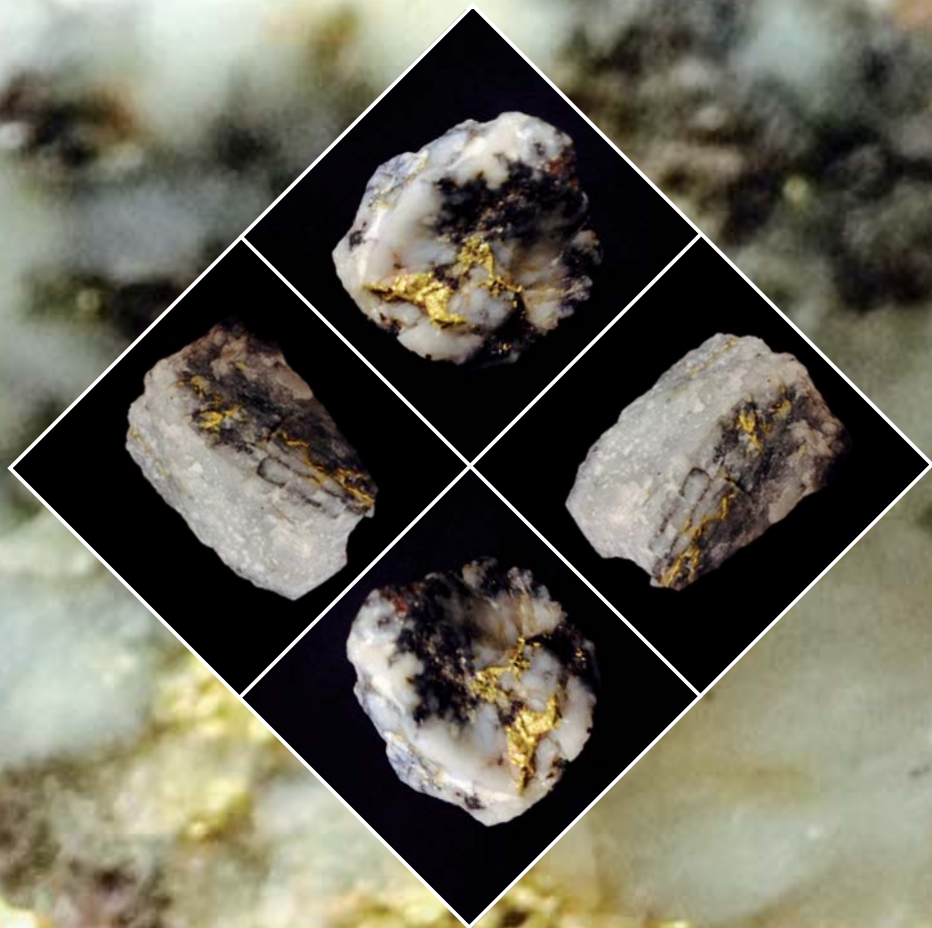


# Connemara Mining Company Plc



**Interim Statement**  
for the period ended 30 June 2014

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## **Interim Statement for the period ended 30 June 2014**

Connemara has continued to examine, select and apply for exploration acreage in Ireland. This despite a private buyers strike on the AIM Market for junior exploration companies. Lack of buying and investing interest makes funding very difficult even at very low prices. One has to believe that investors at current prices will do very well when the cycle turns and explorers, once again, become fashionable. A low share price, a reasonable balance sheet, good projects and an AIM listing underpin the investment case for shareholders in Connemara.

Connemara does very well with limited resources. Our two joint ventures with Teck, in Stonepark Limerick and Oldcastle, allows us to participate at minimal cost in big exploration programmes. Teck has reduced zinc exploration in Ireland. In Stonepark, Teck are spending €140,000 to refine what they know. Connemara is contributing 23% towards this budget. In the Oldcastle area, active geophysics and geochemical programmes have led to the identification of drill targets. We are hoping that at least one hole will be drilled this year. Teck have to spend a further €750,000 to earn a 75% interest – this before we have to contribute.

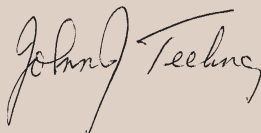
There are signs of activity in the gold sector in Ireland. Dalradian have raised \$20 million for trial mining in Tyrone. Galantas are looking for funds to expand their small mine near Omagh. Hendricks, our partner in Wicklow/Wexford, continues to do geophysics to better define drill targets. Here too, we are hopeful of some drilling by year end. Hendricks are spending €1 million on our ground to earn a 75% interest. They have spent about €400,000.

We have been active in obtaining new ground. The gold licences in Donegal looked good on paper but the results to date are not exciting. We actively sought licences in the Lisheen/Galmoy zinc mines area. We were awarded one. This block is prospective for zinc.

We continue to review other opportunities as they become available. Recent proposals have not been pursued for differing reasons. Connemara will raise fresh funds to cover overhead and essential working capital to keep the company operating.

The cycle is slowly turning in our favour. Zinc demand now exceeds supply thus putting pressure on zinc prices which are rising. Investors are buying into producers or near producers. The explorers turn is later in the cycle. We are ready.

**John Teeling**  
**Chairman**



17th September 2014

# Financial Information (unaudited)

	Six Months Ended 30 June 14 unaudited €'000	30 June 13 unaudited €'000	Year Ended 31Dec 13 audited €'000
<b><u>Condensed Consolidated Statement of Comprehensive Income</u></b>			
<b>Continuing Operations</b>			
Administrative expenses	(141)	(191)	(349)
<b>OPERATING LOSS</b>	(141)	(191)	(349)
Investment revenue	1	1	1
<b>LOSS BEFORE TAXATION</b>	(140)	(190)	(348)
Income tax expense	-	-	-
<b>LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME</b>	(140)	(190)	(348)
<b>LOSS PER SHARE - basic and diluted</b>	(0.39c)	(0.64c)	(1.06c)

	30 June 14 unaudited €'000	30 June 13 unaudited €'000	31Dec 13 audited €'000
<b><u>Condensed Consolidated Balance Sheet</u></b>			
<b>NON CURRENT ASSETS</b>			
Intangible Assets	2,328	2,273	2,290
<b>CURRENT ASSETS</b>			
Other receivables	28	13	25
Cash and cash equivalents	37	409	65
	65	422	90
<b>TOTAL ASSETS</b>	2,393	2,695	2,380
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(333)	(337)	(180)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	(268)	85	(90)
<b>NET ASSETS</b>	2,060	2,358	2,200
<b>EQUITY</b>			
Share Capital	357	357	357
Share Premium	4,525	4,525	4,525
Reserves	(2,822)	(2,524)	(2,682)
<b>TOTAL EQUITY</b>	2,060	2,358	2,200

# 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 2013</b>	257	4,105	56	(2,390)	2,028
Shares issued	100	438	-	-	538
Share issue expenses	-	(18)	-	-	(18)
Options exercised	-	-	(6)	6	-
Loss for the period				(190)	(190)
<b>As at 30 June 2012</b>	357	4,525	50	(2,574)	2,358
Loss for the period				(158)	(158)
<b>As at 31 December 2013</b>	357	4,525	50	(2,732)	2,200
Loss for the period	-	-	-	(140)	(140)
<b>As at 30 June 2014</b>	357	4,525	50	(2,872)	2,060

	Six Months Ended 30 June 14 unaudited €'000	30 June 13 unaudited €'000	Year Ended 31 Dec 13 audited €'000
<b>Condensed Consolidated Cash Flow</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year	(140)	(190)	(348)
Investment revenue	(1)	(1)	(1)
Exchange movements	(1)	2	4
	(142)	(189)	(345)
Movements in working capital	150	(66)	(235)
<b>CASH USED BY OPERATIONS</b>	8	(255)	(580)
Investment revenue	1	1	1
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	9	(254)	(579)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation	(38)	(20)	(37)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(38)	(20)	(37)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity shares	-	538	538
Share issue costs	-	(18)	(18)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	-	520	520
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(29)	246	(96)
Cash and Cash Equivalents at beginning of the period	65	165	165
Effects of exchange rate changes on cash held in foreign currencies	1	(2)	(4)
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	37	409	65

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## Notes

### 1. Information

The financial information for the six months ended June 30th, 2014 and the comparative amounts for the June 30th, 2013 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 2013 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 14	30 June 13	31 Dec 13
	€	€	€
Loss per share – Basic and Diluted	(0.39c)	(0.64c)	(1.06c)

#### 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	(140,436)	(190,457)	(348,199)
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Weighted average number of ordinary shares for the purpose of basic earnings per share	35,739,711	29,578,588	32,700,369
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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 14	30 June 13	31 Dec 13
	€'000	€'000	€'000
<b>Exploration and evaluation assets:</b>			
Cost at 1 January	2,290	2,253	2,253
Additions	38	20	37
Closing Balance	2,328	2,273	2,290

The above represents expenditure on projects in Ireland. Included in the Group intangible assets is €5,000 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, which at 30 June 2014 was owned 100% by Connemara Mining Company of Ireland Limited.

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 2014 was owned 23.79% (2013: 23.79%) by Limerick Zinc Limited and 76.21% (2013: 76.21%) 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. As a result of the Group's decision not to meet cash calls in 2012, its interest in TILZ Minerals Limited was diluted from 25% to 23.79%.

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 2014, 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 14 €'000	30 June 13 €'000	31 Dec 13 €'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 2013</b>	25,709,711	257	4,105
Issued during period	10,030,000	100	438
Less share issue expenses	-	-	(18)
<b>Balance at 30 June 2013</b>	35,739,711	357	4,525
	-	-	-
<b>Balance at 31 December 2013</b>	35,739,711	357	4,525
	-	-	-
<b>Balance at 30 June 2014</b>	35,739,711	357	4,525

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.

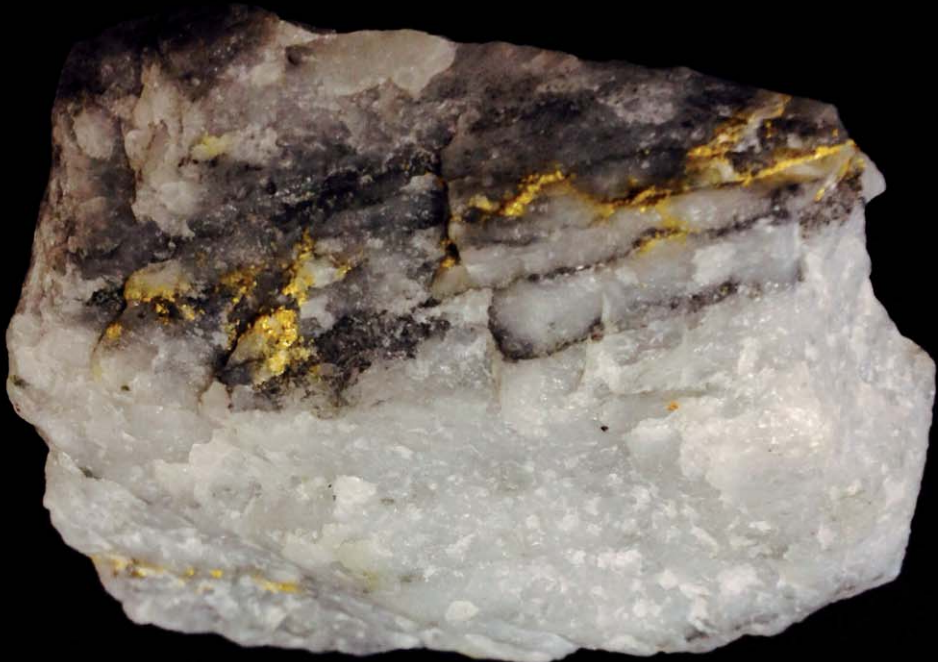
6. The Interim Report for the six months to June 30th 2014, was approved by the Directors on 16th September 2014.
7. Copies of the interim report will be sent to shareholders and will be available for inspection at the Companies Registered Office at 162 Clontarf Road, Dublin 3, Ireland. The Interim Report 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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**Connemara Mining is listed on AIM in London (AIM: CON.L)**



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