



**Connemara Mining  
Company Plc**

**Interim Report 2013**

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## Interim Statement for the period ended 30 June 2013

The Great Recession is ending. Stock Exchange Indices are at all time highs. It is only a matter of time before interest returns to the bombed out junior resources sector. When it does early investors will look very good.

Connemara is an explorer focused on zinc and gold in Ireland. The company has three active exploration programmes in Oldcastle, Meath and Stonepark, Limerick for zinc and in the Wicklow/Wexford hills for gold. The two zinc projects are joint ventures with Teck, one of the world's largest zinc producers. The gold project is joint ventured with Hendrick Resources a private Canadian company controlled by Dale Hendrick. Teck have to spend €1.35m to earn a 75% interest in the Oldcastle licences. To date they, as operator, have spent less than half of that. Operator of the Stonepark project, consisting of six licences, Teck, have spent about €6.2 million while Connemara have spent €1.32 million. Currently Teck own 76.2%; if Connemara does not contribute to spending its interest is diluted. The gold joint venture is at an earlier stage. Hendrick can earn a 51% interest in the licences by spending €500,000 and a 75% interest by spending a further €500,000. They have spent about €150,000.

Gold in Wicklow/Wexford is looking very good. Work done by Hendricks confirms their belief in a significant trend running down the Wicklow hills. The five Connemara licences in the area show excellent potential. Our ground at Tombreen and Knocknalour has been shown to be part of a more extensive mineralised system extending across a 10 KM length. Earlier work by Connemara produced gold results including 19.9 g/t over 0.4 metre. Recent soil and outcrop sampling including one outcrop sample of 7.5 g/t, extends the zone east and west. Drilling will commence in months. There is also a possibility of some corporate activity on these licences.

Ireland is one of the best places in the world to find zinc. Connemara has, we believe, good ground. Teck, our partner, is one of the best, if not the best, zinc miner in the world. We have been geologically successful in Stonepark and we are optimistic about Oldcastle. Joint ventures with multinationals have the advantages of access to the best technology while stretching scarce funds. There are also disadvantages. Large multinationals have timescales far longer than junior explorers. They spend money in ways a junior would rarely contemplate while their approach and programmes might not be in the best interest of the shareholders of the junior partner. Oldcastle exploration is part of a much larger midlands regional programme involving Reflection Seismic plus the use of a new technique called Adrok Virtual Drilling. It is expected that drill targets will be identified on our block for drilling in late 2013 or 2014. These targets will be deep. Teck is currently earning in so there is no cost to Connemara. Stonepark is essentially on hold. The ground is being maintained in good standing while options are being reviewed. Stonepark continues to have significant potential for Connemara.

Our joint ventures mean that Connemara has active exploration programmes without any fixed financial commitments. The importance of this in the current markets cannot be overestimated. There is almost no retail buying interest in the Resource Sector of the Alternative Investment Market (AIM). Good news announcements are opportunities to sell. Raising new money, which is the life blood of explorers, is virtually non existent.

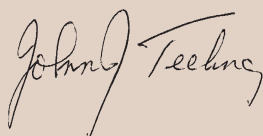
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Funds have no investment interest while private investors are scared. The result is that directors, family and friends are the principal sources of new money. So it is with Connemara. We raised £451,000 in early 2013, mainly from directors and family with one significant outside investor. The funds are being used to meet liabilities and to fund the on-going costs of maintaining a listed company.

### **Conclusion**

To take full advantage of the future turnaround in the fortunes of junior explorers requires projects, funding and patience. Connemara has the projects. We believe gold and zinc have excellent potential. Gold will remain a store of value while emerging market demand ensures significant growth for zinc. Ireland is good for zinc and gold is at an early stage of renaissance. We have good ground and good results.

**John Teeling**  
**Chairman**

A handwritten signature in black ink that reads "John Teeling". The signature is written in a cursive style with a large, sweeping initial 'J'.

20th September 2013

# Financial Information (unaudited)

	Six Months Ended		Year Ended
	30 June 13 unaudited €'000	30 June 12 unaudited €'000	31Dec 12 audited €'000
<b>Condensed Consolidated Statement of Comprehensive Income</b>			
<b>Continuing Operations</b>			
Administrative expenses	(191)	(177)	(324)
<b>OPERATING LOSS</b>	(191)	(177)	(324)
Investment revenue	1	1	1
<b>LOSS BEFORE TAXATION</b>	(190)	(176)	(323)
Income tax expense	-	-	-
<b>LOSS FOR THE PERIOD</b>	(190)	(176)	(323)
<b>LOSS PER SHARE - basic and diluted</b>	(0.64c)	(0.69c)	(1.26c)

	30 June 13 unaudited €'000	30 June 12 unaudited €'000	31Dec 12 audited €'000
<b>Condensed Consolidated Balance Sheet</b>			
<b>NON CURRENT ASSETS</b>			
Intangible Assets	2,273	2,253	2,253
<b>CURRENT ASSETS</b>			
Other receivables	13	31	23
Cash and cash equivalents	409	252	165
	422	283	188
<b>TOTAL ASSETS</b>	2,695	2,536	2,441
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(337)	(361)	(413)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	85	(78)	(225)
<b>NET ASSETS</b>	2,358	2,175	2,028
<b>EQUITY</b>			
Share Capital	357	257	257
Share Premium	4,525	4,105	4,105
Reserves	(2,524)	(2,187)	(2,334)
<b>TOTAL EQUITY</b>	2,358	2,175	2,028

# Financial Information (unaudited)

## 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 2012</b>	257	4,105	56	(2,067)	2,351
Loss for the period				(176)	(176)
<b>As at 30 June 2012</b>	257	4,105	56	(2,243)	2,175
Loss for the period				(147)	(147)
<b>As at 31 December 2012</b>	257	4,105	56	(2,390)	2,028
Shares issued	100	438	-	-	538
Share issue expenses	-	(18)	-	-	(18)
Loss for the period	-	-	-	(190)	(190)
<b>As at 30 June 2013</b>	357	4,525	56	(2,580)	2,358

	Six Months Ended 30 June 13 unaudited €'000	30 June 12 unaudited €'000	Year Ended 31 Dec 12 audited €'000
<b>Condensed Consolidated Cash Flow</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year	(190)	(176)	(323)
Investment revenue	(1)	(1)	(1)
Exchange movements	2	(8)	(6)
	(189)	(185)	(330)
Movements in working capital	(66)	(79)	(19)
<b>CASH USED BY OPERATIONS</b>	(255)	(264)	(349)
Investment revenue	1	1	1
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(254)	(263)	(348)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation	(20)	(155)	(155)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(20)	(155)	(155)
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of equity shares	538	-	-
Share issue costs	(18)	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	520	-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	246	(418)	(503)
Cash and Cash Equivalents at beginning of the period	165	662	662
Effects of exchange rate changes on cash held in foreign currencies	(2)	8	6
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	409	252	165

## Notes

### 1. Information

The financial information for the six months ended June 30th, 2013 and the comparative amounts for the June 30th, 2012 are unaudited. The financial information above does not constitute full statutory accounts within the meaning of section 148 of the Companies Act 1963.

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the Group 2012 Annual Report, which is available at [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 13	30 June 12	31 Dec 12
	€	€	€
Loss per share – Basic and Diluted	(0.64c)	(0.69c)	(1.26c)

#### 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	(190,457)	(176,374)	(322,988)
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Weighted average number of ordinary shares for the purpose of basic earnings per share	29,578,588	25,709,711	25,709,711
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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 13	30 June 12	31 Dec 12
	€'000	€'000	€'000
Exploration and evaluation assets:			
Cost at 1 January	2,253	2,098	2,098
Additions	20	155	155
Closing Balance	2,273	2,253	2,253

The above represents expenditure on projects in Ireland. Included in the Group intangible assets is €5,000 (2012: €22,800) of directors' remuneration which was capitalised during the year.

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 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 is owned 23.8% by Connemara Mining Company plc and 76.2% by Teck Cominco. The Group's share of expenditure on the licences continues to be capitalised as an exploration and evaluation asset.

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;

- Geological, 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 2013, the directors are satisfied that the value of the intangible asset is not less than carrying value.

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**5. Share Capital and Share Premium**

	<b>30 June 13</b>	<b>30 June 12</b>	<b>31 Dec 12</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Authorised:</b>			
200,000,000 ordinary shares of €0.01 each	2,000	2,000	2,000
	<hr/>	<hr/>	<hr/>
<b>Allotted, Called Up and Fully Paid:</b>	<b>Number</b>	<b>Share Capital</b>	<b>Share Premium</b>
		<b>€'000</b>	<b>€'000</b>
Balance at 1 January 2012	25,709,711	257	4,105
	-	-	-
<b>Balance at 30 June 2012</b>	<b>25,709,711</b>	<b>257</b>	<b>4,105</b>
	-	-	-
<b>Balance at 31 December 2012</b>	<b>25,709,711</b>	<b>257</b>	<b>4,105</b>
Issued during period	10,030,000	100	438
Less share issue expenses	-	-	(18)
<b>Balance at 30 June 2013</b>	<b>35,739,711</b>	<b>357</b>	<b>4,525</b>

On 8 April 2013, 1,000,000 options were exercised at a price of 1 cent per share.

On 22 April 2013, 9,030,000 shares were issued at a price of 5p per share to provide additional working capital and fund development costs.

6. The Interim Report for the six months to June 30th 2013, was approved by the Directors on 19 September 2013.
7. Copies of the interim report will be sent to shareholders and will be available for inspection at the Company's Registered Office at 162 Clontarf Road, Dublin 3, Ireland. The Interim Report will also shortly be available for viewing on Connemara Mining Company Plc's website at [www.connemaramining.com](http://www.connemaramining.com)

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