CONROY
GOLD AND NATURAL RESOURCES PLC

Annual Report and Consolidated Financial Statements 2017

Contents

Chairman's Statement

Professor Richard Conroy
Chairman

Dear Shareholder:

I have pleasure in presenting your Company's Annual Report and Consolidated Financial Statements for the financial year ended 31 May 2017.

Business Development

Your Company has continued to make progress on the 65 km (40 miles) gold trend (see Figure 1) that it has discovered in the Longford-Down Terrane in Ireland with a series of gold targets discovered along the trend in which it is targeting a multi-million ounce gold potential at Clay Lake – Clontibret in the north east of its licence area. An updated mineral resource showed an increase of indicated resource grade to 2.1 g/t Au in the gold lodes and an increase to 320,000 ounces of gold in the indicated category. Your Company is also continuing to progress work on its planned open pit gold mine at Clontibret in Co. Monaghan.

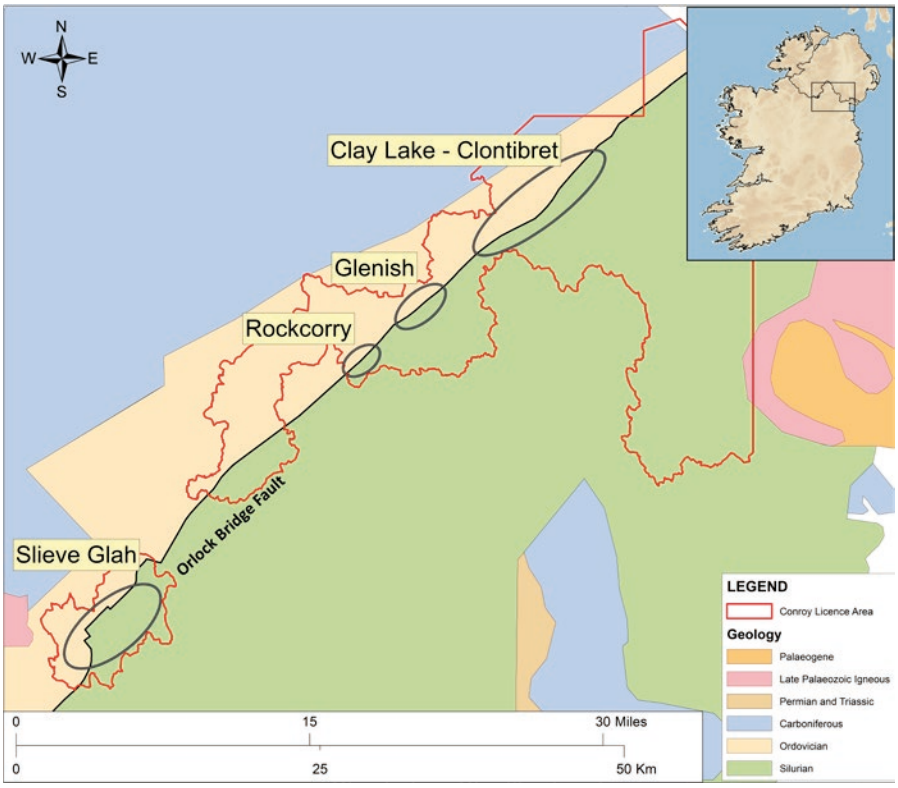
Clay Lake – Clontibret

Excellent drilling results during the year which included the discovery of five new gold zones, together with high grades and wide intersections of gold were reported at your Company's Clontibret gold deposit and an updated resource estimate by Tetra Tech Canada, Inc. ("Tetra Tech") (see Table 1) represents an increase in gold grade of 26 per cent and an increase in contained ounces in the indicated category of 23 per cent (see Table 1).

The new resource estimate was developed to Joint Ore Reserve Committee 2012 standard ("JORC 2012") and represents a detailed geological revision and update on the scoping study previously undertaken by Tetra Tech (2011).

The Clontibret deposit comprises two styles of gold mineralisation (i) lodes and (ii) stockwork. This updated resource estimate focused on determining the grade and continuity of the lode mineralisation where over 95% of the contained ounces occur. The stockwork resource still contributes to the overall contained ounces.

Figure 1. Major Gold Targets and Geology of Licence Area



On site at Clontibret. Directors and Staff in Coreshed.

Chairman Richard Conroy, Directors Brendan McMorrow and Dr. Karl Keegan with Senior Geologist Kevin McNulty.

Table 1. Summary of Updated Mineral Resources for the Clontibret project

Classification	Zone	Tonnage	Grade Au (g/t)	Metal Au (Ozt)
Indicated	Lodes	4,460,000	2.1	301,000
	Stockwork	500,000	1.2	19,000
Indicated Total		4,960,000	2.0	320,000
Inferred	Lodes	2,980,000	2.0	193,000
	Stockwork	110,000	1.2	4,000
Inferred Total		3,090,000	2.0	197,000

As part of this study additional opportunities to increase the size of the resource have been identified. There is strong geological evidence to suggest that the lodes have a more extensive strike length than previously interpreted – up to at least 850m. Mineralisation remains open in all directions.

In total, 46 individual lodes and a stockwork body were identified. The lodes generally have a north/south strike, dipping to the west at between 60 and 70 degrees. The strike of the stockwork zone trends north east/south west, dipping to the north west at approximately 50 degrees. The mineralised lodes penetrate into the stockwork body, terminating against the footwall of the stockwork. The lodes and stockwork are distinct geological domains.

Table 2. Gold bearing lodes within the Tullybuck mine drift

	Width (m)	Grade (g/t Au)
Lode 1	10.0	7.0
Lode 2	4.0	12.8
Lode 3	5.5	12.0
Lode 4	3.0	9.8

During the year, gold assay data pertaining to the underground antimony mine workings at the Clontibret deposit became available. The samples were collected by an Irish-Canadian company during the 1950s and comprise detailed channel samples of the back (roof) and walls of the drift and shafts. Detailed surveyed sample maps and original 'signed off' assay sheets have been examined. Your Company has been able to relate its own geological mapping from the Clontibret stream, drilling data and the assay data from the underground workings. The interpretation is that within the 48m of underground development in the Tullybruck mine drift the following four gold bearing lodes occur (see Table 2).

This newly available historic data from the underground working adds to and correlates closely with the results of your Company's recent drilling and structural work at Clontibret and adds greatly to our understanding of the Clontibret gold deposit and its potential size and grade.

To assess the potential of the Clay Lake – Clontibret project to host a significant amount of contained ounces, an Exploration Target has been calculated under the JORC 2012 code (see Table 3).

An Exploration Target is an assessment of the exploration potential of a mineral occurrence in a defined geological setting. The potential quantity and grade is essentially conceptual in

Chairman's Statement continued

Table 3. Exploration target – Clay Lake Clontibret

Contained ounces x 1000	Potential grade in g/t Au										
	1.00	1.50	2.00	2.50	3.00	3.50	4.00	4.50	5.00	5.50	% drilling success
	14,012	21,018	28,023	35,029	42,035	49,041	56,047	63,053	70,058	77,064	25
	11,209	16,814	22,419	28,023	33,628	39,233	44,837	50,442	56,047	61,651	20
	8,407	12,611	16,814	21,018	25,221	29,425	33,628	37,832	42,035	46,239	15
	5,605	8,407	11,209	14,012	16,814	19,616	22,419	25,221	28,023	30,826	10
	2,802	4,204	5,605	7,006	8,407	9,808	11,209	12,611	14,012	15,413	5
	1,401	2,102	2,802	3,503	4,204	4,904	5,605	6,305	7,006	7,706	2.5

The table represents an 'Exploration Target' under the JORC Code (2012) and does not include the Tullybuck-Lisglassan deposit. The area considered in the construction of the Exploration Target is adjacent to the Tullybuck-Lisglassan deposit in the southwest to the Clay Lake deposit in the northeast.

The grade and tonnage relating to the Exploration Target is conceptual in nature and the geological information used in its construction includes actual geochemistry, trenching, drilling and associated assays. The calculations are based on coherent gold in soil anomalies (usually greater than 10ppb Au) and representative ranges of the above listed exploration data extrapolated to a depth of 200m.

An Exploration Target is not, and must not be construed as, a Mineral Resource. It is designed to provide guidance to the mineral exploration potential of the defined area.

(This Exploration Target was prepared by EurGeol Prof. Garth Earls PGeo, FSEG according to Australasian Joint Ore Reserve Committee (JORC) Guidelines.)

nature, supported by drilling, trenching, geological mapping, structural interpretation, prospecting, sampling, analyses and nearby geological analogies.

Base Metal and Other Gold Targets

Exploration also continued for gold, zinc and other metals on your Company's other exploration properties in Ireland as well as for gold in Finland.

Extraordinary General Meetings

Your Company has, since the close of its financial year, had to contend with a series of actions by a shareholder which have hindered the Board of Directors and management from pursuing your Company's business objectives as planned during the period. These actions culminated in the holding of two separate extraordinary general meetings and the bringing of a court action to overturn certain of the results of the first meeting. While the Board of Directors was successful in defending certain of these actions, the distraction during the period has undoubtedly delayed the progress of your Company's business.

Finance

The loss after taxation for the financial year ended 31 May 2017 was €431,922 (2016: €292,165) and the net assets as at 31 May 2017 were €16,760,867 (2016: €17,113,858). Post year end, your Company raised €240,000 by way of a subscription for ordinary shares in the Company. The exercise of warrants by Managing Director, Ms Maureen Jones and I, also raised approximately €166,680.

Auditors

I would like to take this opportunity to thank the partners and staff of Deloitte for their services to your Company during the course of the financial year.

Directors and Staff

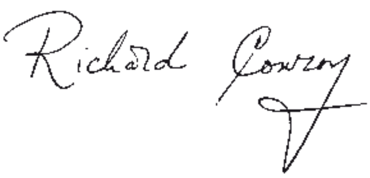
I would like to express my deep appreciation of support and dedication of all the directors, consultants and staff, which despite all the difficulties, has made possible the continued progress and success, which your Company has achieved.

I would like in particular to pay tribute to the outstanding contributions made by Séamus P. FitzPatrick, James P. Jones, Dr. Sorċa Conroy, Louis J. Maguire, Michael E. Power and C. David Wathen. Their experience and ability is a very considerable loss to your Board of Directors.

I am very pleased to welcome Dr Karl Keegan and Brendan McMorrow to your Board of Directors. Their knowledge and background will significantly contribute to your Company.

Future Outlook

Your Company has continued to make progress in its exploration and development programme. I look forward to this continuing into 2018 as your Company moves to develop a mine at Clontibret and targets a multi-million ounce gold resource.



Professor Richard Conroy
Chairman

28 November 2017

Company Information

Directors

Professor Richard Conroy
*Chairman**

Maureen T.A. Jones
*Managing Director**

Professor Garth Earls
Non-Executive Director§

Dr. Karl D. Keegan
Non-Executive Director§
(appointed 28 August 2017)

Brendan McMorrow
Non-Executive Director§
(appointed 28 August 2017)

* Member of the Executive Committee
§ Member of the Audit Committee

Company Registration Number

232059

Company Secretary and Registered Office

James P. Jones
3300 Lake Drive
Citywest Business Campus
Dublin 24 D24 TD21
Ireland

Statutory Audit Firm

Deloitte
Chartered Accountants
and Statutory Audit Firm
Deloitte & Touche House
Charlotte Quay
Limerick V94 X63C
Ireland

London Stock Exchange

AIM Market
Symbol: CGNR
SEDOL: BZ4W18
ISIN number: IE00BZ4BTZ13

Registrars

Link Registrars Limited
Link Asset Services
2 Grand Canal Square
Dublin 2 D02 A342, Ireland

www.linkassetservices.com

Nominated Adviser (NOMAD)

Allenby Capital Limited
5 St. Helen's Place
London EC3A 6AB, UK

Tel: +44 20 33285656

www.allenbycapital.com

Broker

Beaufort Securities Limited
63 St Mary Axe
London EC3A 8AA, UK

Enterprise Securities Market Adviser*
IBI Corporate Finance
2 Burlington Plaza
Dublin 4 Do4 EC66, Ireland

* On 6 November 2017, the Company cancelled the admission of its ordinary shares to trade on the Enterprise Securities Market of the Irish Stock Exchange.

Principal Banker

AIB
1-4 Lower Baggot Street
Dublin 2 D02 X342, Ireland

Legal Advisers

William Fry Solicitors
2 Grand Canal Square
Dublin 2 D02 A342
Ireland

Roschier-Holmberg
Kaskuskatu 7A
00 100 Helsinki
Finland

Head Office

Conroy Gold and Natural Resources plc
3300 Lake Drive
Citywest Business Campus
Dublin 24 D24 TD21, Ireland

For further information visit the Company's website at:

www.conroygold.com

or contact:

Lothbury Financial Services
Floor 6, 131 Cannon Street
London EC4N 5AX
UK

Tel: +44 20 32900707

Hall Communications
1 Northumberland Road
Dublin 4 D04 F578

Tel: +353 1 6609377

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

James. P. Jones
Company Secretary

Dr. Karl D. Keegan
Non-Executive Director

Brendan McMorrow
Non-Executive Director

Professor Garth Earls
Non-Executive Director

Directors' Report

The Board of Directors submit their annual report together with the audited financial statements of Conroy Gold and Natural Resources P.L.C. (the "Company") and its subsidiaries ("Conroy Gold", or the "Group") for the financial year ended 31 May 2017.

Principal activities, business review and future developments

Information with respect to the Group's principal activities and the review of the business and future developments as required by Section 327 of the Companies Act 2014 is contained in the Chairman's statement on pages 3 to 5. During the financial year under review, the principal focus of management has been to unify the Clay Lake and Clontibret targets into a single mining project and embarking on a drilling programme to achieve this outcome.

Results for the year and state of affairs at 31 May 2017

The Consolidated Income Statement for the financial year ended 31 May 2017 and the Consolidated Statement of Financial Position at that date are set out on pages 15 and 17. The loss for the year amounted to €431,922 (2016: €292,165) and net assets at 31 May 2017 were €16,760,867 (2016: €17,113,858). No dividends or transfers to reserves are recommended by the Board of Directors.

Important events since the year end

At the Extraordinary General Meeting ("EGM") of the Company held on 4 August 2017, resolutions proposed by Mr. Patrick O'Sullivan (a substantial shareholder in the Company), in accordance with Section 146 of the Companies Act 2014 were passed which resulted in the immediate removal of the following Directors: James P. Jones (Finance Director), Séamus P. FitzPatrick (Deputy Chairman), C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power (non-executive Directors). Resolutions to appoint Paul Johnson, Gervaise Heddle and Patrick O'Sullivan ("Mr. O'Sullivan") to the Board of Directors, were, upon advice from the Company's Irish legal counsel, declared of no effect by reason of non-compliance with the provisions of the Company's constitution.

On 26 September 2017, the High Court in Dublin held in favour of the Company in the case brought against it by Mr. O'Sullivan, in which Mr. O'Sullivan claimed that he and his nominees, (Paul Johnson and Gervaise Heddle) were appointed to the Board of Directors of the Company at the Company's EGM held on 4 August 2017. The Judge found that Mr. O'Sullivan did not comply with the notification requirements under the Articles of Association of the Company in advance of the extraordinary general meeting and that there was nothing improper or untoward in the actions of the Chairman at the meeting. Accordingly, all of the reliefs sought by Mr O'Sullivan, which included a declaration that he and the other two individuals nominated by him were entitled to be appointed to the Board of Directors, were refused by the High Court.

The Company announced on 10 October 2017, that the High Court had awarded costs, with a stay on that order pending any appeal, to the Company in respect of the case brought by Mr. O'Sullivan.

The Company announced on 10 October 2017 that it is to cancel the admission of its ordinary shares to trading on the Enterprise Securities Market ("ESM") on the Irish Stock Exchange on 6 November 2017. This cancellation occurred on 6 November 2017.

Post year-end the Company raised €240,000 by way of a subscription for ordinary shares in the Company. The exercise of warrants by the Chairman and Managing Director also raised approximately €166,680.

Directors

At the Extraordinary General Meeting of the Company held on 4 August 2017, resolutions in accordance with Section 146 of the Companies Act 2014 were passed which resulted in the immediate removal of the following Directors: James P. Jones (Finance Director), Séamus P. FitzPatrick (Deputy Chairman), C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power (non-executive Directors).

On 28 August 2017, Dr. Karl Keegan and Brendan McMorrow were appointed Directors of the Company. Dr. Karl Keegan and Brendan McMorrow retire in accordance with the Company's Articles of Association and, being eligible, offer themselves for election at the forthcoming Annual General Meeting of the Company.

Professor Garth Earls retired from the Board of Directors by rotation and, being eligible, offers himself for re-election at the forthcoming Annual General Meeting of the .

Except as disclosed in the tables overleaf, neither the Directors nor their families had any beneficial interest in the share capital of the Company. Apart from Directors remuneration (detailed in Note 2), loans from Directors (detailed in Note 13) and professional services provided by Professor Garth Earls (detailed in Note 16 (g)), there have been no contracts or arrangements entered into during the financial year ended 31 May 2017 in which a Director of the Company had a material interest.

Company Secretary

James P. Jones acts as Company Secretary to the Company.

Directors' and Company Secretary's shareholdings and other interests

The interests of the Directors and Company Secretary and their spouses and minor children in the share capital of the Company, all of which were beneficially held, were as follows:

Director	Date of signing financial statements	Date of signing financial statements	31 May 2017	31 May 2017	31 May 2016 (or date of appointment if later)	31 May 2016 (or date of appointment if later)
	Ordinary Shares of €0.001 each	Warrants	Ordinary Shares of €0.001 each	Warrants	Ordinary Shares of €0.001 each	Warrants
Professor Richard Conroy	**2,795,522***	**1,165,563**	**2,430,657***	1,430,428	2,430,657*	1,430,428
Maureen T.A. Jones	**329,239**	**225,069**	**194,104**	360,204	194,104	360,204
Professor Garth Earls	**–**	**–**	**–**	–	–	–
Dr. Karl Keegan	**–**	**–**	**–**	–	–	–
Brendan McMorrow	**–**	**–**	**–**	–	–	–
Directors removed as of 4 August 2017						
Séamus P. FitzPatrick	**437,939**	**138,730**	**212,439**	138,730	212,439	138,730
Dr. Sorċa Conroy	**128,777**	**108,108**	**128,777**	108,108	128,777	108,108
C. David Wathen	**11,000**	**5,076**	**11,000**	5,076	11,000	5,076
Louis J. Maguire	**3,100**	**24,572**	**3,100**	24,572	3,100	24,572
Michael E. Power	**1,750**	**13,078**	**1,750**	13,078	1,750	13,078
Company Secretary						
James P. Jones**	**120,608**	**239,991**	**120,608**	239,991	120,608	239,991

* Of the 2,795,522 (2016: 2,430,657) ordinary shares beneficially held by Professor Richard Conroy, 192,942 (2016: 192,942) are held by Conroy P.L.C., a company in which Professor Richard Conroy has a controlling interest.

** James P. Jones was removed as a Director of the Company as of 4 August 2017.

Directors' Report continued

Details of warrants, all of which are exercisable currently, are as follows:

Director	Date of signing financial statements	Date of signing financial statements	31 May 2017	31 May 2017	31 May 2016	31 May 2016	Expiry Date
	Warrants	Price €	Warrants	Price €	Warrants	Price €	
Professor Richard Conroy	816,216	0.42	1,081,081	0.42	1,081,081	0.42	10 November 2018
Professor Richard Conroy	228,149	3.70	228,149	3.70	228,149	3.70	15 November 2020
Professor Richard Conroy	121,198	4.33	121,198	4.33	121,198	4.33	16 November 2022
Maureen T.A. Jones	–	–	135,135	0.42	135,135	0.42	10 November 2018
Maureen T.A. Jones	138,398	3.70	138,398	3.70	138,398	3.70	15 November 2020
Maureen T.A. Jones	86,671	4.33	86,671	4.33	86,671	4.33	16 November 2022
Directors removed as of 4 August 2017							
Séamus P. FitzPatrick	135,135	0.42	135,135	0.42	135,135	0.42	10 November 2018
Séamus P. FitzPatrick	3,595	4.33	3,595	4.33	3,595	4.33	16 November 2022
Dr. Sorċa Conroy	108,108	0.42	108,108	0.42	108,108	0.42	10 November 2018
C. David Wathen	5,076	4.33	5,076	4.33	5,076	4.33	16 November 2022
Louis J. Maguire	14,504	3.70	14,504	3.70	14,504	3.70	15 November 2020
Louis J. Maguire	10,068	4.33	10,068	4.33	10,068	4.33	16 November 2022
Michael E. Power	3,010	3.70	3,010	3.70	3,010	3.70	15 November 2020
Michael E. Power	10,068	4.33	10,068	4.33	10,068	4.33	16 November 2022
Company Secretary							
James P. Jones**	108,108	0.42	108,108	0.42	108,108	0.42	10 November 2018
James P. Jones**	80,581	3.70	80,581	3.70	80,581	3.70	15 November 2020
James P. Jones**	51,302	4.33	51,302	4.33	51,302	4.33	16 November 2022

Substantial shareholdings

So far as the Board of Directors are aware, no person or company, other than the shareholders listed below, held 3% or more of the issued ordinary share capital of the Company at 28 November 2017.

Shareholder	Date of signing financial statements	Date of signing financial statements	31 May 2017	31 May 2017	31 May 2016	31 May 2016
	Ordinary Shares of €0.001 each	%	Ordinary Shares of €0.001 each	%	Ordinary Shares of €0.001 each	%
Mr. Patrick O'Sullivan	**3,000,000**	**24.56**	**3,000,000**	27.24	2,357,657	21.41
Professor Richard Conroy	**2,795,522***	**22.89**	**2,430,657***	22.07	2,430,657*	22.07
Mr. Séamus P. Fitzpatrick	**437,939**	**3.59**	**212,439**	1.93	–	–

* Of the 2,795,522 (2016: 2,430,657) ordinary shares beneficially held by Professor Richard Conroy, 192,942 (2016: 192,942) are held by Conroy P.L.C., a company in which Professor Richard Conroy has a controlling interest.

Compliance policy statement of Conroy Gold and Natural Resources P.L.C.

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section ('relevant obligations'). The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies that in their opinion are appropriate with regard to such compliance;
- appropriate arrangements and structures have been put in place that, in their opinion, are designed to provide reasonable assurance of compliance in all material respects with those relevant obligations; and
- a review has been conducted, during the financial year, of those arrangements and structures.

It is the policy of Conroy Gold and Group Natural Resource P.L.C. to review during the course of each financial year the arrangements and structures referred to above which have been implemented with a view to determining if they provide a reasonable assurance of compliance in all material respects with relevant obligations.

Statement of Directors' responsibilities in respect of the annual report and the consolidated financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations. Irish Company law requires the Directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law and the Company financial statements in accordance with Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS101"), issued by the Financial Reporting Council in the UK and promulgated by the Institute of Chartered Accountants in Ireland.

Under company law, the Directors must not approve the Consolidated and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that financial year and otherwise company with the Companies Act 2014. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group and Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Group and the Company incurred a loss of €431,922 (2016: €292,165) for the financial year ended 31 May 2017 and had net current liabilities of €2,636,066 and €2,354,768 respectively (2016: €1,463,607 and €1,182,409 respectively) at that date.

The Directors and former Directors, namely James P. Jones, Séamus P. FitzPatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €2,161,780 (2016: €1,741,824) for a minimum period of 12 months from the date of approval of the financial statements, unless the Group has sufficient funds to repay.

In addition, Karelian Diamond Resources P.L.C. has confirmed that it does not intend to seek repayment of amounts owed to it at 31 May 2017 by the Group and the Company of €273,800 (2016: €168,765) for a minimum period of 12 months from the date of approval of the financial statements, unless the Group has sufficient funds to repay.

The Board of Directors have considered carefully the financial position of the Group and the Company and in that context, have prepared and reviewed cash flow forecasts for the period to 30 November 2018. As set out in the Chairman's statement, the Group and the Company expects to incur material levels of capital expenditure in 2017 and 2018, consistent with its strategy as an exploration company. In reviewing the proposed work programme for exploration and evaluation assets and on the basis, the funds received after the financial year end, the results obtained from the exploration programme and the prospects for raising additional funds as required, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Directors' Report continued

Corporate Governance

The Company is committed to high standards of corporate governance. Although the Company, as an AIM quoted company, is not required to comply with the UK Corporate Governance Code, the Board of Directors support high standards of corporate governance and, in so far as is practical given the Company's size, have implemented the following corporate governance provisions for the year ended 31 May 2017.

Board of Directors

The Board of Directors is made up of two executive and three non-executive Directors. Biographies of each of the Directors are set out on page 12.

All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Board of Directors have a wide and varying array of experience in the industry. The Board of Directors agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. Meetings are held at the head office in 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland. Board of Directors meetings were held on 15 occasions during all of 2016 and 2017. An agenda and supporting documentation was circulated in advance of each meeting.

There is an agreed list of matters which the Board of Directors has formally reserved to itself for decision, such as approval of the Group's commercial strategy, trading and capital budgets, financial statements, Board of Directors membership, major capital expenditure and risk management policies. Responsibility for certain matters is delegated to Board of Directors committees.

There is an agreed procedure for Directors to take independent legal advice. The Company Secretary is responsible for ensuring that Board of Directors procedures are followed, and all Directors have direct access to the Company Secretary.

All Directors receive regular Group management financial statements and reports and full Board of Directors papers are sent to each Director in sufficient time before Board of Directors meetings, and any further supporting papers and information are readily available to all Directors on request. The Board of Directors papers include the minutes of all committees of the Board of Directors which have been held since the previous Board of Directors meeting, and, the chairman of each committee is available to give a report on the committee's proceedings at Board of Directors meetings if appropriate.

The Board of Directors has a process whereby each year every Director will meet the Chairman to review the conduct of Board of Directors meetings and the general corporate governance of the Group. The non-executive Directors are independent of management and have no material interest or other relationship with the Group.

Each year, one third of the Directors with the exception of the Chairman and the Managing Director, retire from the Board of Directors by rotation. Effectively, therefore, each such Director will retire by rotation within a three year period.

Board Committees

The Board of Directors has implemented an effective committee structure to assist in the discharge of its responsibilities. Membership of the Audit Committee, constituted in accordance with section 167 of the Companies Act 2014, is comprised exclusively of non-executive Directors. The Company is currently reconstituting the Executive Committee and the Remuneration Committee, which was necessitated following the removal of directors on 4 August 2017. In the financial year to 31 May 2017, the Remuneration Committee consisted of Séamus P. FitzPatrick and Louis J. Maguire. The Company Secretary acts as secretary to each of these committees.

Audit Committee

The Audit Committee's terms of reference have been approved by the Board of Directors. The Audit Committee constituted in accordance with Section 167 of the Companies Act 2014 comprises the three non-executive Directors and is chaired by Brendan McMorrow. The Audit Committee reviews the accounting principles, policies and practices adopted, and areas of management judgement and estimation in the preparation of the interim and annual financial statements and discusses with the Group's Auditors the results and scope of the audit. The Chief Financial Officer attends the Audit Committee meetings. The external auditors have the opportunity to meet with the members of the Audit Committee alone at least once a year.

The Audit Committee advises the Board of Directors on the appointment of external auditors and on their remuneration and discusses the nature and scope of the audit with the external auditors. An analysis of the fees payable to the external audit firm in respect of audit services during the financial year is set out in Note 3 to these consolidated financial statements.

The Audit Committee also undertakes a review of any non-audit services provided to the Group; and a discussion with the auditors of all relationships with the Group and any other parties that could affect independence or the perception of independence.

The Audit Committee is responsible for monitoring the controls which are in force to ensure the information reported to the shareholders is accurate and complete. The Audit Committee considers internal control issues and contributes to the Board of Director's review of the effectiveness of the Group's internal control and risk management systems. It also considers the need for an internal audit function, which it believes is not required at present because of the size of the Group's operations. The members of the Audit Committee have agreed to make themselves available should any member of staff wish to make representations to them about the conduct of the affairs of the Group.

Internal Control

The Directors have overall responsibility for the Group's system of internal control to safeguard shareholders' investments and the Group assets.

They operate a system of financial controls which enable the Board of Directors to meet its responsibilities for the integrity and accuracy of the Group's accounting records. Following the publication of the Turnbull Report, the Board of Directors established a process of compliance which involved an expansion of the Board of Directors' responsibility to maintain, review and report on all internal controls, including financial, operational and compliance risk management. Among the processes applied in reviewing the effectiveness of the system of internal controls are the following:

- The Board of Directors establishes risk policies as appropriate, for implementation by executive management;
- All commitments for expenditure and payments are subject to approval by personnel designated by the Board of Directors; and
- Regular management meetings take place to review financial and operational activities.

The Directors, through the Audit Committee, review the effectiveness of the Group's system of internal financial control.

The Board of Directors has considered the requirement for an internal audit function. Based on the scale of the Group's operations and close involvement of the Board of Directors, the Directors have concluded that an internal audit function is not currently required.

Risk management

Refer to Note 18 in relation to the use of financial instruments of the Group, the financial risk management objectives of the Group and the Group's exposure to interest rate risk, foreign currency risk, liquidity risk and credit risk.

Currency risk management

Management is authorised to achieve best available rates in respect of each forecast currency requirements.

General industry risk

The Group's business may be affected by the general risks associated with all companies in the gold exploration industry. These risks (the list of which is not exhaustive) include: general economic activity, the world gold prices, government and environmental regulations, permits and licenses, fluctuating metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities. All drilling to establish productive gold reserves is inherently speculative and, therefore, a considerable amount of professional judgement is involved in the selection of any prospect for drilling. In addition, in the event drilling successfully encounters gold, unforeseeable operating problems may arise which render it uneconomic to exploit such finds. Estimates of potential reserves include substantial proportions which are undeveloped. These reserves require further capital expenditure in order to bring them into production. No guarantee can be given as to the success of drilling programmes in which the Group has an interest.

Communication with shareholders

Extensive information about the Company and its activities is given in the annual report and consolidated financial statements. Further information is available on the Company's website, www.conroygold.com, which is promptly updated whenever announcements or press releases are made.

The Company welcomes all shareholders to participate at general meetings. Board of Directors members attend the Annual General Meeting and are available to answer questions. Separate resolutions are proposed on substantially different issues and the agenda of business to be conducted at the Annual General Meeting includes a resolution to receive and consider the annual report and consolidated financial statements. The chairpersons of the Board of Director committees will also be available at the Annual General Meeting, as this forum is a particularly important opportunity for shareholders, Directors and management to meet and exchange views.

Political donations

There were no political donations during the financial year (2016: Nil).

Books and accounting records

The Board of Directors are responsible for ensuring adequate accounting records, as outlined in Section 281 of the Companies Act 2014, are kept by the Company. The Board of Directors, through the use of appropriate procedures and systems and the employment of competent persons have ensured that measures are in place to secure compliance with these requirements.

The accounting records are maintained at the Company's business address, 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

Relevant audit information

The Board of Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Auditors

Deloitte will continue in office in accordance with Section 383 (2) of the Companies Act 2014. Shareholders will be asked to authorise the Directors to fix their remuneration.

On behalf of the Directors:

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

Board of Directors

Professor Richard Conroy

Chairman of the Board of Directors

Professor Richard Conroy has been involved in natural resources for many years. He established Trans-International Oil, which was primarily involved in Irish offshore oil exploration. Trans-International Oil initiated the Deminex Consortium which included Deminex, Mobil, Amoco and DSM. Trans-International Oil was merged with Aran Energy P.L.C. in 1979, which was later acquired by Statoil.

Professor Richard Conroy founded Conroy Petroleum and Natural Resources P.L.C. ("Conroy Petroleum"). Conroy Petroleum was involved in both onshore and offshore oil production and exploration and also in mineral exploration. Conroy Petroleum, in 1986, made the significant discovery of the Galmoy zinc deposits in County Kilkenny later developed as a major zinc mine. The discovery at Galmoy led to the revival of the Irish base metal industry and to Ireland becoming an international zinc province.

Conroy Petroleum was also a founding member of the Stoneboy consortium, which included Sumitomo Metal Mining Co. Ltd., an exploration Group which discovered the world class Pogo gold deposit in Alaska, now in production as a major gold mine.

Conroy Petroleum acquired Atlantic Resources P.L.C. in 1992 and subsequently changed its name to ARCON International Resources P.L.C. ("ARCON"). The oil and gas interests in ARCON were transferred to form Providence Resources P.L.C. ARCON was later acquired by Lundin Mining Corporation.

Professor Richard Conroy was Chairman and Chief Executive of Conroy Petroleum/ARCON from 1980 to 1994. He founded Conroy Gold and Natural Resources P.L.C. in 1995.

Professor Richard Conroy served in the Irish Parliament as a Member of the Senate. He was at various times front bench spokesman for the Government party in the Upper House on Energy, Industry and Commerce, Foreign Affairs and Northern Ireland.

Professor Richard Conroy is Emeritus Professor of Physiology in the Royal College of Surgeons in Ireland. Professor Richard Conroy's research included pioneering work on jet lag, shift working and decision making in business after intercontinental flights. He co-authored the first text book on circadian rhythms.

Maureen T.A. Jones

Managing Director

Maureen T.A. Jones has over twenty years' experience at senior level in the natural resource sector. She has been Managing Director of Conroy Gold and Natural Resources P.L.C. since 1998. Maureen T.A. Jones is also a Director of Karelian Diamond Resources P.L.C.

Maureen T.A. Jones joined Conroy Petroleum and Natural Resources P.L.C. on its foundation in 1980 and was a Director and member of the Board of Directors of Conroy Petroleum/ARCON from 1986 to 1994. Maureen T.A. Jones has a medical background and specialised in the radiographic aspects of nuclear medicine before becoming a manager of International Medical Corporation in 1977.

Professor Garth Earls

Non-executive Director

Professor Garth Earls is Consulting Economic Geologist and Professor in the Department of Geology, University College Cork. He has been a Board of Directors Member and Managing Director of both AIM and TSX listed companies and has worked globally on a wide range of gold and base metal projects. In the 1980s he was part of the team that discovered the Curraghinalt gold deposit in Co. Tyrone. Professor Garth Earls is a former Director of the Geological Survey of Northern Ireland and former Chairman of the Geosciences Committee of the Royal Irish Academy.

Dr. Karl Keegan

Non-executive Director

Dr. Karl Keegan has over 20 years' experience in international finance and corporate management. Dr. Karl Keegan has worked for a number of investment banks including Dresdner Kleinwort Benson, UBS and Bank of America and was on the Global Executive Team and Board Director of Canaccord and Chief Financial Officer ("CFO") of Minster Pharmaceuticals P.L.C. Dr. Karl Keegan is currently interim CFO of Shield Therapeutics P.L.C. Dr. Karl Keegan has a BSc from University College Dublin, MPhil and PhD degrees from the University of Cambridge and a MSc in Finance from London Business School.

Brendan McMorrow

Non-executive Director

Brendan McMorrow has over 25 years' experience in a number of public companies in the oil and gas and base metals mining sectors listed in London, Toronto and Dublin where he held senior executive finance roles. Most recently, Brendan McMorrow was Chief Financial Officer of Circle Oil P.L.C. from 2005 to 2015, an AIM listed oil and gas exploration, development and production company, with operations in North Africa and the Middle East. His role entailed responsibility for all corporate, financial and funding matters. Brendan McMorrow is a Fellow of the Chartered Association of Certified Accountants.

Independent Auditors' Report

to the Members of Conroy Gold and Natural Resources plc

We have audited the financial statements of Conroy Gold and Natural Resources P.L.C. for the financial year ended 31 May 2017, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cash flows, the company statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity; and the related notes 1 to 20. The relevant financial reporting framework that has been applied in the preparation of the consolidated financial statements is the Companies Act, 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement the Directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act, 2014. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with the Companies Act, 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the consolidated financial statements

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report and consolidated financial statements to identify material inconsistencies with the audited consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the Group and Company financial statements give a true and fair view of the assets, liabilities and financial position of the Group and company as at 31 May 2017 and of the loss of the Group and Company for the financial year then ended; and
- the Group and Company financial statements have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act, 2014.

Emphasis of Matter – Realisation of Intangible Assets, Recoverability of Amounts owed from Group Companies and Going Concern

In forming our opinion on the financial statements, which is not modified we draw your attention to:

- The disclosures made in Note 1, Note 8 and Note 10 to the consolidated financial statements concerning the realisation of exploration and evaluation assets included as intangible assets of €19,659,104 (2016: €18,696,602) in the consolidated statement of financial position, and €19,377,804 (2016: €18,415,402) in the Company statement of financial position and amounts owed from group companies of €281,300 (2016: €281,200) in the company statement of financial position at the financial year end 31 May 2017. The realisation of intangible assets by the Group and Company and the amounts owed by group companies to the Company, is dependent on the further successful development and ultimate production of the mineral reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability. The consolidated financial statements do not include any adjustments in relation to these uncertainties and the ultimate outcome cannot at present be determined.

Independent Auditors' Report continued

- The disclosures in Note 1 to the financial statements concerning the Group's and the Company's ability to continue as a going concern. The Group and the Company incurred a loss of €431,922 (2016: €292,165) for the financial year ended 31 May 2017 and, at that date had net current liabilities of €2,636,066 (2016: €1,463,607) and €2,354,768 (2016: €1,182,409) respectively. The Directors and former Directors have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €2,161,780 (2016: €1,741,824) within 12 months of the date of approval of the financial statements unless, the Group and the Company has sufficient funds available to repay such amounts. In addition, Karelian Diamond Resources Plc has confirmed that it does not intend to seek repayment of amounts owed to it at 31 May 2017 by the Group and the Company of €273,800 (2016: €168,765) within 12 months of the date of approval of the financial statements, unless the Group and Company has sufficient funds to repay such amounts. The Directors have reviewed the proposed work programme for exploration and evaluation assets and on the basis of the funds received after the financial year end, the results obtained from the exploration programme and the prospects for raising additional funds as required, they consider it appropriate to prepare the financial statements on a going concern basis. The consolidated financial statements do not include any adjustments to the carrying amount, or classification of assets and liabilities that would be necessary, if the Group or Company was unable to continue as a going concern.

Matters on which we are required to report by the Companies Act, 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion the accounting records of the Company were sufficient to permit the consolidated financial statements to be readily and properly audited.
- The consolidated statement of financial position is in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the consolidated financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act, 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Gerard Casey
For and on behalf of Deloitte
Chartered Accountants
and Statutory Audit Firm
Limerick

28 November 2017

Conroy Gold and Natural Resources P.L.C.

Consolidated income statement
for the financial year ended 31 May 2017

	Note	**2017**	2016
		€	€
Continuing operations			
Operating expenses	*2*	**(431,922)**	(291,486)
Finance costs – interest		**-**	(679)
Loss before taxation	*3*	**(431,922)**	(292,165)
Income tax expenses	*5*	**-**	-
Loss for the financial year		**(431,922)**	(292,165)
Loss per share			
Basic and diluted loss per share	*6*	**(€0.0392)**	(€0.0479)

The total loss for the financial year is entirely attributable to equity holders of the Company.

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Professor Richard Conroy
Chairman

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Maureen T.A. Jones
Managing Director

The accompanying notes form an integral part of these audited consolidated financial statements.

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of comprehensive income
for the financial year ended 31 May 2017

	2017	2016
	€	€
Loss for the financial year	**(431,922)**	(292,165)
Income/expense recognised in other comprehensive income	**-**	-
Total comprehensive expense for the financial year	**(431,922)**	(292,165)

The total comprehensive expense for the financial year is entirely attributable to equity holders of the Company.

The accompanying notes form an integral part of these audited consolidated financial statements.

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of financial position
as at 31 May 2017

	Note	31 May 2017 €	31 May 2016 €
Assets			
Non-current assets			
Intangible assets	*8*	**19,659,104**	18,696,602
Property, plant and equipment	*9*	**15,116**	16,150
Total non-current assets		**19,674,220**	18,712,752
Current assets			
Cash and cash equivalents	*11*	**19,704**	687,708
Other receivables	*10*	**98,980**	38,334
Total current assets		**118,684**	726,042
Total assets		**19,792,904**	19,438,794
Equity			
Capital and reserves			
Called up share capital	*14*	**11,014**	11,014
Called up deferred share capital	*14*	**10,504,431**	10,504,431
Share premium	*14*	**10,649,252**	10,649,252
Capital conversion reserve fund	*14*	**30,617**	30,617
Share based payments reserve		**1,542,961**	1,464,030
Retained losses		**(5,977,408)**	(5,545,486)
Total equity		**16,760,867**	17,113,858
Liabilities			
Non-current liabilities			
Directors' loans	*13*	**277,287**	135,287
Total non-current liabilities		**277,287**	135,287
Current liabilities			
Trade and other payables	*12*	**2,754,750**	2,189,649
Total current liabilities		**2,754,750**	2,189,649
Total liabilities		**3,032,037**	2,324,936
Total equity and liabilities		**19,792,904**	19,438,794

The financial statements were approved by the Board of Directors on 28 November 2017 and authorised for issue on 28 November 2017. They are signed on its behalf by:

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Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

The accompanying notes form an integral part of these audited consolidated financial statements.

Conroy Gold and Natural Resources P.L.C.

Company statement of financial position
as at 31 May 2017

	Note	31 May 2017 €	31 May 2016 €
Assets			
Non-current assets			
Intangible assets	*8*	**19,377,804**	18,415,402
Investment in subsidiary	*7*	**2**	2
Property, plant and equipment	*9*	**15,116**	16,150
Total non-current assets		**19,392,922**	18,431,554
Current assets			
Cash and cash equivalents	*11*	**19,704**	687,708
Other receivables	*10*	**380,278**	319,532
Total current assets		**399,982**	1,007,240
Total assets		**19,792,904**	19,438,794
Equity			
Capital and reserves			
Called up share capital	*14*	**11,014**	11,014
Called up deferred share capital	*14*	**10,504,431**	10,504,431
Share premium	*14*	**10,649,252**	10,649,252
Capital conversion reserve fund	*14*	**30,617**	30,617
Share based payments reserve		**1,542,961**	1,464,030
Retained losses		**(5,977,408)**	(5,545,486)
Total equity		**16,760,867**	17,113,858
Liabilities			
Non-current liabilities			
Directors' loans	*13*	**277,287**	135,287
Total non-current liabilities		**277,287**	135,287
Current liabilities			
Trade and other payables	*12*	**2,754,750**	2,189,649
Total current liabilities		**2,754,750**	2,189,649
Total liabilities		**3,032,037**	2,324,936
Total equity and liabilities		**19,792,904**	19,438,794

The financial statements were approved by the Board of Directors on 28 November 2017 and authorised for issue on 28 November 2017. They are signed on its behalf by:

Professor Richard Conroy
Chairman

Maureen T.A. Jones
Managing Director

The accompanying notes form an integral part of these audited consolidated financial statements.

Consolidated statement of cash flows
for the financial year ended 31 May 2017

	2017	2016
	€	€
Cash flows from operating activities		
Loss for the financial year	**(431,922)**	(292,165)
Adjustments for:		
Depreciation	**3,779**	1,833
Interest expense	**-**	679
Expense recognised in consolidated income statement in respect of equity settled share based payments	**15,346**	68,026
Increase in creditors	**460,066**	237,389
(Increase)/decrease in debtors	**(60,646)**	25,252
Net cash (outflow)/provided by operating activities	**(13,377)**	41,014
Cash flows from investing activities		
Expenditure on intangible assets	**(898,917)**	(858,769)
Purchase of property, plant and equipment	**(2,745)**	-
Cash used in investing activities	**(901,662)**	(858,769)
Cash flows from financing activities		
Loan from Directors’	**142,000**	-
Advances from Karelian Diamond Resources P.L.C.	**105,035**	-
Issue of share capital	**-**	1,800,367
Payments to Karelian Diamond Resources P.L.C.	**-**	(201,955)
Share issue costs	**-**	(60,015)
Repayments of loan from Director	**-**	(55,735)
Interest paid	**-**	(679)
Net cash provided by financing activities	**247,035**	1,481,983
(Decrease)/increase in cash and cash equivalents	**(668,004)**	664,228
Cash and cash equivalents at beginning of financial year	**687,708**	23,480
Cash and cash equivalents at end of financial year	**19,704**	687,708

The accompanying notes form an integral part of these audited consolidated financial statements.

Conroy Gold and Natural Resources P.L.C.

Company statement of cash flows
for the financial year ended 31 May 2017

	2017	2016
	€	€
Cash flows from operating activities		
Loss for the financial year	**(431,922)**	(292,165)
Adjustments for:		
Depreciation	**3,779**	1,833
Interest expense	**-**	679
Expense recognised in income statement in respect of equity settled share based payments	**15,346**	68,026
Increase in creditors	**460,066**	237,389
(Increase)/decrease in debtors	**(60,746)**	25,252
Net cash (outflow)/provided by operating activities	**(13,477)**	41,014
Cash flows from investing activities		
Expenditure on intangible assets	**(898,817)**	(858,769)
Purchase of property, plant and equipment	**(2,745)**	-
Cash used in investing activities	**(901,562)**	(858,769)
Cash flows from financing activities		
Loan from Directors'	**142,000**	-
Advances from Karelian Diamond Resources P.L.C.	**105,035**	-
Issue of share capital	**-**	1,800,367
Payments to Karelian Diamond Resources P.L.C.	**-**	(201,955)
Share issue costs	**-**	(60,015)
Repayments of loan from Director	**-**	(55,735)
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(Decrease)/increase in cash and cash equivalents	**(668,004)**	664,228
Cash and cash equivalents at beginning of financial year	**687,708**	23,480
Cash and cash equivalents at end of financial year	**19,704**	687,708

The accompanying notes form an integral part of these audited consolidated financial statements

Conroy Gold and Natural Resources P.L.C.

Consolidated statement of changes in equity
for the financial year ended 31 May 2017

	Share capital	Share premium	Capital conversion reserve fund	Share-based payment reserve	Retained losses	Total
	€	€	€	€	€	€
Balance at 1 June 2016	**10,515,445**	**10,649,252**	**30,617**	**1,464,030**	**(5,545,486)**	**17,113,858**
Share-based payments	-	-	-	78,931	-	78,931
Loss for the financial year	-	-	-	-	(431,922)	(431,922)
Balance at 31 May 2017	**10,515,445**	**10,649,252**	**30,617**	**1,542,961**	**(5,977,408)**	**16,760,867**
Balance at 1 June 2015	**10,508,805**	**8,855,525**	**30,617**	**1,120,009**	**(5,193,306)**	**15,321,650**
Share issue	6,640	1,793,727	-	-	-	1,800,367
Share issue costs	-	-	-	-	(60,015)	(60,015)
Share-based payments	-	-	-	344,021	-	344,021
Loss for the financial year	-	-	-	-	(292,165)	(292,165)
Balance at 31 May 2016	**10,515,445**	**10,649,252**	**30,617**	**1,464,030**	**(5,545,486)**	**17,113,858**

Share capital
The share capital comprises of the nominal value share capital issued for cash and non-cash consideration. The share capital also comprises deferred share capital. The deferred share capital arose through the restructuring of share capital which was approved at Extraordinary General Meetings held on 26 February 2015 and 14 December 2015. A detailed breakdown of the share capital figure is included in Note 14.

Share premium
The share premium reserve comprises of the excess consideration received in respect of share capital over the nominal value of share issued.

Capital conversion reserve fund
The ordinary shares of the Company were re-nominalised from €0.03174435 each to €0.03 each in 2001 and the amount by which the issued share capital of the Company was reduced, was transferred to the capital conversion reserve fund.

Share based payment reserve
The share based payment reserve represents the amount expensed to the consolidated income statement and the amount capitalised as part of intangible assets of share-based payments granted which are not yet exercised and issued as shares.

Retained deficit
This reserve represents the accumulated losses absorbed by the Group to the consolidated statement of financial position date.

The accompanying notes form an integral part of these audited consolidated financial statements.

Conroy Gold and Natural Resources P.L.C.

Company statement of changes in equity
for the financial year ended 31 May 2017

	Share capital	Share premium	Capital conversion reserve fund	Share-based payment reserve	Retained losses	Total
	€	€	€	€	€	€
Balance at 1 June 2016	**10,515,445**	**10,649,252**	**30,617**	**1,464,030**	**(5,545,486)**	**17,113,858**
Share-based payments	-	-	-	78,931	-	78,931
Loss for the financial year	-	-	-	-	(431,922)	(431,922)
Balance at 31 May 2017	**10,515,445**	**10,649,252**	**30,617**	**1,542,961**	**(5,977,408)**	**16,760,867**
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Share issue costs	-	-	-	-	(60,015)	(60,015)
Share-based payments	-	-	-	344,021	-	344,021
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Balance at 31 May 2016	**10,515,445**	**10,649,252**	**30,617**	**1,464,030**	**(5,545,486)**	**17,113,858**

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Share based payment reserve
The share based payment reserve represents the amount expensed to the consolidated income statement and the amount capitalised as part of intangible assets of share-based payments granted which are not yet exercised and issued as shares.

Retained deficit
This reserve represents the accumulated losses absorbed by the Company to the consolidated statement of financial position date.

The accompanying notes form an integral part of these audited consolidated financial statements.

Notes

to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2017

1 Accounting policies

Reporting entity

Conroy Gold and Natural Resources P.L.C. (the "Company") is a company domiciled in Ireland. The consolidated financial statements of the Company for the financial year ended 31 May 2017 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation

The consolidated financial statements are presented in Euro ("€"). The € is the functional currency of the Company. The consolidated financial statements are prepared under the historical cost basis except for derivative financial instruments which are measured at fair value at each reporting date.

The preparation of consolidated financial statements requires the Board of Directors and management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Details of critical judgements are disclosed in the accounting policies.

The consolidated financial statements were authorised for issue by the Board of Directors on 28 November 2017.

Going Concern

The Group and the Company incurred a loss of €431,922 (2016: €292,165) for the financial year ended 31 May 2017 and had net current liabilities of €2,636,066 and €2,354,768 respectively (2016: €1,463,607 and €1,182,409 respectively) at that date. The Directors and former Directors, namely James P. Jones, Séamus P. FitzPatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €2,161,780 (2016: €1,741,824) within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay.

In addition, Karelian Diamond Resources P.L.C. has confirmed that it does not intend to seek repayment of amounts owed to it at 31 May 2017 by the Group and the Company of €273,800 (2016: €168,765) within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay. Amounts owed from Group companies amounted to €281,300 (2016: €281,200) in the Company statement of financial position.

The Board of Directors have considered carefully the financial position of the Group and the Company and in that context, have prepared and reviewed cash flow forecasts for the period to 30 November 2018. As set out in the Chairman's statement, the Group and the Company expects to incur material levels of capital expenditure in 2018, consistent with its strategy. In reviewing the proposed work programme for exploration and evaluation of assets and on the basis of the equity raised during past financial years, the funds received after the financial year end, the results obtained from the exploration programme and the prospects for raising additional funds as required, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS102").

1 Accounting policies *(continued)*

Recent accounting pronouncements

The following are amendments to existing standards and interpretations that are effective for the consolidated financial year from 1 June 2016:

- Annual Improvements to IFRSs 2012-2014 cycle
- IFRS 11: *Accounting for acquisitions of interests in Joint Operations*
- IFRS 14: *Regulatory Deferral Accounts*
- IAS 16: *Property, Plant and Equipment and IAS 41: Bearer Plants*
- IAS 16 and 38: *Acceptable methods of depreciation/amortisation*
- IAS 27: *Equity method in Separate Financial Statements*
- IAS 1: *Disclosure initiative*
- IFRS 10, IFRS 12 and IAS 28: *Investment entities: Applying the consolidation exception.*

The adoption of the above amendments did not have a significant impact on the consolidated financial statements.

Standards endorsed by the EU that are not yet required to be applied but can be early adopted are set out below. None of these standards have been applied in the current period. The Board of Directors are currently assessing whether these standards will have a material impact on the consolidated financial statements.

- IAS 7: *Disclosure initiative – effective 1 January 2017*
- IAS 12: *Recognition of deferred tax assets for unrealised losses – effective 1 January 2017*
- IFRS 15: *Revenue from contracts with customers (May 2014) including amendments to IFRS15 - effective 1 January 2018*
- IFRS 9: *Financial Instruments - effective 1 January 2018*

The following standards have been issued by the IASB but have not yet been endorsed by the EU, accordingly none of these standards have been applied in the current period and the Board of Directors are currently assessing whether these standards will have a material impact on the consolidated financial statements.

- IFRS 14 : *Regulatory Deferral Accounts*
- Clarification to IFRS 15: *Revenue from contracts with customers*
- Amendments to IFRS 2: *Classification and measurement of share-based payment transactions*
- Amendments to IFRS 4: *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
- Annual Improvements to IFRS 2014 - 2016 Cycle
- IFRIC 22: *Foreign Currency transaction and advance consideration*
- Amendments to IAS 40: *Foreign Currency transaction and advance consideration*
- IFRS 16: *Leases*
- Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture*

Basis of consolidation

The consolidated financial statements include the financial statements of Conroy Gold and Natural Resources P.L.C. and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Group is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-Group balances, and any unrealised income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements.

The Company recognises investments in subsidiaries are stated at cost less impairments.

1 Accounting policies *(continued)*

(a) Intangible assets

The Company accounts for mineral expenditure in accordance with IFRS 6: *Exploration for and Evaluation of Mineral Resources*.

(i) Capitalisation

Certain costs (other than payments to acquire the legal rights to explore) incurred prior to acquiring the rights to explore are charged directly to the consolidated income statement. Exploration, appraisal and development expenditure incurred on exploring, and testing exploration prospects are accumulated and capitalised as intangible exploration and evaluation ("E&E") assets. E&E capitalised costs include geological and geophysical costs, and other direct costs of exploration (drilling, trenching, sampling and technical feasibility and commercial viability activities). In addition, E&E capitalised costs include an allocation from operating expenses, including share based payments, all such costs being necessary for exploration and evaluation activities.

E&E capitalised costs are not amortised prior to the conclusion of appraisal activities.

At completion of appraisal activities if technical feasibility is demonstrated and commercial reserves are discovered, then the carrying amount of the relevant E&E asset will be reclassified as a development and production asset, once the carrying value of the asset has been assessed for impairment. If following completion of appraisal activities in an area, it is not possible to determine technical feasibility and commercial viability, or if the right to explore expires, then the costs of such unsuccessful exploration and evaluation is written off to the consolidated income statement in the period in which the event occurred.

(ii) Impairment

If facts and circumstances indicate that the carrying value of an E&E asset may exceed its recoverable amount, an impairment review is performed. The following are considered to be key indicators of impairment in relation to E&E assets:

- The period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed.
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For E&E assets, where the above indicators exist, an impairment test is carried out. The E&E assets are categorised into Cash Generating Units ("CGU"). The carrying value of the CGU is compared to its recoverable amount and any resulting impairment loss is written off to the consolidated income statement. The recoverable amount of the CGU is assessed as the higher of its fair value, less costs to sell, and its value in use.

(b) Transaction costs

Transaction costs arising on the issue of share capital are accounted for as a deduction from equity against retained earnings.

1 Accounting policies *(continued)*

(c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight line basis to write off the cost less estimated residual value of the assets over their estimated useful lives as follows:

Motor vehicles	5 years
Plant and office equipment	10 years

(d) Income taxation expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in the consolidated statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities on a net basis or their tax assets and liabilities will be settled simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(e) Share based payments

For equity-settled share based payment transactions (i.e. the granting of share options and share warrants), the Group measures the services and the corresponding increase in equity at fair value at the measurement date (which is the grant date) using a recognised valuation methodology for the pricing of financial instruments (Binomial Lattice Model). Given that the share options, and warrants granted do not vest until the completion of a specified period of service, the fair value is determined on the basis that the services to be rendered by employees as consideration for the granting of share options and warrants will be received over the vesting period, which is assessed as the grant date.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

1 Accounting policies *(continued)*

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

(g) Trade and other receivables and payables

Trade and other receivables and payables are measured at initial recognition at fair value, and subsequently measured at amortised cost.

(h) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potentially dilutive ordinary shares.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank held by the Group and short-term bank deposits with a maturity of three months or less. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments.

(j) Pension costs

The Group provides for pensions for certain employees through a defined contribution pension schemes. The amounts charged to the consolidated income statement and consolidated statement of financial position is the contribution payable in that financial year. Any difference between amounts charged and contributions paid to the pension scheme is included in receivables or payables in the consolidated statement of financial position.

(k) Foreign currencies

Transactions denominated in foreign currencies relating to costs and non-monetary assets are translated into € at the rates of exchange ruling on the dates on which the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated into € at the rate of exchange ruling at the consolidated statement of financial position date. The resulting profits or losses are dealt with in the consolidated income statement.

(l) Directors’ loans

The Directors’ loans are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount of initial recognition.

(m) Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from retained earnings, net of any tax effects.

1 Accounting policies *(continued)*

(n) Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, the Board of Directors have identified the judgemental areas that have the most significant impact on the amounts recognised in the consolidated financial statements (apart from those involving estimations), which are dealt with as follows:

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. The Board of Directors consider the nature of each cost incurred and whether it is deemed appropriate to capitalise it within exploration and evaluation assets. Given that the activity of management and the resultant administration and salary costs are primarily focused on the Group's gold prospects, the Board of Directors consider it appropriate to capitalise a portion of such costs.

Intangible assets

As outlined in the Intangible assets accounting policy, the exploration and evaluation assets should be allocated to CGU's. The determination of what constitutes a CGU requires judgement.

The carrying value of each CGU is compared to its recoverable amount. The recoverable amount of the CGU is assessed as the higher of its fair value less costs to sell and its value in use. The determination of value in use requires the following judgements:

- Estimation of future cash flows expected to be derived from the asset.
- Expectation about possible variations in the amount or timing of the future cash flows.
- The determination of an appropriate discount rate.

Going concern

The preparation of consolidated financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern assumption is dependent on the successful further development and ultimate production of the mineral reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability. The Board of Directors have reviewed the proposed programme for exploration and evaluation assets, the funds received post year end, the very encouraging results from the exploration programme and the prospects for raising additional funds as required, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

Refer to page 23 for further details.

Key sources of estimation uncertainty

The preparation of the consolidated financial statements requires the Board of Directors to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the consolidated statement of financial position date and the amounts reported for revenues and expenses during the financial year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed overleaf.

1 Accounting policies *(continued)*

(n) Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty *(continued)*

Exploration and evaluation assets

The carrying value of exploration and evaluation assets was €19,377,804 (2016: €18,415,402) at 31 May 2017 (Note 8). The Board of Directors carried out an assessment, in accordance with IFRS 6: *Exploration for and Evaluation of Mineral Resources* relating to the remaining licence or claim terms, likelihood of renewal, likelihood of further expenditure, possible discontinuation of activities over specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than its carrying amount. Based on this assessment the Board of Directors is satisfied as to the carrying value of these assets and is satisfied that these are recoverable, acknowledging however that their recoverability is dependent on future successful exploration efforts.

Employee benefits - Share based payment transactions

The Company has an equity-settled share based payment arrangements with non-market performance conditions which fall within the scope of and are accounted for under the provisions of IFRS 2: *Share Based Payment*. Accordingly, the grant date fair value of the options under these schemes is recognised as a personnel expense with a corresponding increase in the "Share based payment reserve", within equity, over the vesting period. The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen.

The Company has made estimates as to the volatility of its own shares, the probable life of options granted and the time of exercise of those options. The model used by the Company is the Binomial Lattice Model. The fair value of these options is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

Deferred tax

No deferred tax asset has been recognised in respect of tax losses as it is not considered probable that future taxable profit will be available against which the related temporary differences can be utilised.

(o) Segmental reporting

Operating segment information is presented in the consolidated financial statements in respect of the Group's geographical segments which represent the financial basis by which the Group manages its business. The Group has one class of business, Gold Exploration. The Group has two principal reportable segments as follows:

- Irish exploration assets: gold exploration assets in Ireland; and
- Finnish exploration assets: gold exploration assets in Finland.

Group assets and liabilities include cash resources held by the Group. Corporate expenses include other operational expenditure incurred by the Group. These are not within the definition of an operating segment. Performance is measured based on segment result and total asset value as included in the internal management reports that are reviewed by the Group's Board of Directors. There are no significant inter segment transactions. Costs that are directly attributable to Ireland and Finland have been capitalised to exploration and evaluation assets as appropriate (Note 8). The Group did not earn any revenue in the current or comparative financial year.

2 Operating expenses

	2017	2016
	€	€
(a) Analysis of operating expenses		
Operating expenses	**863,983**	1,032,065
Transfer to intangible assets	**(432,061)**	(740,579)
	431,922	291,486
Operating expenses are analysed as follows:		
Wages, salaries and related costs	**463,655**	465,483
Other operating expenses	**300,118**	203,228
Share based payments	**78,931**	344,021
Auditors remuneration	**17,500**	17,500
Depreciation	**3,779**	1,833
	863,983	1,032,065

Of the above costs, a total of €432,061 (2016: €740,579) is capitalised to intangible assets based on a review of the nature and quantum of the underlying costs.

	2017	2016
	€	€
(b) Wages, salaries and related costs as disclosed above is analysed as follows:		
Wages and salaries	**390,100**	396,523
Social insurance costs	**38,555**	33,960
Retirement benefit costs	**35,000**	35,000
Other compensation costs	**-**	-
	463,655	465,483

Amount of wages and salaries capitalised as intangible assets during the financial year was €303,133 (2016: €358,074).

The average number of persons employed during the financial year (including executive Directors) by activity was as follows:

	2017	2016
Exploration and evaluation	**5**	6
Corporate management and administration	**3**	3
	8	9

The Group contributes to an externally funded defined contribution scheme to satisfy the pension arrangements in respect of certain management personnel.

The total pension cost charged for the financial year was €35,000 (2016: €35,000).

2 Operating expenses *(continued)*

An analysis of remuneration for each Director of the Company in the current financial year (prior to amounts transferred to intangible assets) is as follows:

	Fees €	Salary €	Share based payment €	Pension contributions €	Total €
Professor Richard Conroy	**22,220**	**179,889**	**33,655**	**-**	**235,764**
Maureen T.A. Jones	**9,523**	**114,889**	**21,947**	**22,000**	**168,359**
Professor Garth Earls	**4,762**	**-**	**-**	**-**	**4,762**
Dr. Karl Keegan	**-**	**-**	**-**	**-**	**-**
Brendan McMorrow	**-**	**-**	**-**	**-**	**-**
Directors removed 4 August 2017					
James P. Jones	**9,523**	**71,765**	**12,876**	**13,000**	**107,164**
Louis J. Maguire	**9,523**	**-**	**2,415**	**-**	**11,938**
Michael E. Power	**9,523**	**-**	**1,430**	**-**	**10,953**
C. David Wathen	**9,523**	**-**	**591**	**-**	**10,114**
Séamus P. Fitzpatrick	**9,523**	**-**	**419**	**-**	**9,942**
Dr. Sorċa Conroy	**9,523**	**-**	**-**	**-**	**9,523**
	93,643	**366,543**	**73,333**	**35,000**	**568,519**

An analysis of remuneration for each Director of the Company in the prior financial year (prior to amounts transferred to intangible assets) is as follows:

	Fees €	Salary €	Share based payment €	Pension contributions €	Total €
Professor Richard Conroy	22,220	179,720	33,655	-	235,595
Maureen T.A. Jones	9,523	114,720	21,949	22,000	168,192
Directors removed 4 August 2017					
James P. Jones	9,523	71,257	12,876	13,000	106,656
Louis J. Maguire	9,523	-	2,415	-	11,938
Michael E. Power	9,523	-	1,430	-	10,953
C. David Wathen	9,523	-	591	-	10,114
Séamus P. Fitzpatrick	9,523	-	419	-	9,942
Dr. Sorċa Conroy	9,523	-	-	-	9,523
Deceased					
Henry H. Rennison	6,547	-	1,660	-	8,207
	95,428	365,697	74,995	35,000	571,120

The total share based payment charge of €78,931 (2016: €344,021) is accounted for as shown below:

	2017 **€**	2016 €
Share based payment charge expensed to consolidated income statement	**15,346**	68,026
Share based payment charge transferred to intangible assets	**63,585**	275,995
	78,931	344,021

3 Loss before taxation

The loss before taxation is arrived at after charging the following items, which are stated at amounts prior to the transfer to intangible assets:

	2017	2016
	€	€
Depreciation	**3,779**	1,833
Auditor's remuneration		
The analysis of the auditor's remuneration is as follows:		
• Audit of financial statements	**17,500**	17,500

4 Directors' remuneration

	2017	2016
	€	€
Aggregate emoluments paid to or receivable by Directors in respect of qualifying services	**460,186**	461,125
Aggregate amount of gains by Directors on exercise of share options during the financial year	**-**	-
Aggregate amount of money or value of other assets including shares, but excluding share options, paid to or receivable by the Directors under long term incentive schemes in respect of qualifying services	**73,333**	74,995

	2017	2016
	€	€
Aggregate contributions paid, treated as paid, or payable during the financial year to a retirement benefit scheme in respect of qualifying services of Directors:		
• Defined contribution scheme – for 2 Directors (2016 : 2)	**35,000**	35,000
• Defined benefit scheme	**-**	-

	2017	2016
	€	€
Compensation paid, or payable, or other termination payments in respect of loss of office to Directors of the Company in the financial year:		
• Officer or Director of the Company	**-**	-
• Other offices	**-**	-

No amounts have been paid or are payable to past Directors of the Company or its holding undertakings (2016: None).

No compensation has been paid or is payable for the loss of office or other termination benefit in respect of the loss of office of Director or other offices (2016: None).

5 Income tax expense

No taxation charge arose in the current or prior financial year due to losses incurred.

Factors affecting the tax charge for the financial year:

The total tax charge for the financial year is different to the standard rate of Irish corporation tax. This is due to the following:

	2017	2016
	€	€
Loss on ordinary activities before tax	**(431,922)**	(292,165)
Irish standard tax rate	**12.50%**	12.50%
Tax credit at the Irish standard rate	**(53,990)**	(36,521)
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Losses carried forward for future utilisation	**53,990**	36,521
Tax charge for the financial year	**-**	-

No deferred tax asset has been recognised on accumulated tax losses as it cannot be considered probable that future taxable profit will be available against which the deferred tax asset can be utilised.

Unutilised losses may be carried forward from the date of the origination of the losses, but may only be offset against taxable profits earned from the same trade.

6 Loss per share

Basic earnings per share

	2017	2016
	€	€
Loss for the financial year attributable to equity holder of the Company	**(431,922)**	(292,165)
	No. of shares	No. of shares
Number of ordinary shares at start of financial year	**11,013,537**	437,320,727
Reclassified*	**-**	4,373,207
Number of ordinary shares issued during the financial year	**-**	6,640,330
Number of ordinary shares at end of financial year	**11,013,537**	11,013,537
Weighted average number of ordinary shares for the purposes of basic earnings per share	**11,013,537**	5,295,110
Basic loss per ordinary share	**(€0.0392)**	(€0.0479)

Diluted earnings per share

The effect of share options and warrants is anti-dilutive. There were potential ordinary shares that would dilute the basic earnings per share.

*Please refer to Note 14 for an explanation concerning the share capital reclassification.

7 Subsidiaries

	% Owned	31 May 2017	31 May 2016
		€	€
Shares in subsidiary companies (Unlisted shares) at cost:			
Conroy Gold Limited	**100%**	**-**	-
Trans International Mineral Exploration Limited	**100%**	**2**	2

The registered office of the above non-trading subsidiaries is 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.

Income statement of Company

In accordance with Section 304 (2) of the Companies Act, 2014 the Company is availing of the exemption from presenting an individual income statement. The Company's loss for the financial year determined in accordance with FRS101 is €431,922 (2016: €292,165).

8 Intangible assets

Exploration and evaluation assets

Group: Cost	**2017**	2016
	€	€
At 1 June	**18,696,602**	17,561,838
Expenditure during the financial year		
• Licence and appraisal costs	**530,441**	394,367
• Other operating expenses (Note 2)	**368,476**	461,686
• Equity settled share based payments (Note 2)	**63,585**	275,995
• Loan interest	**-**	2,716
At 31 May	**19,659,104**	18,696,602

Company: Cost	**2017**	2016
	€	€
At 1 June	**18,415,402**	17,280,638
Expenditure during the financial year		
• Licence and appraisal costs	**530,441**	394,367
• Other operating expenses (Note 2)	**368,376**	461,686
• Equity settled share based payments (Note 2)	**63,585**	275,995
• Loan interest	**-**	2,716
At 31 May	**19,377,804**	18,415,402

Exploration and evaluation assets relate to expenditure incurred in the development of mineral exploration opportunities. These assets are carried at historical cost and have been assessed for impairment in particular with regard to the requirements of IFRS 6: *Exploration for and Evaluation of Mineral Resources* relating to remaining licence or claim terms, likelihood of renewal, likelihood of further expenditure, possible discontinuation of activities over specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than its carrying amount.

The Board of Directors have considered the proposed work programmes for the underlying mineral reserves. They are satisfied that there are no indications of impairment.

The Board of Directors note that the realisation of the intangible assets is dependent on further successful development and ultimate production of the mineral reserves and the availability of sufficient finance to bring the resources to economic maturity and profitability.

Mineral interests are categorised as follows:

Group: Ireland	**2017**	2016
Cost	**€**	€
At 1 June	**16,589,803**	15,581,675
Expenditure during the financial year		
• Licence and appraisal costs	**529,211**	364,985
• Other operating expenses	**303,504**	392,441
• Equity settled share based payments	**57,227**	248,393
• Loan interest	**-**	2,309
At 31 May	**17,479,745**	16,589,803

8 Intangible assets *(continued)*
Exploration and evaluation assets *(continued)*
Mineral interests are categorised as follows: *(continued)*

Group: Finland	**2017**	2016
Cost	**€**	€
At 1 June	**2,106,799**	1,980,163
Expenditure during the financial year		
Licence and appraisal costs	**1,230**	29,382
• Other operating expenses	**64,972**	69,245
• Equity settled share based payments	**6,358**	27,602
• Loan interest	**-**	407
At 31 May	**2,179,359**	2,106,799

Company: Ireland	**2017**	2016
Cost	**€**	€
At 1 June	**16,308,603**	15,300,475
Expenditure during the financial year		
• Licence and appraisal costs	**529,211**	363,985
• Other operating expenses	**303,404**	393,441
• Equity settled share based payments	**57,227**	248,393
• Loan interest	**-**	2,309
At 31 May	**17,198,445**	16,308,603

Company: Finland	**2017**	2016
Cost	**€**	€
At 1 June	**2,106,799**	1,980,163
Expenditure during the financial year		
• Licence and appraisal costs	**1,230**	29,382
• Other operating expenses	**64,972**	69,245
• Equity settled share based payments	**6,358**	27,602
• Loan interest	**-**	407
At 31 May	**2,179,359**	2,106,799

9 Property, plant and equipment

In respect of the current financial year:

Group and Company	Motor Vehicles	Plant & Office Equipment	Total
	€	€	€
Cost			
At 1 June 2016	17,754	133,480	151,234
Additions	-	2,745	2,745
At 31 May 2017	**17,754**	**136,225**	**153,979**
Accumulated depreciation			
At 1 June 2016	17,754	117,330	135,084
Charge for the financial year	-	3,779	3,779
At 31 May 2017	**17,754**	**121,109**	**138,863**
Net book value at 31 May 2017	**-**	**15,116**	**15,116**

In respect of the previous financial year:

Group and Company	Motor Vehicles	Plant & Office Equipment	Total
	€	€	€
Cost			
At 1 June 2015	17,754	133,480	151,234
Additions	-	-	-
At 31 May 2016	**17,754**	**133,480**	**151,234**
Accumulated depreciation			
At 1 June 2015	17,716	115,535	133,251
Charge for the financial year	38	1,795	1,833
At 31 May 2016	**17,754**	**117,330**	**135,084**
Net book value at 31 May 2016	**-**	**16,150**	**16,150**

Notes

to and forming part of the consolidated and company financial statements for the financial year ended 31 May 2017 *(continued)*

10 Other receivables

Group	**31 May 2017 €**	31 May 2016 €
Vat receivable	**90,775**	29,869
Other debtors	**8,205**	8,465
	98,980	38,334

Company	**31 May 2017 €**	31 May 2016 €
Vat receivable	**90,775**	29,869
Other debtors	**8,203**	8,463
Amounts owed from Conroy Gold Limited	**281,300**	281,200
	380,278	319,532

The realisation of amounts owed by Group companies is dependent on the further successful development and ultimate production of the mineral reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability.

11 Cash and cash equivalents

Group and Company	**31 May 2017 €**	31 May 2016 €
Cash held in bank accounts	**19,704**	687,708
	19,704	687,708

The cash held in bank accounts relates to amounts held with AIB, Bank of Ireland and Danske Bank (2016: held with AIB, Bank of Ireland and Danske Bank).

12 Trade and other payables

Group and Company	**31 May 2017**	31 May 2016
Amounts falling due within one year	**€**	€
Accrued Directors' remuneration		
Fees and other emoluments	**1,356,445**	1,584,649
Pension contributions	**121,000**	157,175
Accrued former Directors' remuneration		
Fees and other emoluments	**613,160**	-
Pension contributions	**71,175**	-
Other accruals	**319,170**	279,060
Amounts owed to Karelian Diamond Resources P.L.C.	**273,800**	168,765
	2,754,750	2,189,649

It is the Group's practice to agree terms of transactions, including payment terms with suppliers. It is the Group's policy that payment is made according to the agreed terms. The carrying value of the trade and other payables approximates to their fair value.

12 Trade and other payables *(continued)*

The Directors and former Directors, namely James P. Jones, Séamus P. FitzPatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €2,161,780 (2016: €1,741,824) for a minimum period of 12 months from the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

In addition, Karelian Diamond Resources P.L.C. has confirmed that it will not seek repayment of amounts owed to it by the Group and the Company at 31 May 2017 of €273,800 (2016: €168,765) within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay. During the financial year ended 31 May 2017, €383,845 (2016: €43,778) was paid by Karelian Diamond Resources P.L.C to the Company. For the financial year ended 31 May 2017, the Company incurred costs totalling €278,810 (2016: €245,773) on behalf of Karelian Diamond Resources P.L.C.

13 Non-current financial liabilities – Group and Company

Directors' loan

	31 May 2017	31 May 2016
	€	€
Opening balance 1 June	**135,287**	191,022
Loan advance	**142,000**	-
Loan repayment	**-**	(59,130)
Interest charge for the financial year	**-**	3,395
Closing balance 31 May	**277,287**	135,287

The Directors' loan amounts relate to monies owed to Professor Richard Conroy amounting to €232,287 (2016: €127,287), and Maureen T.A. Jones amounting to €45,000 (2016: €8,000). The Directors' loan amounts have been partly repaid post year end (€166,680).

14 Called up share capital and share premium – Group and Company

Authorised:	**31 May 2017**	31 May 2016
	€	€
11,995,569,058 ordinary shares of €0.001 each	**11,995,569**	11,995,569
306,779,844 deferred shares of €0.02 each	**6,135,597**	6,135,597
437,320,727 deferred shares of €0.00999 each	**4,368,834**	4,368,834
	22,500,000	22,500,000

Following approval at an Extraordinary General Meeting held on 26 February 2015, the Company reorganised its share capital by subdividing and reclassifying each issued ordinary share of €0.03 as one ordinary share of €0.01 each and one deferred share of €0.02 each.

Further, following approval at the Annual General Meeting held on 14 December 2015, the Company reorganised its share capital by subdividing and reclassifying each issued ordinary share of €0.01 as one ordinary share of €0.00001 each and one deferred share of €0.00999 each and consolidated the reclassified ordinary shares of €0.00001 each into shares of €0.001 each.

14 Called up share capital and share premium – Group and Company *(continued)*

Authorised: *(continued)*

The deferred shares do not entitle the holder to receive a dividend or other distribution. Furthermore the deferred shares do not entitle the shareholder to receive notice of or vote at any general meeting of the Company, and do not entitle the shareholder to any proceeds on a return of capital or winding up of the Company.

Issued and fully paid – Current financial year

	Number of ordinary shares	**Called up share capital €**	**Capital conversion reserve fund €**	**Called up deferred share capital €**	**Share premium €**
Start of financial year	11,013,537	11,014	30,617	10,504,431	10,649,252
End of financial year	**11,013,537**	**11,014**	**30,617**	**10,504,431**	**10,649,252**

Issued and fully paid – Prior financial year

	Number of ordinary shares	**Called up share capital €**	**Capital conversion reserve fund €**	**Called up deferred share capital €**	**Share premium €**
Start of financial year	437,320,727	4,373,208	30,617	6,135,597	8,855,525
Reclassified	4,373,207	4,374	30,617	10,504,431	8,855,525
Share issue **(a)**	1,153,845	1,154	-	-	516,087
Share issue **(b)**	5,486,485	5,486	-	-	1,277,640
End of financial year	**11,013,537**	**11,014**	**30,617**	**10,504,431**	**10,649,252**

(a) On 18 December 2015, 1,153,845 ordinary shares of €0.001 each were issued at 32.5p sterling realising €0.4483 per share resulting in a premium of €0.4473 per share.

(b) On 3 May 2016, 5,486,485 ordinary shares of €0.001 each at 18.5p sterling (€0.2339) per share resulting in a premium of €0.2339 per share together with 5,486,485 warrants at an exercise price of 37p sterling per warrant. The warrants can be exercised at any time up to 10 November 2018. The warrants also contain a mandatory exercise clause if the closing price of the ordinary shares remains at £1 or higher for 10 or more consecutive business days.

(c) At 31 May 2017 and 31 May 2016, warrants over 490,641 shares exercisable at €3.70 per share at any time up to 15 November 2020 were outstanding.

(d) At 31 May 2017 and 31 May 2016, 10,000 options are outstanding exercisable at prices ranging from €4.80 to €6.25 and expire up to 14 January 2018.

(e) At 31 May 2017 and 31 May 2016, warrants over 298,051 shares exercisable at €4.33 per share at any time up to 16 November 2022 were outstanding.

(f) The share price at 31 May 2017 was 13.625p sterling (2016: 24.000p sterling). During the financial year, the price ranged from 12.000p to 44.000p sterling (2016: 17.000p to 35.450p sterling (after capital reorganisation)).

15 Commitments and contingencies

Exploration and evaluation activities

The Group has received prospecting licences under the Republic of Ireland Mineral Development Acts 1940 to 1995 for areas in Monaghan and Cavan. It has also received licences in Northern Ireland for areas in Armagh in accordance with the Mineral Development Act (Northern Ireland) 1969.

At 31 May 2017, the Group had work commitments of €10,000 for the forthcoming financial year, in respect of prospecting licences held. For the financial year ending 31 May 2019, the Group has work commitments of €65,000, in respect of the prospecting licence held in relation to Glenish, Co. Monaghan.

16 Related party transactions

(a) Details as to shareholders and Directors loans and share capital transactions with Professor Richard Conroy and Maureen T.A. Jones are outlined in the Directors report and in Note 13 of the consolidated financial statements.

(b) For the financial year ended 31 May 2017, the Company incurred costs totalling €278,810 (2016: €245,773) on behalf of Karelian Diamond Resources P.L.C., which has certain common shareholders and Directors. These costs were recharged to Karelian Diamond Resources P.L.C.

These costs are analysed as follows:

	2017	2016
	€	€
Exploration costs	**87,493**	118,964
Other operating expenses	**47,196**	46,958
Office salaries	**46,343**	6,344
Travel and subsistence	**41,313**	16,776
Rent and rates	**31,793**	34,876
Legal and professional	**24,672**	21,815
	278,810	245,733

(c) At 31 May 2017, the Company owed €273,800 to Karelian Diamond Resources P.L.C. (2016: €168,765). Amounts owed to Karelian Diamond Resources P.L.C. are included within "Trade and other payables" in the current and previous financial year statements. During the financial year ended 31 May 2017, €383,845 (2016: €43,778) was paid by Karelian Diamond Resources P.L.C to the Company. Karelian Diamond Resources P.L.C. has confirmed that it will not seek repayment of amounts owed to it by the Group and the Company within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

(d) At 31 May 2017, Conroy Gold Limited owed €281,300 (2016: €281,200) to the Company.

(e) At 31 May 2017, Conroy P.L.C. owed €5,000 to the Company (2016: €5,000). Amounts owed by Conroy P.L.C. are included within "Other receivables" in the current and previous financial year consolidated statement of financial position and company statement of financial position. Professor Richard Conroy has a controlling interest in Conroy P.L.C.

(f) Details of key management compensation which comprises Directors remuneration is outlined in Note 2 to the consolidated financial statements.

(g) Professor Garth Earls invoiced the Group for €50,155 during the financial year for professional services rendered to the Group. At 31 May 2017, Professor Garth Earls was owed €37,304 in respect of these services.

17 Share based payments

The Company has an equity-settled share based payment arrangements with non-market performance conditions.

Options granted generally have a vesting period of ten years. Details of the share options outstanding during the financial year are as follows:

	2017 No. of share options	**2017 Weighted average exercise price €**	2016 No. of share options	2016 Weighted average exercise price €
At 1 June	10,000	5.530	16,000	6.660
Lapsed during the financial year	-	-	(6,000)	6.330
At 31 May	**10,000**	**5.530**	**10,000**	**5.530**

Warrants granted generally have a vesting period of ten years. Warrants granted during the financial year vest immediately. Details of the warrants outstanding during the financial year are as follows:

	2017 No. of share warrants	**2017 Weighted average exercise price €**	2016 No. of share warrants	2016 Weighted average exercise price €
At 1 June	6,275,178	0.920	788,693	3.944
Granted during the financial year	-	-	5,486,485	0.486
At 31 May	**6,275,178**	**0.920**	**6,275,178**	**0.920**

The Company estimated the fair value of employee stock options and warrants awards using the Binomial Lattice Model. The determination of the fair value of share based payment awards on the date of grant using the Binomial Lattice Model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables.

These variables include the expected term of the awards, the expected stock price volatility over the term of the awards, the risk free interest rate associated with the expected term of the awards and the expected dividends.

The Company's Binomial Lattice Model included the following weighted average assumptions for the Company's employee stock option and warrants:

	2017 Stock options	**2017 Stock warrants**	2016 Stock options	2016 Stock warrants
Dividend yield	0%	0%	0%	0%
Expected volatility	90%	90%	90%	90%
Risk free interest rate	4%	3.2%	4%	3.2%
Expected life (in years)	10	10	10	10

18 Financial instruments

Financial risk management objectives, policies and processes

The Group has exposure to the following risks from its use of financial instruments:

(a) Interest rate risk;
(b) Foreign currency risk;
(c) Liquidity risk; and
(d) Credit risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and framework in relation to the risks faced.

(a) Interest rate risk

The Group currently finances its operations through shareholders' funds. Short term cash funds are invested, if appropriate, in short term interest bearing bank deposits. The Group did not enter into any hedging transactions with respect to interest rate risk.

The interest rate profile of these interest bearing financial instruments was as follows:

	31 May 2017	31 May 2016
Variable rate instruments:	**€**	€
Financial assets – cash and cash equivalents	**19,704**	687,708
	19,704	687,708

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points ('bps') in interest rates at 31 May 2017 and 31 May 2016 would have decreased the reported loss by €197 (2016: €6,877). A decrease of 100 basis points would have had an equal and opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(b) Foreign currency risk

The Group is exposed to currency risk on purchases, loans and bank deposits that are denominated in a currency other than the functional currency of the entities of the Group.

It is Group policy to ensure that foreign currency risk is managed wherever possible by matching foreign currency income and expenditure. During the financial years ended 31 May 2017 and 31 May 2016, the Group did not utilise foreign currency forward contracts or other derivatives to manage foreign currency risk.

18 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(b) Foreign currency risk *(continued)*

The Group's foreign currency risk exposure in respect of the principal foreign currencies in which the Group operates was as follows at 31 May 2017:

	GBP exposure denominated in €	**Not at risk €**	**Total €**
Other debtors	-	8,205	**8,205**
Cash and cash equivalents	4,012	15,692	**19,704**
Trade and other payables	(72,675)	(2,682,075)	**(2,754,750)**
Directors' loans	-	(277,287)	**(277,287)**
Total exposure	**(68,663)**	**(2,935,465)**	**(3,004,128)**

The Group's foreign currency risk exposure in respect of the principal foreign currencies in which the Group operates was as follows at 31 May 2016:

	GBP exposure denominated in €	**Not at risk €**	**Total €**
Other debtors	-	8,465	8,465
Cash and cash equivalents	562,970	124,738	687,708
Trade and other payables	(51,612)	(2,138,037)	(2,189,649)
Directors' loans	-	(135,287)	(135,287)
Total exposure	511,358	(2,140,121)	(1,628,763)

The following are the significant exchange rates that applied against €1 during the financial year:

	Average rate 2017	Average rate 2016	**Spot rate 31 May 2017**	Spot rate 31 May 2016
GBP	**0.852**	0.743	**0.874**	0.762

Sensitivity analysis

A 10% strengthening of € against sterling, based on outstanding financial assets and liabilities at 31 May 2017 would have decreased the reported loss by €6,866 (2016 increased by: €51,136) as a consequence of the retranslation of foreign currency denominated financial assets and liabilities at those dates. A weakening of 10% of the € against sterling would have had an equal and opposite effect. It is assumed that all other variables, especially interest rates, remain constant in the analysis.

18 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(c) Liquidity risk

Liquidity is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and adverse conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by regularly monitoring cash flow projections. The nature of the Group's exploration and appraisal activities can result in significant differences between expected and actual cash flows.

Contractual maturities of financial liabilities as at 31 May 2017 were as follows:

Item	Carrying amount €	Contractual cash flows €	6 months or less €	6 -12 months €	1-2 years €	2-5 years €
Trade and other payables	**3,032,037**	3,032,037	2,754,750	-	277,287	-

Contractual maturities of financial liabilities as at 31 May 2016 were as follows:

Item	Carrying amount €	Contractual cash flows €	6 months or less €	6 -12 months €	1-2 years €	2-5 years €
Trade and other payables	2,324,936	2,324,936	2,189,649	-	135,287	-

The Directors and former Directors, namely James P. Jones, Séamus P. FitzPatrick, C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power, have confirmed that they will not seek repayment of amounts owed to them by the Group and the Company of €2,161,780 (2016: €1,741,824) within 12 months of the date of approval of the financial statements, unless the Group has sufficient funds to repay.

In addition, Karelian Diamond Resources P.L.C. has confirmed that it will not seek repayment of amounts owed to it by the Group and the Company at 31 May 2017 of €273,800 (2016: €168,765) within 12 months of the date of approval of the consolidated financial statements, unless the Group has sufficient funds to repay.

The Directors' loan amounts relate to monies owed to Professor Richard Conroy amounting to €232,287 (2016: €127,287), and Maureen T.A. Jones amounting to €45,000 (2016: €8,000). The Directors' loan amounts have been partly repaid post year end (€166,680).

The Group had cash and cash equivalents of €19,704 at 31 May 2017 (31 May 2016: €687,708).

(d) Credit risk

Credit risk is the risk of financial loss to the Group if a cash deposit is not recovered. Group deposits are placed only with banks with appropriate credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 May 2017 and 31 May 2016 was:

	31 May 2017 €	31 May 2016 €
Cash and cash equivalents	**19,704**	687,708
Other debtors	**8,205**	8,465
	27,909	696,173

18 Financial instruments *(continued)*

Financial risk management objectives, policies and processes (continued)

(d) Credit risk *(continued)*

The Group's cash and cash equivalents are held at AIB Bank which has a credit rating of "BBB-" as determined by Fitch, Bank of Ireland which a credit rating of "BBB-" as determined by Fitch, and Danske Bank which a credit rating of "A" as determined by Fitch.

(e) Fair values versus carrying amounts

Due to the short-term nature of all of the Group's financial assets and liabilities at 31 May 2017 and 31 May 2016, the fair value equals the carrying amount in each case.

(f) Capital management

The Group has historically funded its activities through share issues and placings. The Group's capital structure is kept under review by the Board of Directors and it is committed to capital discipline and continues to maintain flexibility for future growth.

19 Post balance sheet events

At the Extraordinary General Meeting ("EGM") of the Company held on 4 August 2017, resolutions proposed by Mr. Patrick O'Sullivan (a substantial shareholder in the Company), in accordance with Section 146 of the Companies Act 2014 were passed which resulted in the immediate removal of the following Directors: James P. Jones (Finance Director), Séamus P. FitzPatrick (Deputy Chairman), C. David Wathen, Louis J. Maguire, Dr. Sorċa Conroy and Michael E. Power (non-executive Directors). Resolutions to appoint Paul Johnson, Gervaise Heddle and Patrick O'Sullivan ("Mr. O'Sullivan") to the Board of Directors, were, upon advice from the Company's Irish legal counsel, declared of no effect by reason of non-compliance with the provisions of the Company's constitution.

On 26 September 2017, the High Court in Dublin held in favour of the Company in the case brought against it by Mr. O'Sullivan, in which Mr. O'Sullivan claimed that he and his nominees, (Paul Johnson and Gervaise Heddle) were appointed to the Board of Directors of the Company at the Company's EGM held on 4 August 2017. The Judge found that Mr. O'Sullivan did not comply with the notification requirements under the Articles of Association of the Company in advance of the extraordinary general meeting and that there was nothing improper or untoward in the actions of the chairman at the meeting. Accordingly, all of the reliefs sought by Mr O'Sullivan, which included a declaration that he and the other two individuals nominated by him were entitled to be appointed to the Board of Directors, were refused by the Court.

The Company announced on 10 October 2017, that the High Court had awarded costs, with a stay on that order pending any appeal, to the Company in respect of the case brought by Mr. O'Sullivan.

The Company announced on 10 October 2017 that it is to cancel the admission of its ordinary shares to trading on the Enterprise Securities Market ("ESM") on the Irish Stock Exchange on 6 November 2017. This cancellation occurred on 6 November 2017. The Company's ordinary shares will continue to be admitted to trading on AIM.

Post year-end the Company raised €240,000 by way of a subscription for ordinary shares in the Company. The exercise of warrants by the Chairman and Managing Director also raised approximately €166,680.

20 Approval of the audited consolidated financial statements for the financial year ended 31 May 2017

These audited consolidated financial statements were approved by the Board of Directors on 28 November 2017. A copy of the audited consolidated financial statements will be available on the Company's website www.conroygold.com and will be available from the Company's registered office at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, Ireland.