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29<sup>th</sup> September 2016

## **Connemara Mining Company plc (“Connemara”) Interim Statement for the period ended 30 June 2016**

Connemara Mining holds 34 licences in Ireland focused on gold and zinc. Principal activity at present is on a block of 5 licences on the Inishowen peninsula in Donegal, where drilling has found interesting gold results. Our team has recently cleared and sampled a former silver/lead mine on the licence. The geology looks attractive. Results are awaited.

As well as our own 100 per cent owned activities we have three joint ventures, two with Teck of Canada on eleven zinc licences, 6 in Limerick and 5 in Meath, and one with Hendrick of Canada on 5 licences in Wexford/Wicklow which are prospective for gold.


Teck has a long and illustrious history in zinc, ranking among the top five producers in the world. We are delighted to have them as partners and operators on the ground. But the ravages inflicted by the commodity collapse of recent years has decimated exploration budgets. Teck Ireland, the local operating subsidiary has struggled to get funding. Current plans for the block of 6 licences in Limerick is to maintain them in good standing, but not to do any significant exploration. A total of 135 holes have been drilled but more work needs to be done. There is a substantial ore body outlined in three pods. Given the rise in the zinc price to over \$2,300 per tonne we are hopeful of interest from other mineral companies. On the Oldcastle block of 5 licences in Meath, where Teck need to spend significant money to increase their stake to 75% ownership, there are plans for a couple of holes in 2017 and possibly one in late 2016. Holes in the Oldcastle area are targeting deep mineralisation, 800 metres and more, so they are very expensive.

Five licences held by Connemara in Wexford/Wicklow are prospective for gold. We joint ventured the ground with Hendrick, an experienced Canadian gold prospector. Hendrick have to spend €1 million to earn a 75% interest. Work done by Connemara and others had earlier identified targets on the block. Hendrick did their own work and confirmed our targets, as well as identifying others. Knocknalour and Tombreen, in the northern part of our block, are the two priority targets. Ongoing fundraising by Hendrick should allow drilling by end 2016.

Our work on Inishowen in Donegal is very exciting. Sampling and two small drilling programmes have identified gold veins extending over distance and at depth. More drilling is needed. At the same time sampling around an old mine on the licence produced good grades of base metals and silver. A team have worked to clear the old adits and shafts and make access safe. They then sampled the area. Visual observation suggests veins up to 2 metres wide but laboratory results are awaited on contained grades.

The ground in Donegal has similar geological characteristics to the big Dalradian gold orebody in Tyrone where a feasibility study is nearing completion, Gold at \$1,300 an ounce is attractive to explorers.

Connemara holds ten licences in Raphoe, Co. Donegal where we have traces of gold, a zinc licence in Rapla, Co. Tipperary near the closed Lisheen mine, and two new zinc licences around a former barite mine in Co. Cork. The Connemara team has extensive experience of exploring in Ireland. We believe that we can identify prospective ground. We acquire the ground when possible, work it, and then seek to joint venture it to larger mining companies. We are funded for our current plans.



**John Teeling**  
Chairman

**28<sup>th</sup> September 2016**

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

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**Connemara Mining Company plc**  
**Financial Information (Unaudited)**

	Six Months Ended		Year Ended
	30 June 16 unaudited €'000	30 June 15 unaudited €'000	31 Dec 15 audited €'000
<b><u>Condensed Consolidated Statement of Comprehensive Income</u></b>			
<b>Continuing Operations</b>			
Administrative expenses	(96)	(89)	(204)
<b>OPERATING LOSS</b>	(96)	(89)	(204)
Investment revenue	-	1	1
<b>LOSS BEFORE TAXATION</b>	(96)	(88)	(203)
Income tax expense	-	-	-
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME</b>	<u>(96)</u>	<u>(88)</u>	<u>(203)</u>
<b>LOSS PER SHARE - basic and diluted</b>	<u>(0.16c)</u>	<u>(0.16c)</u>	<u>(0.36c)</u>
 <b><u>Condensed Consolidated Balance Sheet</u></b>			
	30 June 16 unaudited €'000	30 June 15 unaudited €'000	31 Dec 15 Audited €'000
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	2,583	2,399	2,451
<b>CURRENT ASSETS</b>			
Other receivables	25	80	28
Cash and cash equivalents	495	244	120
	<u>520</u>	<u>324</u>	<u>148</u>
<b>TOTAL ASSETS</b>	<u>3,103</u>	<u>2,723</u>	<u>2,599</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(570)	(434)	(425)
<b>NET CURRENT LIABILITIES</b>	<u>(50)</u>	<u>(110)</u>	<u>(277)</u>
<b>NET ASSETS</b>	<u>2,533</u>	<u>2,289</u>	<u>2,174</u>
<b>EQUITY</b>			
Share Capital	758	558	558
Share Premium	5,044	4,809	4,809
Share Based Payment Reserve	20	-	-
Reserves	(3,289)	(3,078)	(3,193)
<b>TOTAL EQUITY</b>	<u>2,533</u>	<u>2,289</u>	<u>2,174</u>

## Condensed Consolidated Statement of Changes in Shareholders Equity

	Called-up Share Capital €'000	Share Premium €'000	Share Based Payment Reserves €'000	Retained Deficit €'000	Total €'000
<b>As at 1 January 2015</b>	558	4,809	-	(2,990)	2,377
Loss for the period				(88)	(88)
<b>As at 30 June 2015</b>	558	4,809	-	(3,078)	2,289
Loss for the period				(115)	(115)
<b>As at 31 December 2015</b>	558	4,809	-	(3,193)	2,174
Issue of shares	200	279			479
Share issue expenses		(24)			(24)
Warrants issued		(20)	20		-
Loss for the period				(96)	(96)
<b>As at 30 June 2016</b>	758	5,044	20	(3,289)	2,533

	Six Months Ended		Year Ended
	30 June 16	30 June 15	31 Dec 15
	Unaudited	unaudited	audited
	€'000	€'000	€'000
<b><u>Condensed Consolidated Cash Flow</u></b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year	(96)	(88)	(203)
Investment revenue	-	(1)	(1)
Exchange movements	-	(21)	(16)
	(96)	(110)	(220)
Movements in working capital	148	(33)	10
<b>CASH USED BY OPERATIONS</b>	52	(143)	(210)
Investment revenue	-	1	1
<b>NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES</b>	52	(142)	(209)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation	(132)	(20)	(72)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(132)	(20)	(72)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares	479	-	-
Share issue expenses	(24)	-	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	455	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	375	(162)	(281)
Cash and Cash Equivalents at beginning of the period	120	385	385
Effects of exchange rate changes on cash held in foreign currencies	-	21	16
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	495	244	120

## Notes:

### 1. INFORMATION

The financial information for the six months ended 30 June 2016 and the comparative amounts for the six months ended 30 June 2015 are unaudited.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial statements have been prepared applying the accounting policies and methods of computation used in the preparation of the published consolidated financial statements for the year ended 31 December 2015.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2015, which are available on the Company's website [www.connemaramining.com](http://www.connemaramining.com)

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

2. No dividend is proposed in respect of the period.

### 3. LOSS PER SHARE

	30 June 16 €	30 June 15 €	31 Dec 15 €
Loss per share – Basic and Diluted	<u>(0.16c)</u>	<u>(0.16c)</u>	<u>(0.36c)</u>

#### Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss for the year attributable to equity holders of the parent	<u>(96,428)</u>	<u>(87,846)</u>	<u>(202,961)</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>61,042,615</u>	<u>55,779,711</u>	<u>55,779,711</u>

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive.

### 4. INTANGIBLE ASSETS

	30 June 16 €'000	30 June 15 €'000	31 Dec 15 €'000
<b>Exploration and evaluation assets:</b>			
Cost at 1 January	2,451	2,379	2,379
Additions	<u>132</u>	<u>20</u>	<u>72</u>
Closing Balance	<u><b>2,583</b></u>	<u><b>2,399</b></u>	<u><b>2,451</b></u>

The above represents expenditure on projects in Ireland. Included in the Group intangible assets is €Nil (Dec 2015: €10,000) of directors' remuneration which was capitalised during the period.

In 2012 the Group entered into an agreement with Teck Ireland Limited ("Teck"), a subsidiary of Teck Resources Limited, which gives Teck the option of earning a 75% interest in licences held by the Group in Cavan/Meath. Teck have to spend €1.35 million on the licences by 2018 in order to earn the option to acquire the total 75% interest. As per the agreement the licences have been transferred into a new company, Oldcastle Zinc Limited. As at 31 December 2015 Teck had completed €897,725 worth of expenditure. As per the agreement upon Teck completing €550,000 of expenditure 343,500

ordinary shares in Oldcastle Zinc Limited were to be issued to Teck. The shares were issued on 20 February 2015 giving Teck a 51% interest in the company.

In 2007 the Group entered into an agreement with Teck Cominco which gave Teck Cominco the option to earn a 75% interest in a number of other licences held by the Group. Teck Cominco had to spend CAD\$3m to earn the interest. During 2012 the relevant licences were transferred to a new company, TILZ Minerals Limited, which at 30 June 2016 was owned 23.44% (31 December 2015: 23.44%) by Limerick Zinc Limited and 76.56% (31 December 2015: 76.56%) by Teck Ireland Limited. The Group's share of expenditure on the licences continues to be capitalised as an exploration and evaluation asset. The Group is subject to cash calls from Teck Ireland Limited in respect of the financing of the ongoing exploration and evaluation of these licences. In the event that the Group decides not to meet these cash calls its interest in TILZ Minerals Limited may be diluted accordingly.

The realisation of the intangible asset is dependent on the successful development of economic reserves which is subject to a number of risks as outlined below. Should this prove unsuccessful the value included in the balance sheet would be written off to the statement of comprehensive income.

The group's activities are subject to a number of significant potential risks including;

- Uncertainties over development and operational risks;
- Compliance with licence obligations;
- Liquidity risks; and
- Going concern risks.

The directors are aware that by its nature there is an inherent uncertainty in such exploration and evaluation expenditure as to the value of the asset. Having reviewed the deferred development expenditure at 30 June 2015, the directors are satisfied that the value of the intangible asset is not less than carrying value.

## 5. SHARE CAPITAL AND SHARE PREMIUM

	30 June 16 €'000	30 June 15 €'000	31 Dec 15 €'000
<b>Authorised:</b>			
200,000,000 ordinary shares of €0.01 each	2,000	2,000	2,000
<b>Allotted, Called Up and Fully Paid:</b>			
	<b>Number</b>	<b>Share Capital €'000</b>	<b>Share Premium €'000</b>
<b>Balance at 1 January 2015</b>	55,779,711	558	4,809
Issued during the period	-	-	-
<b>Balance at 30 June 2015</b>	<b>55,779,711</b>	<b>558</b>	<b>4,809</b>
Issued during the period	-	-	-
<b>Balance at 31 December 2015</b>	<b>55,779,711</b>	<b>558</b>	<b>4,809</b>
Issued during the period	20,010,000	200	279
Share issue expenses	-	-	(24)
Issue of warrants	-	-	(20)
<b>Balance at 30 June 2016</b>	<b>75,789,711</b>	<b>758</b>	<b>5,044</b>

On 13 May 2016, a total of 20,010,000 shares were issued at a price of 2p per share to provide additional working capital and fund the drilling programme on the Donegal gold licences. For each placing share subscribed for, the investors received one warrant to subscribe for an additional ordinary share at a price of 5p per share at any time until 26 May 2018.

6. **SHARE BASED PAYMENT RESERVE**

	<b>Number of Warrants</b>	<b>Weighted average exercise price in pence</b>
At 1 January 2016	-	-
Issued during the period	20,010,000	5
<b>At 30 June 2016</b>	<b>20,010,000</b>	<b>5</b>
<b>Outstanding at 30 June 2016</b>	<b>20,010,000</b>	<b>5</b>

On 13 May 2016 the company granted a total of 20,010,000 warrants as part of the share placing. The warrants each have the right to subscribe for one new ordinary share at a price of 5p at any time until 26 May 2018.

The warrants were granted with a fair value of €19,728.28 (£16,488.24). The fair value was calculated using the Black-Scholes valuation model.

The inputs into the Black-Scholes valuation model were as follows:

**Grant 13 May 2016**

Weighted average share price at date of grant (in pence)	2p
Weighted average exercise price (in pence)	5p
Expected volatility	48%
Expected life	2 years
Risk free rate	0.5%
Expected dividends	none

Expected volatility was determined by the movement in share prices over the years.

7. The Interim Report for the six months to June 30<sup>th</sup> 2016 was approved by the Directors on 28<sup>th</sup> September 2016.
8. The Interim Report will be available on Connemara Mining Company Plc's website [www.connemaramining.com](http://www.connemaramining.com)