

26th September 2017

**Connemara Mining Company plc
("Connemara" or "the Company")**

Interim Statement for the period ended 30 June 2017

This is a good time to be in zinc exploration and a good time to have ground in Ireland. This is a good time, we believe, to be shareholder in Connemara which holds highly prospective licences in both zinc and gold across one of the best rated jurisdictions for exploration and mining in Europe.

Zinc

Zinc has been the best performing metal on the London Metal Exchange in the past 18 months almost doubling in price. At over \$3,000 a ton the zinc price makes zinc mining a profitable venture and it enhances the value of good exploration ground. Historically, Ireland has been a very good location in which to prospect for zinc. The geology is positive and title is secure. There is political stability, good infrastructure and all of the ancillary services required. The above explains the recent rush of Canadian and Australian explorers into Ireland mainly prospecting for zinc.

We believe Connemara has good zinc exploration ground and the Company holds 19 licences, almost all in the well-established North East and South West limestone based trend. In the recent past we have added seven new licences; five in Derrykearn, close to the closed Lisheen/Galmoy mines; and two are in West Cork surrounding a closed barite mine and where historical base metal anomalies (Zn-Pb-Cu) have been sampled.

We have two joint ventures on 11 zinc licences – six with Group Eleven at Stonepark in Limerick and five with Teck at the Oldcastle project in Meath/Cavan.

Group Eleven, a private, but soon to be listed, Canadian company, recently acquired the 76.56% shareholding in TILZ, the joint venture company drilling the Stonepark project, held by Teck Ireland Limited ("Teck"). Stonepark, discovered by Connemara/Teck in 2007, has three high grade pods of zinc adjacent to the large Glencore discovery in Pallas Green. To date 135 holes have been drilled but more are needed. Group Eleven have stated that Stonepark is a priority target.

Our second joint venture is a Teck earn-in in the Oldcastle area. Teck have had limited resources to spend on drilling. The targets are deep and costly. The few holes drilled have had limited success but more are needed. The geology is similar to that in the large Tara zinc mine, 30 km away. Teck is earning into a 75% interest by spending €1.35 million. They should meet this target within the near future.

We are working on the Derrykearn block of five licences and the Rapla licence in the same area. A full and detailed review of all historical data has been completed and has thrown up interesting possibilities. We have had initial discussions with potential partners and will have more.

Gold

We are very active on our gold properties. We hold 11 licences in Inishowen, Donegal, where a short drilling campaign recently began. We hold five licences in Wicklow/Wexford which have been in joint venture for some years. We are in advanced negotiations with Hendricks Resources, our joint venture partner, on changes to the joint venture and we expect to make an announcement shortly.

We believe the Inishowen gold project is an exciting prospect. This round of drilling is expected to build on the success of the initial discovery in April 2016 where 3.05m grading at 5.8g/t Au was discovered in hole 3 at 23.05m. In June 2016 a further 643m was drilled over 4 holes targeting the veins from the north drilling south. A high-grade zone was intercepted at 8.13m at a steeper angle of 70 degrees grading 4.82m at 5.48g/t Au. The zone was not located in the step back drilling further from the north. The latest drilling is targeting the veins by drilling from the south in order to establish the geometry of the gold-bearing features.

In addition, more detailed structural data in the surrounding area will be collected that may assist expert analysis to direct further drill programmes. New targets identified from compilation work will also be investigated over the northern part of the project area.

Corporate

There has been significant activity on the corporate front. The board appointed Patrick Cullen, who brings 20 years' experience in mining and exploration, as Chief Executive Officer (non-board position) to bring fresh eyes and new vigour to our projects. He has already made progress.

We raised £200,000 in a small private placing with existing shareholders to fund our ongoing activities.

We have met with Paul Johnson who has acquired in excess of ten percent of the Company. The meetings were constructive and led to an increased focus on how to spread the message that Connemara offers an exciting opportunity to participate in the strong zinc and gold exploration sector.

Information on Connemara Mining

Connemara is a diversified exploration company with principal assets in gold and zinc exploration licences across Ireland. Connemara holds interests in a total of 35 licences, including joint ventures with: Teck at the Oldcastle Zinc Project; Group Eleven Resources at the Stonepark Zinc Project; and with Hendrick Resources at Mine River Gold Project. Of these, 19 are 100% owned by Connemara while joint venture partners have earned in or are earning in on the remainder.

This announcement has been reviewed and approved by Gavin Berkenheger (CGeol) in his capacity as the Qualified Person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange.

John Teeling

Chairman

25th September 2017

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

ENDS

Enquiries:**Connemara Mining Company Plc**

John Teeling, Chairman +353 (0) 1 833 2833

Jim Finn, Director

Patrick Cullen, CEO +353 (0) 87 272 1748

+44 (0) 7552 378 208

Northland Capital Partners Limited

Matthew Johnson / Gerry Beaney +44 (0) 203 861 6625

John Howes / Bonnie Hughes (Broking)

Blytheweigh +44 (0) 207 138 3204

Nick Elwes +44 (0) 783 185 1855

Camilla Horsfall +44 (0) 781 784 1793

Teneo PSG

Luke Hogg +353 (0) 1 661 4055

Alan Tyrrell +353 (0) 1 661 4055

www.connemaramc.com

Connemara Mining Company plc
Financial Information (Unaudited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months Ended		Year Ended
	30 June 17	30 June 16	31 Dec 16
	unaudited	unaudited	audited
	€'000	€'000	€'000
Continuing Operations			
Administrative expenses	(95)	(96)	(196)
OPERATING LOSS	(95)	(96)	(196)
Investment revenue	0	0	0
LOSS BEFORE TAXATION	(95)	(96)	(196)
Income tax expense	0	0	0
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME	<u>(95)</u>	<u>(96)</u>	<u>(196)</u>
LOSS PER SHARE - basic and diluted	<u>(0.13c)</u>	<u>(0.16c)</u>	<u>(0.29c)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	30 June 17	30 June 16	31 Dec 16
	unaudited	unaudited	audited
	€'000	€'000	€'000
NON-CURRENT ASSETS			
Intangible Assets	2,726	2,583	2,698
CURRENT ASSETS			
Other receivables	32	25	14
Cash and cash equivalents	94	495	163
	<u>126</u>	<u>520</u>	<u>177</u>
TOTAL ASSETS	<u>2,852</u>	<u>3,103</u>	<u>2,875</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	(514)	(570)	(442)
NET CURRENT LIABILITIES	<u>(388)</u>	<u>(50)</u>	<u>(265)</u>
NET ASSETS	<u>2,338</u>	<u>2,533</u>	<u>2,433</u>
EQUITY			
Share Capital	758	758	758
Share Premium	5,064	5,064	5,064
Reserves	(3,484)	(3,289)	(3,389)
TOTAL EQUITY	<u>2,338</u>	<u>2,533</u>	<u>2,433</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called-up Share Capital €'000	Share Premium €'000	Retained Deficit €'000	Total €'000
As at 1 January 2016	558	4,809	(3,193)	2,174
Issue of shares	200	279		479
Share issue expenses		(24)		(24)
Loss for the period			(96)	(96)
As at 30 June 2016	<u>758</u>	<u>5,064</u>	<u>(3,289)</u>	<u>2,533</u>
Loss for the period			(100)	(100)
As at 31 December 2016	<u>758</u>	<u>5,064</u>	<u>(3,389)</u>	<u>2,433</u>
Loss for the period			(95)	(95)
As at 30 June 2017	<u><u>758</u></u>	<u><u>5,064</u></u>	<u><u>(3,484)</u></u>	<u><u>2,338</u></u>

CONDENSED CONSOLIDATED CASH FLOW

	Six Months Ended		Year Ended
	30 June 17	30 June 16	31 Dec 16
	unaudited	unaudited	audited
	€'000	€'000	€'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year	(95)	(96)	(196)
Exchange movements	1	0	12
	<u>(94)</u>	<u>(96)</u>	<u>(184)</u>
Movements in working capital	54	148	31
CASH USED BY OPERATIONS	<u>(40)</u>	<u>52</u>	<u>(153)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(40)</u>	<u>52</u>	<u>(153)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation	(28)	(132)	(247)
NET CASH USED IN INVESTING ACTIVITIES	<u>(28)</u>	<u>(132)</u>	<u>(247)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares	0	479	479
Share issue expenses	0	(24)	(24)
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>0</u>	<u>455</u>	<u>455</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(68)	375	55
Cash and Cash Equivalents at beginning of the period	163	120	120
Effects of exchange rate changes on cash held in foreign currencies	(1)	0	(12)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>94</u></u>	<u><u>495</u></u>	<u><u>163</u></u>

Notes:**1. INFORMATION**

The financial information for the six months ended 30 June 2017 and the comparative amounts for the six months ended 30 June 2016 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 2016.

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 2016, which are available on the Company's website www.connemaramc.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 17	30 June 16	31 Dec 16
	€	€	€
Loss per share – Basic and Diluted	<u>(0.13c)</u>	<u>(0.16c)</u>	<u>(0.29c)</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:

	€'000	€'000	€'000
Loss for the year attributable to equity holders of the parent	<u>(95)</u>	<u>(96)</u>	<u>(196)</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>75,789,711</u>	<u>61,042,615</u>	<u>68,498,396</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 17	30 June 16	31 Dec 16
	€'000	€'000	€'000
Exploration and evaluation assets:			
Cost at 1 January	2,698	2,451	2,451
Additions	28	132	247
Closing Balance	<u>2,726</u>	<u>2,583</u>	<u>2,698</u>

The above represents expenditure on projects in Ireland.

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 2016 Teck had completed €1,064,403 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 2017 was owned 23.44% (31 December 2016: 23.44%) by Limerick Zinc Limited and 76.56% (31 December 2016: 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.

On 13 September 2017 the Company was informed that Group Eleven Resources Corp (G11), a private company, had acquired the 76.56% interest held by Teck Ireland in TILZ Minerals. Further information is detailed in Note 6 below.

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 2017, 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 17 €'000	30 June 16 €'000	31 Dec 16 €'000
Authorised:			
200,000,000 ordinary shares of €0.01 each	2,000	2,000	2,000
Allotted, Called Up and Fully Paid:			
	Number	Share Capital €'000	Share Premium €'000
Balance at 1 January 2016	55,779,711	558	4,809
Issued during the period	20,010,000	200	279
Share issue expenses	-	-	(24)
Balance at 30 June 2016	75,789,711	758	5,064
Issued during the period	-	-	-
Balance at 31 December 2016	75,789,711	758	5,064
Issued during the period	-	-	-
Balance at 30 June 2017	75,789,711	758	5,064

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. POST BALANCE SHEET EVENTS

Placing

On 15 August 2017 the Company raised a total of £200,000 by way of a placing of 7,848,837 new ordinary shares at a price of 1.72p per share and directors' subscribing to 3,779,070 new ordinary shares at a price of 1.72p per share.

For each share placed and subscribed for, the investors also received one warrant to subscribe for an additional new ordinary share at a price of 3.4p per share at any time until 15 August 2019.

Group 11 Resources Corp.

On 13 September the board of Connemara Mining Company plc announced that Group Eleven Resources Corp. ("G11"), a private company, has acquired the 76.56% interest held by Teck Ireland ("Teck") in TILZ Minerals, the joint venture company, which holds six (6) prospecting licences covering the Stonepark zinc project in Limerick, Ireland. Connemara owns the remaining 23.44%.

G11 is a private Canadian company with extensive base metal licence holdings in Ireland. MAG Silver Corp. and Teck Resources (both listed Canadian companies) hold 22.0% and 6.3% respectively of the equity on a fully diluted basis. G11 have announced that they are preparing to list publicly in Canada later in 2017.

Consideration for the Acquisition

Consideration for the above acquisition by G11 of the Teck stake is summarised below:

- C\$2,150,000 in cash - Paid
- Net smelter return (NSR) royalty of 4.5% (on 76.56% of production) with buy-back provisions:
 - 0.5% for C\$2,000,000 – at any time
 - 1.0% for C\$1,000,000 – on delivery of a preliminary economic assessment (PEA)
 - 1.0% for C\$1,000,000 – on delivery of a preliminary feasibility study (PFS)
 - 1.0% for C\$3,000,000 – on delivery of a bankable feasibility study (BFS)

This would leave Teck with a 1.0% NSR if all buy-back provisions were exercised.

Connemara was offered equivalent terms as above and if Connemara had chosen to sell then the consideration for Connemara's stake (assuming all buybacks were exercised) would be C\$2.80 million and an NSR of 1% on 23.44% of production.

Following discussions with G11 the board of Connemara decided to retain its 23.44% interest rather than sell on the same terms as Teck.

7. The Interim Report for the six months to June 30th 2017 was approved by the Directors on 25th September 2017

8. The Interim Report will be available on Connemara Mining Company Plc's website www.connemaramc.com