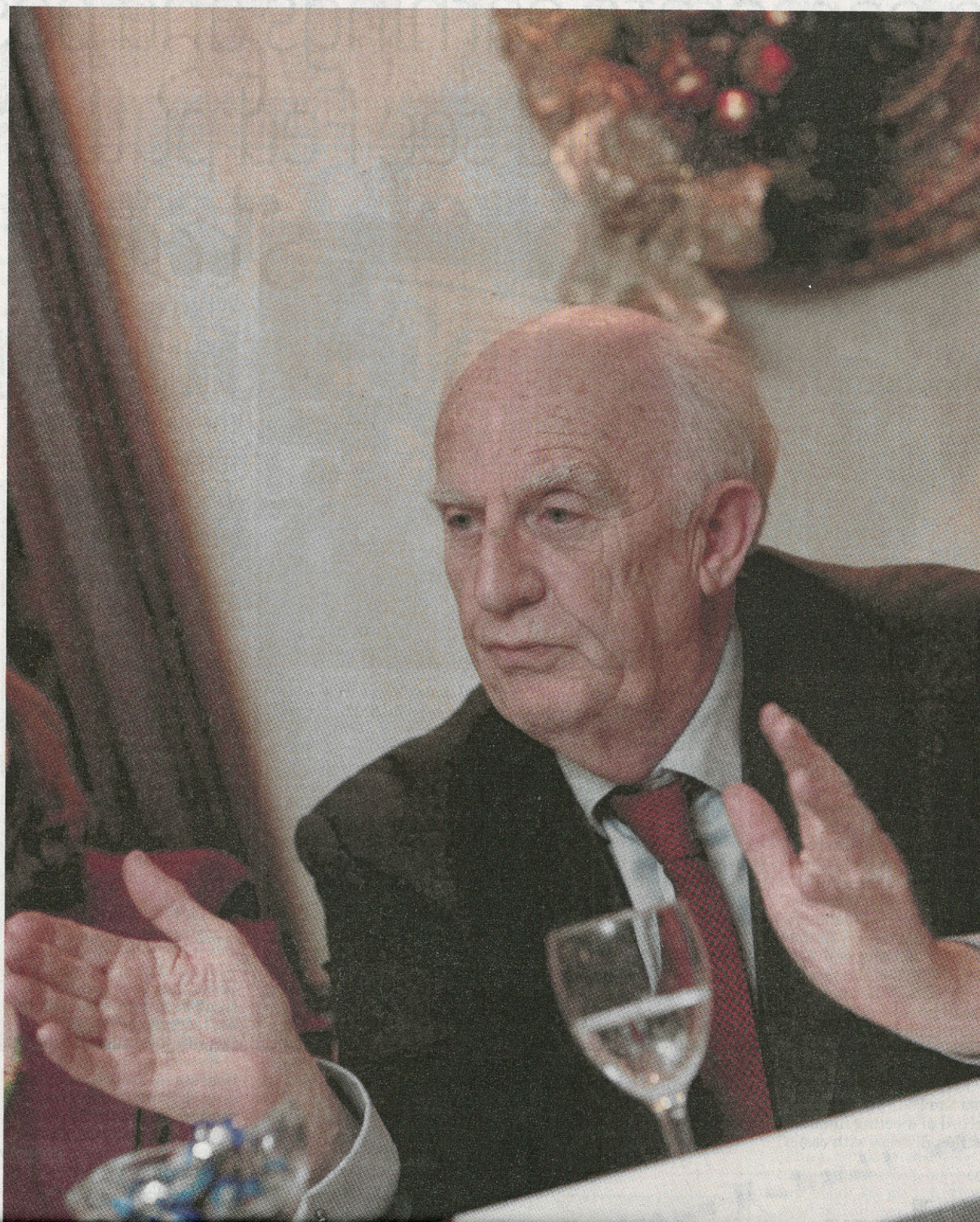
**Books:** Selborne by Gilbert

the UK, they said ‘Sorry but we don’t buy into risky stocks – we prefer to stick with our bank shares’.

“In Ireland our answer was ‘Why invest with you guys when we can increase our money massively over six months in property’. It really depends how you look at it.”

Could it be Conroy's plodding pace? The Clontibret mine is now 18 years in the making.

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in the 1970s and later he set up Conroy Petroleum and Natural Resources, the genesis for Providence.

Most notable of all, he discovered and developed Galmoy – which catapulted Ireland into the world's top 10 zinc producers.

He believes that Ireland will become Europe's biggest gold producer after Finland within a decade and that only a collapse in gold prices can snuff Clontibret's canary.

If it goes below \$650, it's game over. “Gold mightn't stay at its current high levels but it's unlikely to go that low either. Europe has only just woken up to the fact that it has disposed of most of its gold resources and is realising the mistake even as the Chinese continue to hoard it.”

There's also a rock solid civic seam running through the prospector of the sort seldom found in businessmen today. There's little talk of filthy lucre, rather how gold mines might provide a lift to the economy and a supply of jobs – up to 600 in Monaghan by his estimate.

“Unlike many of the jobs created by companies we're incentivising today with a 12.5pc tax rate, Irish mines will stay put until they're exhausted. So why is mining taxed at 25pc?”



oil, then zinc – the chairman of Conroy Gold and Resources now hopes to rewrite the book yet again by adding the glitter of gold to the national inventory.

Last year saw his company graduate from “explorer” to “developer” when a JORC compliant report confirmed mineable status on his Clontibret site in County Monaghan – estimated to hold a million ounces.

The company spent 2012 mopping up a share overhang caused by the collapse of an investor but has burst into 2013 with a barrage of positive metallurgical test results which further underline viability.

“Biological oxidation tests – which determine how expensive it will be to extract gold from ground material – will be available within a few months but they won’t affect progress either way,” adds Prof Conroy.

“Next we have to finish our environmental impact study, which is already well under way, some more tests and then on to planning permission.”

There’s also the matter of €40m to build the gold mine and a commercial partner to cough up the cash.

At current prices the estimated Clontibret annual output of 50,000 ounces amounts to \$100m profit after retrieval costs of \$32.5m are deducted. Conroy’s nearby Glenish and Clay Bay targets are already being touted as even better prospects and the company also holds the exclusive rights to 1,000 square miles of the gold seam along the Longford-Down Massif.

But amidst the recent shine, why is the share price still in the bedrock? Conroy Gold has remained at low price “punt”

**Educated:** Blackrock College

**Family:** Widower (the late Dr Pamela Conroy), daughters Deirdre and Sorcha (both doctors), four grandchildren

**Books:** Selborne by Gilbert White and De Re Metallica – (the mining bible penned by the medical doctor Georgius Agricola)

**Movies:** Casablanca

**Hobbies:** Birds, nature walks, wildlife

status on the ISEQ alongside Karelian Diamonds, his other exploration company.

One international mining news site has suggested that investors don’t believe Conroy Gold has the resources to bring off a mine.

But it confers credit too – stating that a mouthy Australian or Canadian outfit producing the same results from an inaccessible jungle pit in a war-torn African state would undoubtedly enjoy a higher share price than that shown by low-key Conroy Gold.

Prof Conroy remains unconcerned. “At first they laugh at you for even daring to contemplate the possibilities. When we tried to get Galmoy going, we were told there couldn’t be any zinc there because the big companies had been all over it already. But it was there and they didn’t find it and we did.”

“When we first sought investors for Conroy Gold in

property’. It really depends how you look at it.”

Could it be Conroy’s plodding pace? The Clontibret mine is now 18 years in the making.

“We like to do our homework properly and mining is a slow and meticulous business. In contrast, those in the international mining community have marvelled at how fast we’ve progressed with Clontibret and with just €10m.”

So what about that investment partner?

“Investors who buy in early expect to pay very little for an awful lot and we don’t want that. We know what we have and we know we’re being watched. But we’re not in any rush.”

### Unique qualities

“Because of gold’s unique qualities, it’s become a vital component for many new technologies and so big firms like Samsung (who now partner with Hummingbird) have started securing their own interests to ensure continuity of supply.”

Amidst this change in the climate for gold partnerships, he thinks it wise to sit tight.

And many forget that he came close to a gold jackpot before. He’s still philosophical about missing a payday in the early 1990s after the O’Reilly contingent within Conroy Petroleum and Resources overruled him to pull CPR out of the Stoneboy Consortium.

The 1993 zinc results at its Alaskan Pogo Mine had been poor but Prof Conroy had wanted to stay and test the gold potential. Less than two years later Pogo brought in a five million ounce gold strike.

“If I could have raised just



Professor Richard Conroy, chairman of Conroy Gold and Natural Resources: Investors in the UK said ‘sorry but we don’t buy into risky stocks – we prefer to stick with our bank shares’. MAC INNES

€100,000 more at the time, I could have swung it,” he says, wincing at the memory.

The rangy academic from Booterstown turns 80 this year making him one of the planet’s most olden goldies.

He doesn’t believe it’s a disadvantage: “Only recently have we started packing perfectly good executives off to the golf course because of their age. What’s that all about? They have a lifetime of knowledge and wisdom to tap into.”

“Armand Hammer was hugely successful running the Occidental Petroleum company right into his nineties. Ken Whittaker in his nineties is still as sharp as any of them.”

His big brother Des, now pushing 90, sits on the Conroy Holdings board.

“If more senior executives had been on our boards this country wouldn’t be in the mess it’s in now. They wouldn’t have had any truck with derivatives. They would have asked the hard questions.”

“A successful company always needs the energy of youth but it seems that we’ve been throwing away a lot of wisdom of late.”

The gold bug bit him early – as a schoolboy in the 1940s. “I

visited the national museum to look at the Celtic gold collection. My history book talked about this fantastic Irish historic gold heritage but my geography book claimed we didn’t have any of the stuff.”

“Even then I knew Ireland had gold because the evidence was staring us in the face.”

Indeed re-examining the obvious in new and different ways has always been his forte.

Prof Conroy’s careers to date

include the chair of physiology at the College of Surgeons; as a Fianna Fail senator he was heavily involved in Northern Ireland under Charles Haughey.

His pioneering Deminex consortium found oil at Fastnet

rather now gold mines might provide a lift to the economy and a supply of jobs – up to 600 in Monaghan by his estimate.

“Unlike many of the jobs created by companies we’re incentivising today with a 12.5pc tax rate, Irish mines will stay put until they’re exhausted. So why is mining taxed at 25pc?”

Thanks to another archaic law, unlike base metals, all Irish gold reserves are today owned by the State.

Perhaps it’s the prospect of parting a cash starved Government from its precious nuggets that has kept the markets from shouting “Eureka!” just yet.

Or perhaps it’s because Conroy’s right again – but no one’s on the page just yet.

# UK law will not tackle firms’ ‘aggressive’ tax avoidance

Tom Bergin

LEGISLATION on tax avoidance going through Britain’s parliament will not address the kinds of corporate tax minimisation that often uses companies in other European countries to avoid tax, a parliamentary committee said yesterday.

The General Anti-Abuse Rule (GAAR), which is part of a wider finance bill, would grant the British tax authorities additional powers to counter “abusive” tax avoidance.

But a sub-committee in the House of Lords examining the bill said GAAR would not tackle the practices used by companies such as Amazon and Starbucks to reduce their tax bill.

A report on coffee chain



Demonstrators from tax avoidance group UK Uncut, have protested at Starbucks coffee shops across Britain over the company’s lack of corporate tax payments in the UK over the past three years. REUTERS/LUKE MACGREGOR

been criticised for channelling its European profits via an untaxed Luxembourg entity.

and Amazon – which say they file all the appropriate taxes in every country in which they operate – would likely

also keen that Britain should have the most business-friendly tax system in the G20. The sub-committee agreed that the narrow focus of the GAAR was the best approach to avoid uncertainty for business.

The sub-committee said in a statement that the GAAR should be independently reviewed after five years to “ensure that it is working properly and having the appropriate deterrent effect”.

It also called for an acceleration of an international review, being led by the Organisation of Economic Co-operation and Development, of how multinational companies are taxed.

The sub-committee added that separate plans, also due to be included in the finance



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### Gradam Gnó as Gaeilge

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BitSmith Games  
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Irish Independent  
Nemeton TV

### CRM/Customer Care Award

123.ie  
Applegreen  
Bord Gáis Energy  
Paddy Power  
Web Reservations International

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Britvic Ireland  
Hyundai Cars  
Kerry Foods  
McDonalds  
The Irish Times

### Direct Marketing Award

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Hidden Hearing  
Irish Distillers Pernod Ricard  
Kelloggs  
SuperValu

### Market Research Award

Bewleys  
Eircom  
Kerry Foods  
RTÉ Television

### Marketing Team Award

123.ie  
Bord Gáis Energy  
KBC Bank Ireland  
Kerry Foods  
Superquinn

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Cadbury  
Centra  
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Openet  
The Jelly Bean Factory

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Focus Ireland  
Guinness Storehouse  
Heineken Ireland / Murphys  
Irish Independent  
Spar Ireland

### Integrated Marketing Award

Aviva  
Coca-Cola  
Kerry Foods  
Kraft Foods

### Corporate Social Responsibility Award

Aviva Health Insurance  
Nestlé Ireland  
RTÉ 2fm  
Telefonica O2 Ireland  
Today FM

### Small Business Marketing Award

Eventovate  
Glenilen Farm  
Irish Hotels Federation  
Keogh’s Crisps  
Motivation Weight Management

### Digital Marketing Award

Chill Insurance  
Irish Dairy Board  
Irish Distillers Pernod Ricard  
Meteor  
O2 Media

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