

Drill Results

20 July 2016

Key Statistics

Code	: CGNR
Listing	: AIM
Sector	: Mining
Market Cap	: £4.1m
Share in issue	: 11.01m
Current Price	: 37.5p
12 mnth High/Low	: 75p/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.

HYBRIDAN LLP

20 Ironmonger Lane, London, EC2V 8EP
 Website: www.hybridan.com

Derren Nathan
 Tel: 020 3764 2344
 Email: derren.nathan@hybridan.com

Good drill results at Glenish

The gold exploration and development company has released the first drill results from its summer drill programme, with positive assays from the Glenish gold target in Ireland. When considered with previous channel sampling results which had proved 1.3 metres grading 9.4 g/t gold, the results demonstrated the presence of four new gold zones in a 150 metre wide structural corridor in the western part of the Glenish gold target.

The intersections included 2.25 metres grading 2.65 g/t gold, at a depth of 18 metres; 2.0 metres grading 1.59 g/t gold at a depth of 27.75 metres; 2.75 metres grading 1.43 g/t gold at a depth of 36 metres and 3 metres grading 1.76 g/t gold at a depth of 64.25 metres. This is indicative of a relatively continuous ore body, with the higher grades seen closer to surface so far, which is encouraging for the economics of any eventual mine.

As per the 2nd June announcement we expect the next drilling to be at the Company's combined ClayLake - Clontibret gold project where the Company has an exploration target of 5 million oz. gold. This is the company's most advanced target and the priority to bring to development. A mine development plan is already in place for a small part of Clontibret and we would expect that further drilling at the combined target will build on previous work.

The gold price has held firm at over \$1,300 per oz since it spiked post the UK's EU referendum. At \$1,372 the initial proposed mine at Clontibret has an NPV of \$72.3m at an 8% discount rate. Further work this year has the potential to substantially grow the size of the asset which would place the company in a strong negotiating position with potential partners.

Meanwhile the recent work at Glenish gives encouragement that Conroy may be sitting on another significant discovery just 7.5km south west of the Clay Lake – Clontibret gold target. The mineralisation remains open in all directions. Elsewhere gold shows have been encountered along the 30 mile trend. This is a potentially major gold zone in a benign jurisdiction. Ireland is ranked fourth globally for mining investment attractiveness by The Fraser Institute. The strategy to focus work on the most advanced targets will help to optimise capital returns. Despite a recent strong share price performance Conroy is still only capitalised at £4m leaving ample scope for upside. The ongoing drill programme provides plenty of opportunities for a catalyst.

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

Research Disclaimer

This document should not be relied upon as being an impartial or objective assessment of the subject matter and is not deemed to be "independent research" for the purposes of the Financial Conduct Authority rules. As a consequence the research (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and (b) is not subject to any prohibition on dealing ahead of the dissemination of investment research (although Hybridan does impose restrictions on personal account dealing in the run up to publishing research as set out in our Conflicts of Interest Policy).

Hybridan LLP is involved in providing other financial services to **Conroy Gold and Natural Resources plc** (the "Company") and as a result Hybridan LLP may have responsibilities that conflict with the interests of the persons who receive this document.

This document has been issued by Hybridan LLP for information purposes only and should not be construed in any circumstances as an offer to sell or solicitation of any offer to buy any security or other financial instrument, nor shall it, or the fact of its distribution, form the basis of, or be relied upon in connection with, any contract relating to such action. This document has no regard for the specific investment objectives, financial situation or needs of any specific entity. Hybridan LLP and/or connected persons may, from time to time, effect transactions in any investment or related investment mentioned herein and may provide financial services to the issuers of such investments. The information contained herein is based on materials and sources that we believe to be reliable, however, Hybridan LLP makes no representation or warranty, either express or implied, in relation to the accuracy, completeness or reliability of the information contained herein. Opinions expressed are our current opinions as of the date appearing on this material only. Any opinions expressed are subject to change without notice and Hybridan LLP is under no obligation to update the information contained herein. None of Hybridan LLP, its affiliates or employees shall have any liability whatsoever for any indirect or consequential loss or damage arising from any use of this document.

In the UK, this report is directed at and is for distribution only to persons who (i) fall within Article 19(1) (persons who have professional experience in matters relating to investments) or Article 49(2) (a) to (d) (high net worth companies, unincorporated associations, etc) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) or (ii) are Professional Clients or Eligible Counterparties of Hybridan LLP (all such persons together being referred to as "relevant persons"). This report must not be acted on or relied upon by persons in the UK who are not relevant persons.

Neither this report nor any copy or part thereof may be distributed in any other jurisdictions where its distribution may be restricted by law and persons into whose possession this report comes should inform themselves about, and observe any such restrictions. Distribution of this report in any such other jurisdictions may constitute a violation of UK or US securities law, or the law of any such other jurisdictions.

Investments in general involve some degree of risk, including the risk of capital loss. The services, securities and investments discussed in this document may not be available to or suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor. Past performance is not necessarily a guide to future performance and an investor may not get back the amount originally invested. Where investment is made in currencies other than the investor's base currency, movements in exchange rates will have an effect on the value, either favourable or unfavourable. Levels and bases for taxation may change. When Hybridan LLP comments on AIM or ISDX Markets shares investors should be aware that because the rules for those markets are less demanding than the Official List of the London Stock Exchange the risks are higher. Furthermore, the marketability of these shares is often restricted.

Hybridan LLP and/or its associated companies may from time-to-time provide investment advice or other services to, or solicit such business from, any of the companies referred to in this document. Accordingly, information may be available to Hybridan LLP that is not reflected in this material and Hybridan LLP may have acted upon or used the information prior to or immediately following its publication. In addition, Hybridan LLP, the partners, directors and employees thereof and/or any connected persons may have an interest in the securities, warrants, futures, options, derivatives or other financial instrument of any of the companies referred to in this document and may from time-to-time add or dispose of such interests. Neither the whole nor any part of this material may be duplicated in any form or by any means. Neither should any of this material be redistributed or disclosed to anyone without the prior consent of Hybridan LLP. Hybridan LLP is Authorised and Regulated by the Financial Conduct Authority and is a member of the London Stock Exchange.

Hybridan LLP

20 Ironmonger Lane, London, EC2V 8EP

T +44 (0) 20 3764 2341, F +44 (0) 20 7600 1586

www.hybridan.com

Hybridan LLP
Research Disclosures

Investment analyst certification:

All research is issued under the regulatory oversight of Hybridan LLP. Each Investment Analyst of Hybridan LLP whose name appears as the Author of this Investment Research hereby certifies that the opinions expressed in the Investment Research accurately reflect the Investment Analyst's personal and objective views about any and all of the companies or the Company discussed herein that are within such Investment Analyst's coverage universe.

Investment Research Disclosures:

1. In the past 12 months, Hybridan LLP has had corporate finance mandates as Corporate Broker or managed or co-managed a public offering of the Company's securities or received compensation for Corporate Finance services from the Company.
2. Hybridan LLP may receive compensation for Corporate Finance services from this Company in the next twelve months.
3. Hybridan LLP acts as Corporate Broker for the Company.

The Investment Analyst who is responsible for the preparation of this Investment Research is an employee of Hybridan that has been engaged by Hybridan LLP to produce this document.

Hybridan LLP, its partners, officers and or employees may own or have positions in any investment(s) or interest in investment(s) such as warrants, mentioned herein or related thereto and may, from time to time add to, or dispose of, any such investment(s).

Research recommendations:

In line with our conflicts of interest policy Hybridan LLP does not produce recommendations or publish target prices on companies who are corporate clients of Hybridan LLP.