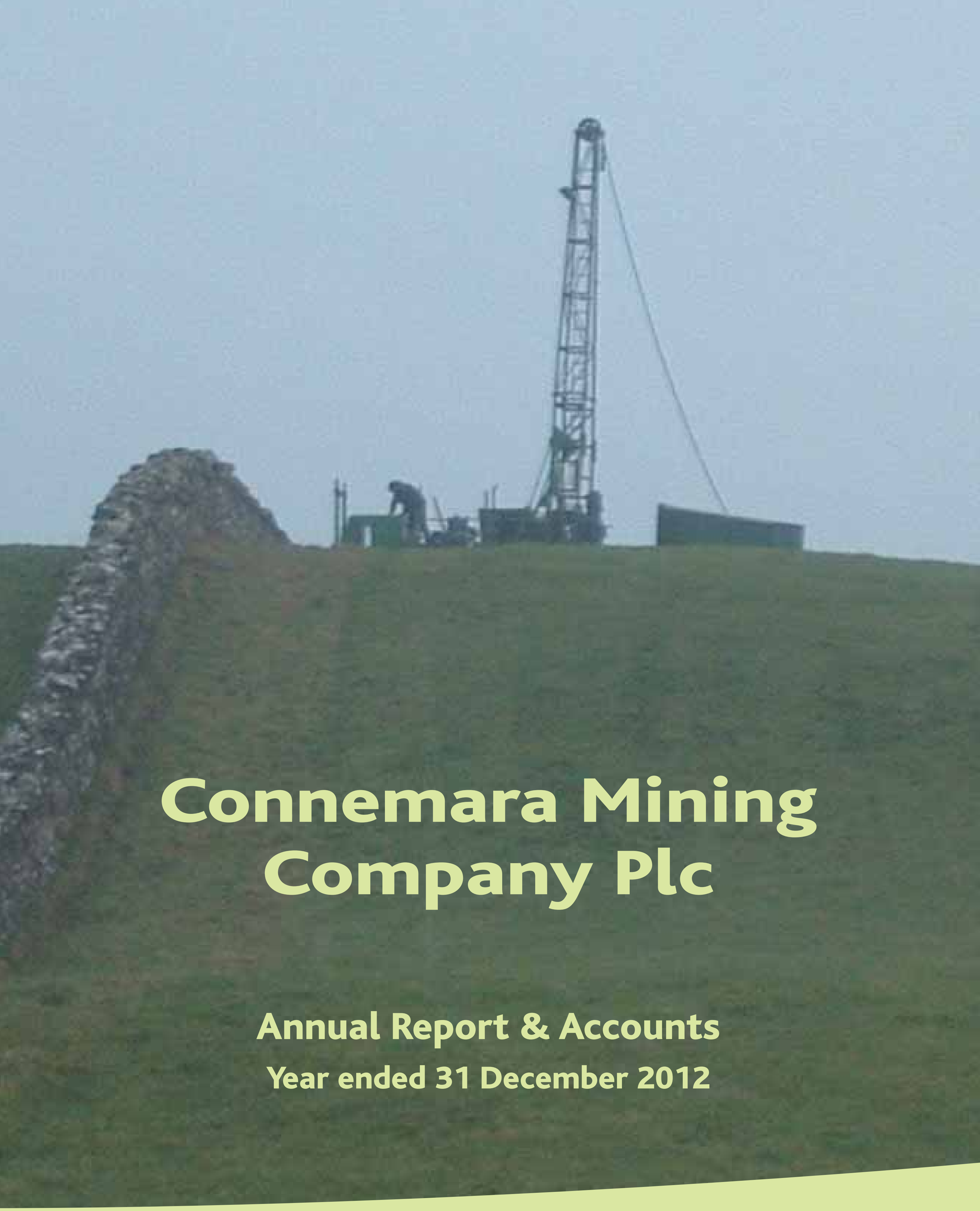

Connemara Mining Company Plc

Annual Report & Accounts

Year ended 31 December 2012

Contents

Chairman's Statement

Over the past year the operating conditions for junior explorers have grown more challenging, but we believe the fundamentals for Connemara are still sound. Apart from our existing ground portfolio, the Company is well placed and has the experience to take advantage of the opportunities that will emerge in a sector struggling to attract the necessary investment to transform quality exploration targets into minable resources.

Connemara is an explorer focused on zinc and gold in Ireland. More zinc per square kilometre has been discovered in Ireland than in any other country. Two of the largest zinc mines in the world, Tara and Lisheen, operate in the country while there have been three recent zinc discoveries at Stonepark, Pallas Green and Kilbricken, all in the Limerick region in the southwest of the country.

The best place to find a mine is where there is or was a mine. Connemara following this mining mantra is an exploration company focused on zinc exploration with the addition of a number of exciting gold licences.

Why zinc? It lacks the allure of gold or the mystery and romanticism of diamonds, but it is a product with excellent supply demand fundamentals. Zinc is used in every day products but the big demand driver is the growth in global galvanised steel for construction purposes. Demand in the emerging markets is growing and will continue to grow. Overall world demand is expected to grow by 4% annually. Meanwhile supply is sluggish. Forecast closures amount to 15% of current world supply and there is a lack of new mines to take up the slack. The net effect is an expected gap in supply to 2020 with consequent upward pressure on prices. Connemara was formed opportunistically. A group of experienced zinc explorers saw good quality Irish exploration ground become available. Ground was acquired in Limerick adjacent to what became the Xstrata Pallas Green zinc discovery. Connemara in partnership with Teck Resources Limited ("Teck") of Canada, in 2007 made a zinc discovery at Stonepark on this block of Limerick ground.

Ground was also acquired adjacent to the Lisheen mine in Tipperary. Drilling on this ground has been inconclusive. A block of five licences, the Oldcastle Block, in Meath/Cavan, with signatures analogous to the Tara geology, was acquired. A suite of 11 holes were drilled with positive results. This block is now operated in partnership with Teck who are conducting an extensive exploration campaign.

The early focus of the company was on the 16 licence block in Limerick covering Stonepark and Newcastlewest in joint venture with Teck. They made an exciting discovery at Stonepark in 2007, which was followed up by two subsequent discoveries at Stonepark North in 2009 and Stonepark West in 2011. Some of the discovery holes contained world class zinc grades – some in excess of 30% combined lead and zinc.

The initial enthusiasm was fuelled by the on-going discoveries at Pallas Green, owned now by Xstrata, less than 5 km away. The 2009 and 2011 Stonepark discoveries raised the hope that the three zones would join into one significant orebody. Typically Irish zinc orebodies come in zones or lenses and do not join up. This makes mining very expensive. But zones can be big enough or more importantly rich enough to make an average mining grade delivered to the mill a viable proposition.

Teck has drilled over 150 km in 143 holes to date at Stonepark, but to date, an orebody of sufficient size and grade has not been identified. By way of example, it is suggested that the adjacent Pallas Green discovery needs an orebody of 28 million tons grading 11.5% combined lead and zinc. Mining majors need big mines.

A detailed review by Teck led to the drilling of a very deep and very expensive hole in 2012 to test if the orebody existed under the basalt which covers much of the block. The hole failed to reach its target.

Over €7 million has been spent to date on the Stonepark target. Connemara had a 25% carried interest through most of this but now must contribute or dilute. We believe strongly that there remains significant potential on the block. The mineralised system is large 6 km X 14 km and there are multiple zones of mineralisation, which need to be drilled. Teck, as operator take a different view. As announced on 20 November 2012, we have declined to contribute to current expenditure flows which if they go ahead will dilute our interest to 23.5%. We will continue to press our case for an alternative approach to exploration.

The other 10 licences as part of the original block are known as the Newcastlewest Block. Teck explored and drilled enough to keep the ground in good standing. It had a number of mineralised zones in their drill holes but took the decision to relinquish the block back to Connemara. Our geologists evaluated the data and highlighted five priority licences which we have retained. The remaining five licences have been dropped. We have had discussions with a view to finding a joint venture partner for these licences but to date nothing has been finalised.

Moving north from Limerick we hold three licences near the Lisheen zinc mine. We have undertaken extensive geophysical and geochemical work on the ground and identified 15 drill holes. We drilled four holes with no success. We may find a partner to drill out the remaining targets.

Further north again we hold the five licence Oldcastle block which lies 20 km from the giant Tara mine. This area has been prospective for decades and was drilled in the early 1970's with some success. In 2008 we drilled 11 holes and found extensive low grade zinc lead mineralisation. Further drilling was needed but the largest zones are deep and each hole expensive. During the year, we entered into a joint venture agreement for the block with Teck who hold extensive ground to the south of Oldcastle. Teck must spend €1.35 million to earn 75% interest in the block. An extensive geophysical and geochemical programme using innovative techniques is ongoing. Drilling is anticipated later in 2013.

The attractiveness of the Oldcastle block is being enhanced by ongoing high grade discoveries at depth by Boliden, the owner of Tara is working its way in the direction of Oldcastle. To the northwest of Oldcastle, Lundin Mining is reputed to have uncovered high grade zinc in recent drillings.

Gold

While zinc and lead are the primary focus of Connemara, we maintained an ongoing interest in gold. Gold was mined lightly in Ireland over one thousand years ago. Intrepid explorers have continued to explore in the Wicklow Hills, in Monaghan and in Tyrone. Recently there has been some success, predominately in the northern part of the country. A small mine now operates in Omagh, a Canadian company is reported to have a 2.7 million ounce deposit in Tyrone and an Irish company has reported extensive low grade gold mineralisation along the border counties.

Connemara focused on the east coast of Ireland – the Wicklow/Wexford area. It was in this area that the biggest and most famous gold mine operated – the Avoca Gold Mine. First discovered in 1796 and followed by a gold rush, there has been continuous panning in the rivers. Numerous companies have explored but the source of the gold has never been found.

Connemara's geologists acquired and analysed an extensive data base and selected five licences. A private Canadian company Hendrick Resources Ltd ("HRI") has acquired a significant number of licences in Wicklow/Wexford and entered into a joint venture with Connemara to spend €1 million to earn 75%. HRI see similarities in the area to the Hemlo gold area in Canada. In the last 18 months they have concluded extensive aero magnetic surveys which are being followed up by detailed soil sampling, prospecting and lithogeochemical sampling. Results reported to date show attractive features on three of the five Connemara licences. We expect a drilling programme later in 2013.

Future

In common with most junior explorers, Connemara has suffered in the market place. The Company has a paltry market capitalisation, which the board believes does not reflect the potential. A minimal market capitalisation makes funding very dilutive. Further, in the present environment it is difficult to fund even at low prices. Connemara is fortunate in that it has few fixed expenses; our gold and Oldcastle zinc programs are fully funded, while work on the Stonepark block is funded by Teck, though diluting Connemara. The alternative of raising outside capital to fund this programme would have a greater dilutive impact on shareholders. We are in good standing in Thurles and Oldcastle at the present time.

We have raised £451,000 in 2013 to cover liabilities and expenditure for the next year. The funds were raised mainly from directors, family and friends. The hope and expectation is that market sentiment will improve when we have drilling results to report from Oldcastle and the gold in Wicklow/Wexford. As the exploration sector implodes for lack of funding, opportunities are emerging. Junior exploration companies have in some cases markets capitalisations below their cash balances. In other cases measured or indicated reserves are available at very low valuations. We expect there will be consolidation in the industry and will monitor any acquisition opportunities if they arise.

John J Teeling

John Teeling
Chairman

25 June 2013

Licence Activity

The Connemara Mining Company (Connemara) licence position at the start of 2012 stood at 34 Prospecting licences, in 6 blocks and one outlying licence. Sixteen of these licences were in joint venture with Teck Ireland Ltd (Teck) – at Newcastlewest (10) and Monaster (6) and the balance held solely by Connemara. A joint venture agreement was signed with Hendrick Resources Ireland Ltd (HRI) on the 5 licence Mine River Block in February 2012, and a further JV with Teck on the 5 licence Oldcastle Block in July 2012. Licences were surrendered at Castlemaine (1 licence) in September and Nenagh (4 licences) in October. The 10 licence Newcastlewest Block was handed back to Connemara by Teck in December 2012. The licences left in the Connemara portfolio by the end of 2012 stood at 13 in sole venture and 16 in joint venture. In April 2013, 5 licences of the Newcastlewest Block were surrendered to bring the current Connemara licence position to 24 licences (16 JV, 8 SV).

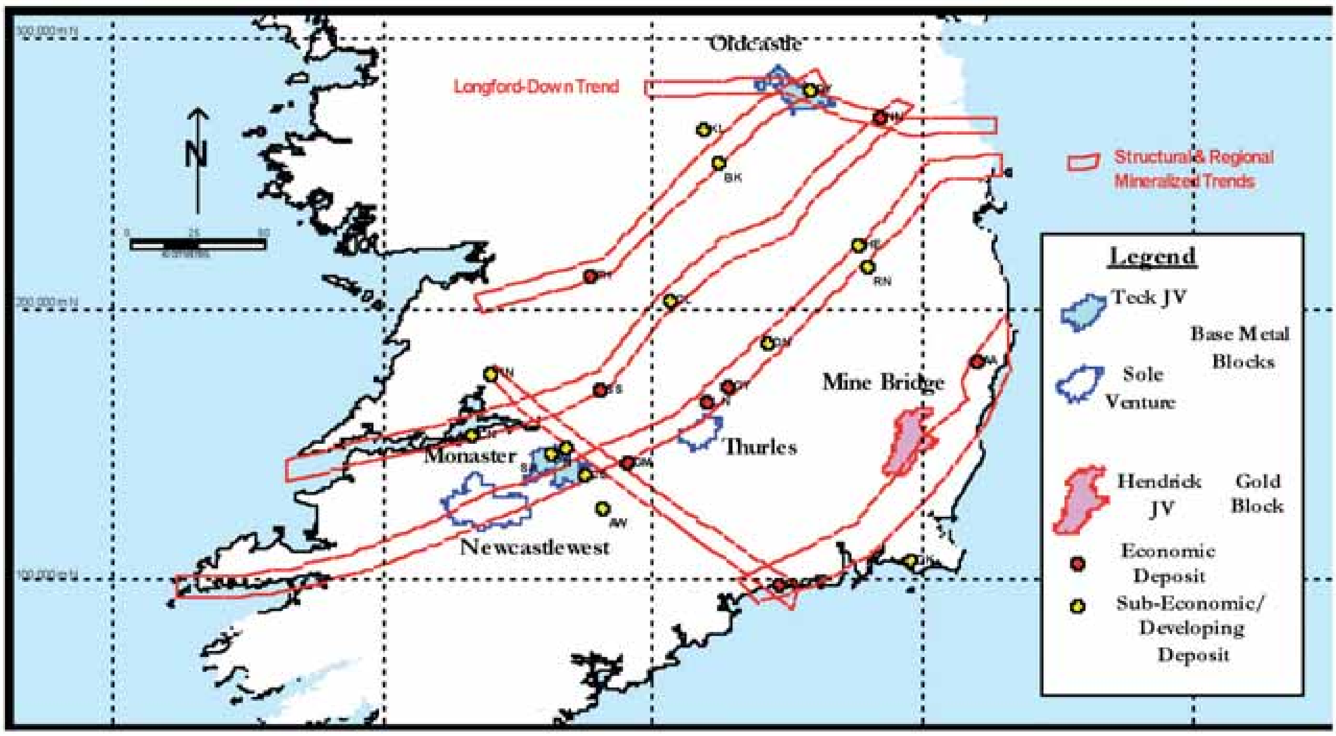

Figure 1: Connemara Licence Block Position at the end of 2012

Monaster

This block has been managed by Teck since 2007. Teck earned into the Joint Venture in 2009 by spending CAD $3 million to earn a 75% interest. Connemara has not subscribed to the 2012 and 2013 budgets. Based on proposed expenditure this will dilute Connemara's interest from 23.8% to 23.5%.

The target horizon is Irish style base of Waulsortian massive sulphides, particularly zinc and lead such as those mined at Silvermines (SS), Lisheen (LN) and Galmoy (GY) on the above Figure 1. The extensive exploration program has included:

- Geological Mapping
- Soil & Lithogeochemical sampling
- Extensive Geophysical programs, including Induced Polarization & Resistivity, Ground Magnetics, Ground and Airborne Gravity, Seismic Reflection and other techniques
- Diamond Drilling – 133 holes and over 54.7 km drilling.

The majority of the exploration has concentrated on Prospecting Licence (PL) 2638, which lies to the west of the Pallas Green discovery zone operated by Xstrata (>24 Mt @ 7.9% Zn, 1.4% Pb, 2010).

Three principal Orezones have been identified on this block, all on PL2638. The initial discovery hole TC-2638-04 was drilled in 2007 at Stonepark, with further zones at Stonepark North (2009) and Stonepark West (2011). Six drillholes were completed in 2012, 5 in the early part of the year. The best intersection was in TC-2638-103 (Stonepark West) with 1.2m 12.4%Zn, 4.6%Pb. These also included the deep hole on PL2531, which did not intersect the top of the Reef and was stopped possibly 500m above the prospective target horizon. The last hole – TC-450-010 was drilled in the latter part of the year. This was targeted to the east of earlier mineralization, particularly hole TC-450-002 which had 6.95m @ 1.15%Zn. The new hole hit minor mineralization between 85-104m (isolated specs sphalerite and pyrite) before drilling a thick dolerite over Lower ABL.

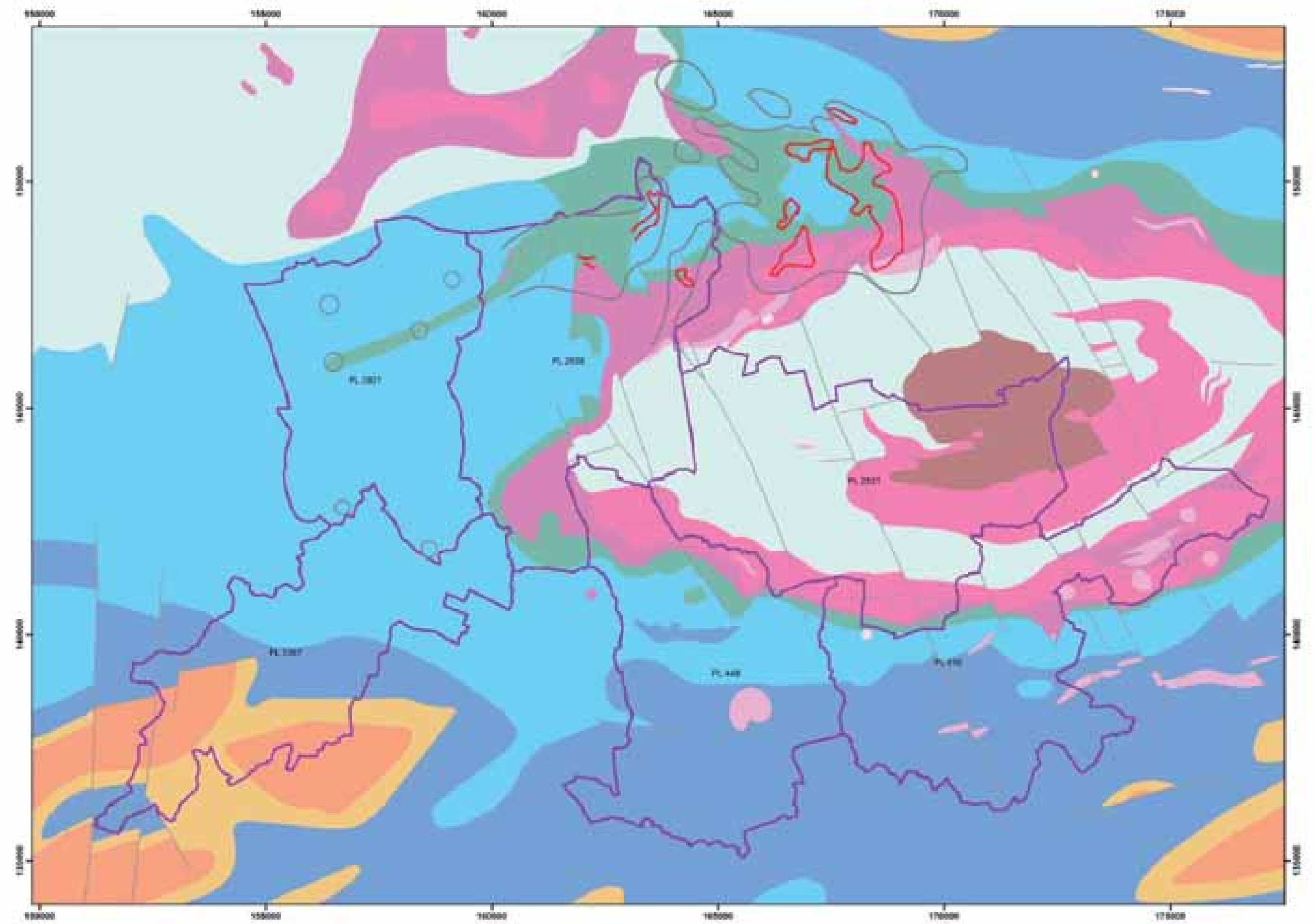

Figure 2: Monaster Block with geology and red outlined mineralized zones including Pallas Green to the northeast

Other field programs carried out on the block in 2012 included:

- Ground magnetic surveys completed over the latter part of 2012 covering roughly 12km^2 across the northern part of PLs 2927 & 2638. Through the exploration to date it has been found that there is a correlation between magnetic highs, diatremes and base metal mineralization. The detailed magnetics should help to map out these diatremes
- IP & Resistivity surveying, both downhole radial and Pole-dipole surveys on PLs 2638 & 2927 have outlined new targets for future drilling
- Lithogeochemistry and magnetic susceptibility on intrusive dykes in drillcore was partly completed with the aim of getting a vector on mineralization.

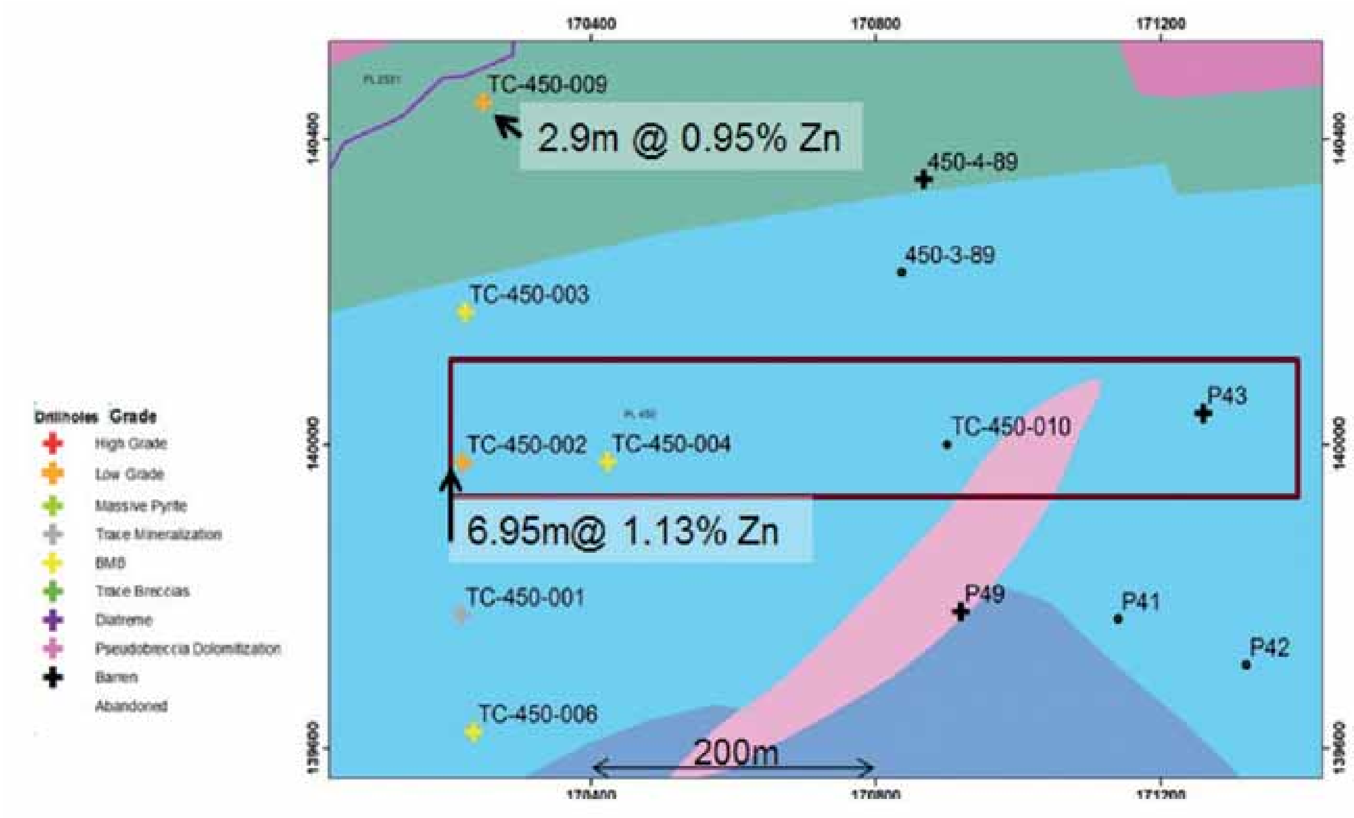

Figure 3: Limerick South Drilling

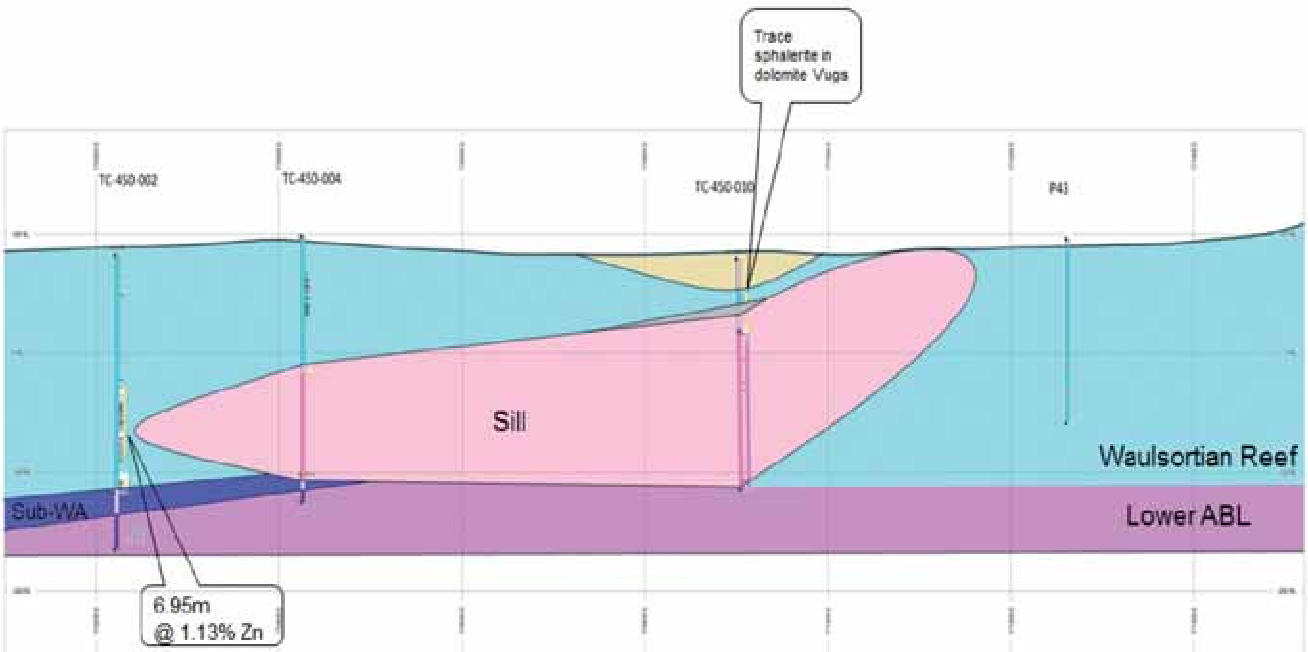

Figure 4: Limerick South Cross Section

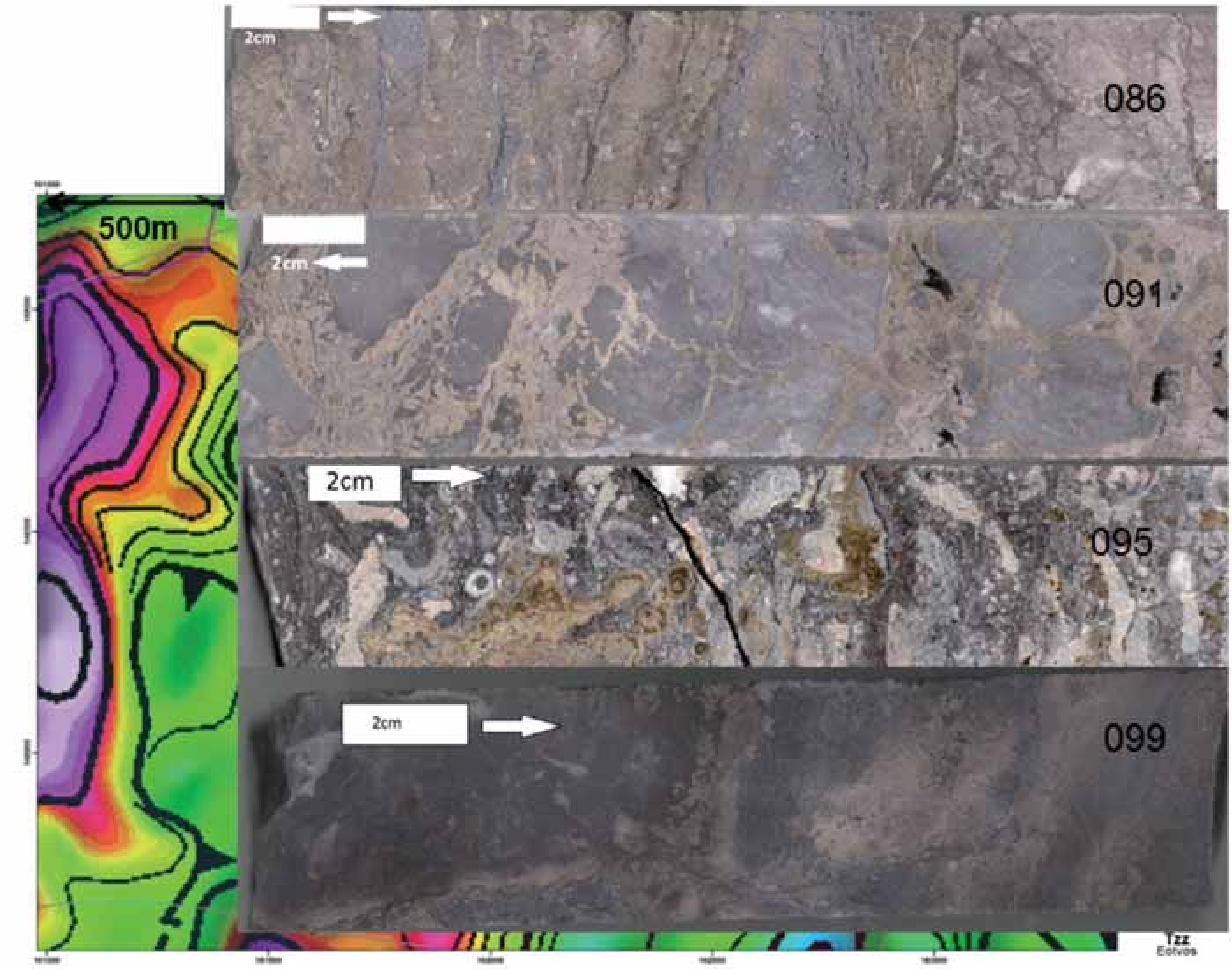

Figure 5: Stonepark West Mineralization, targeted on FTG TZZ high (Airborne Gravity) & Radial Array IP

Next proposed phase of exploration

Teck has concentrated its exploration efforts in other parts of the country during 2013, mainly in the north midlands including the Oldcastle Block.

Some proposed programs for Monaster have included:

- Seismics (>6km @ est 10-15,000/km)
- Magnetics across rest of PLs 2927 & 2638
- Drilling (4 holes).

This work is dependent on budgetary approval and has not yet commenced.

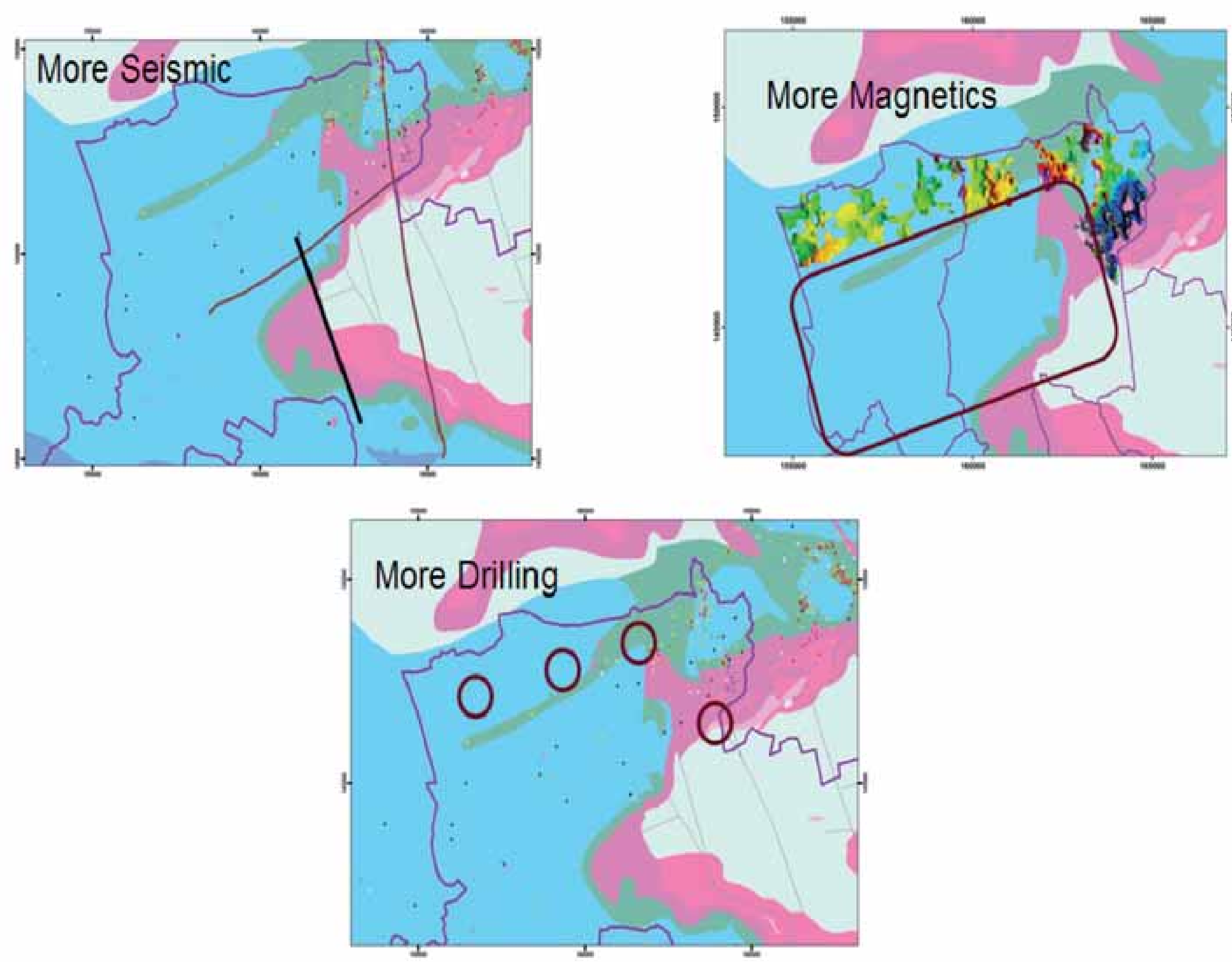

Figure 6: Potential future exploration

Oldcastle

Connemara has held this licence block since early 2005. An earn in joint venture was signed with Teck in July 2012, where Teck can gain 75% by a spend of €1.35 million before 2018.

The geology of the area is analogous to the setting for the Tara Mines Navan deposit (>100mT @ 10.1% Zn / 2.6% Pb and 11g/tAg), with Lower Palaeozoic Longford Down Formation to the North and northeast, including the Slieve na Calliagh inlier, plunging to the south-west under an unconformable transgressive sequence of Lower Carboniferous limestones. The target horizon is for a Navan Beds host, as typified by the small orezone delineated at Drumlerry (1.5 Mt @ 5.2% Zn+Pb – Emo/Brand 1977). This orezone was drill tested by Connemara in 2008 to investigate the style (vein & fracture fill sphalerite and galena) and extent of the mineralization. This orezone is thought to be an updip extension to more extensive mineralization to the southwest, particularly south and west of the Slieve na Calliagh inlier under the deep succession of shelf limestones. Some drillholes have been drilled to the target horizon Navan Beds on PL1991 by RioFinex in the 1990's (BTD-1 drilled to 988m on a TEM and soil geochemical target intersected best mineralization at 0.5% Zn+Pb over 3.15m from 885.4m in the Upper Micrite Unit).

The large area of the southern part of the block which is deep and untested is the focus for the next phase of exploration.

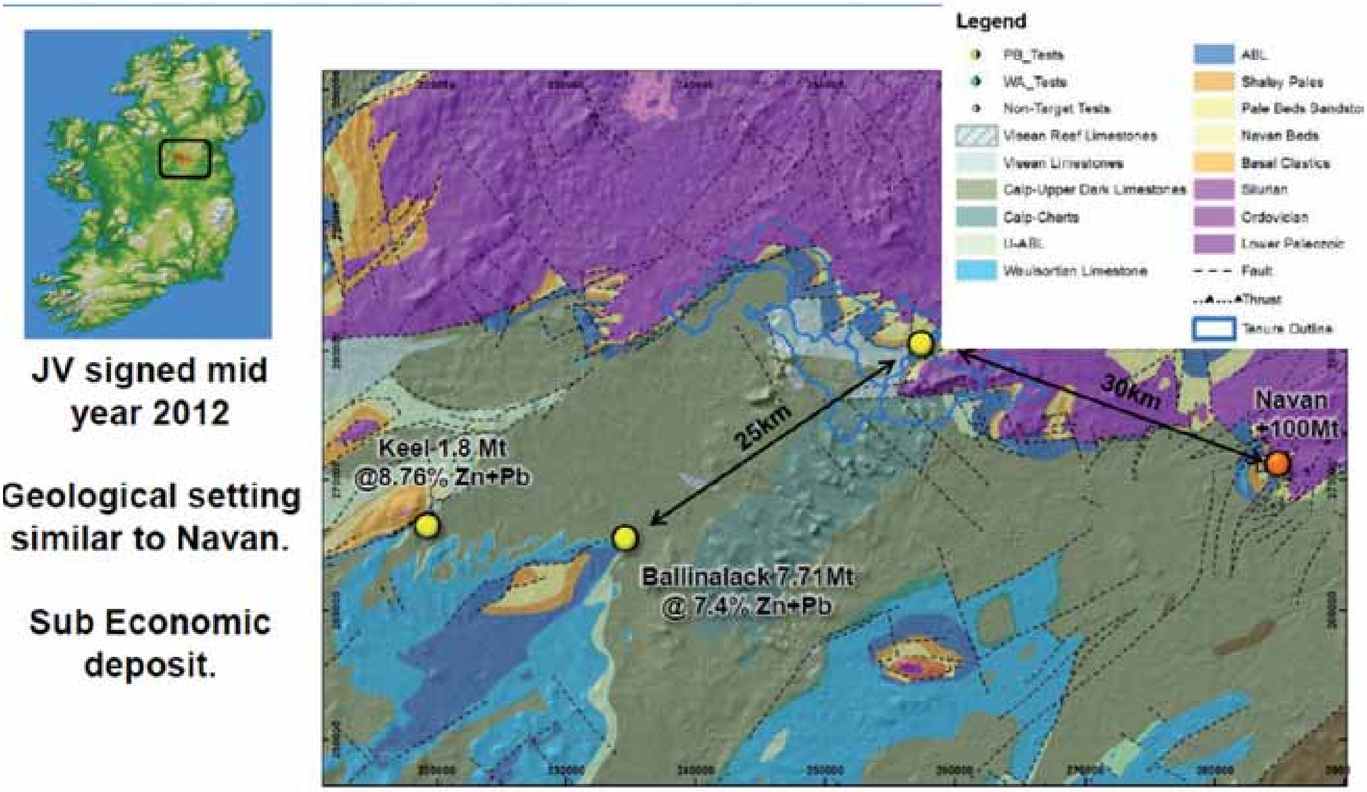

Figure 7: Oldcastle Block Regional Setting

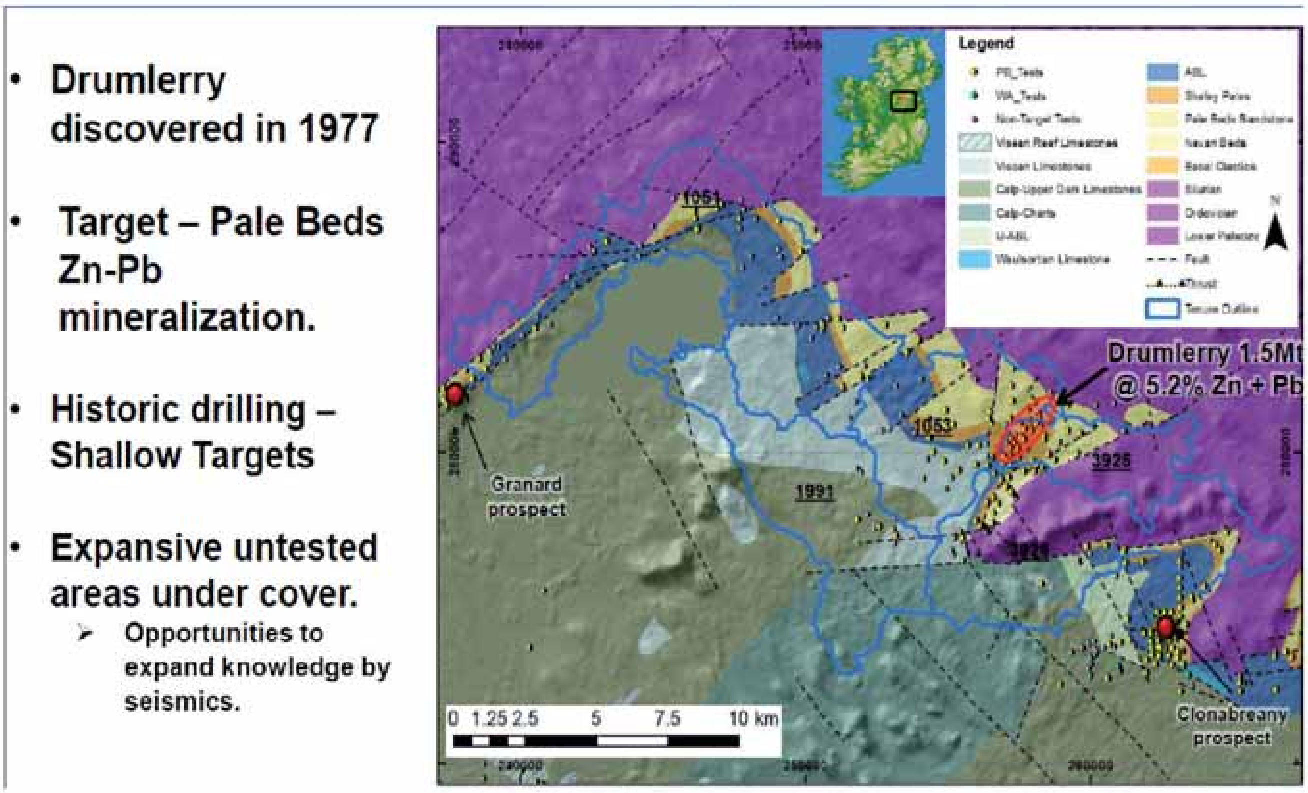

Figure 8: Oldcastle Block with drilling and Orezones/prospects

Initial work by Teck has included:

- Data compilation, geology re-interpretation were the initial phases, followed by mapping, with the aim in particular to trace the major structures believed to extend to the SW from the Slieve na Calliagh inlier. There is very little outcrop in this area, so IP & Resistivity gradient array panels were surveyed to help with this – there are some definite linear breaks in this data, which may be indicative of structure and lithology changes.
- Gravity infill stations were added to the existing database from Connemara & Syngenore. The re-gridded Bouguer plot appears to show some interesting breaks, particularly on the eastern side of Lough Sheelin. This may require the geological/structural map of this area to be redrawn.
- A soil survey was extended to the NW from grids completed by Connemara on PL 1053, plus repeat stations on PL 3925. The aim of this was to see if the anomalous zinc/lead on PL3925 extends to the NW under the deeper cover, but the results were negative.

Planned work for 2013:

- 26.5km Seismics survey started April – this work is completed, with 23.1km as the final figure. The processed results are pending.
- A new survey was planned by Teck to be used on the Oldcastle ground. This is a geophysical technique developed by Adrok Limited of Scotland (http://adrokgroup.com), which uses their patented Atomic Dielectric Resonance (ADR) proprietary technology to map potential MVT style lead-zinc style deposits and other related geological stratigraphy. A total of 16 Virtual drillholes (VBores) were planned for April-May 2013. A total of 16 VBores were surveyed with results pending.
- Process up Tellus data which covers 2/3 of the block.
- Layer up the data to produce drill targets.
- Drill in latter part of 2013.

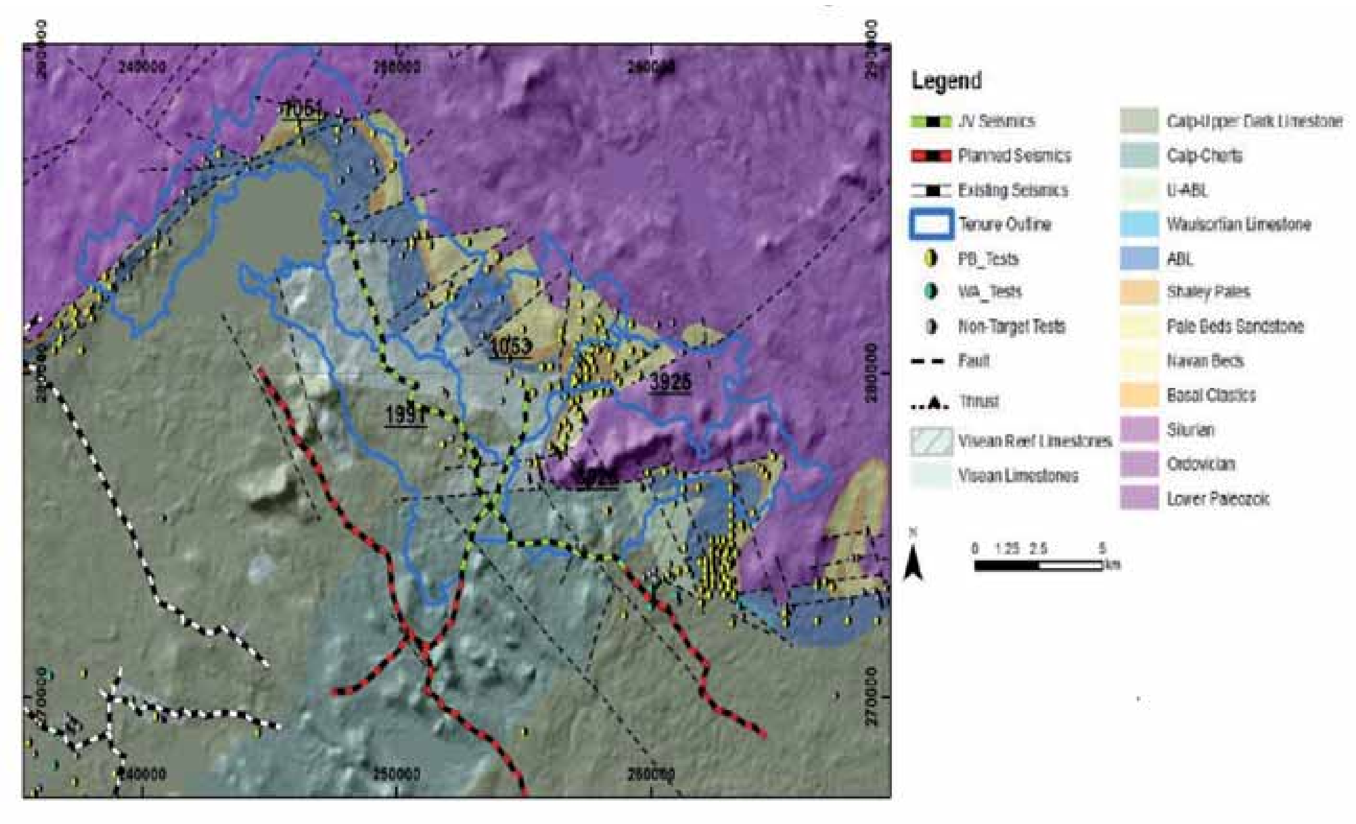

Figure 9: Planned Seismics Lines Q2 2013

Figure 10: Adrok Scanner

Wicklow/Wexford (Mine Bridge)

Connemara has held 4 of the licences on this block since 2008, with the fifth in the southwest (PL4053) added in 2011. An earn in agreement was signed with Hendrick Resources (HRI) in early 2012, whereby HRI can earn 75% by a spend of €1million. The HRI block extends to 20 licences including the 5 Connemara licences.

The licence block is principally underlain by Cambrian-Ordovician Ribband Group metasediments. This is a thick sequence of slatey mudstones, which exhibit a finely laminated, to pin-striped appearance. Intense folding of the bands are evident throughout the area, however outcrop is scarce. Subdivisions of the Ribband Group have a succession of Ballybeg-Maulin-Ballylane-Oaklands Formations dipping steeply, generally to the southeast. These are principally metasediments, however do include igneous intrusions such as dolerites and serpentinites in the Maulin Formation.

Duncannon Group (Upper Ordovician) Campile Formation of black shales, basic to intermediate volcanics and intrusives overlie the Oaklands Fm. sequence to the SE of the block. These are indicative of shallower water conditions of the closure of the Iapetus Suture and island arc development.

The principal structural grain follows the Caledonoid NE-SW trend, however many NW trending structures are evident, for example the Mine River fault, which has a mapped dextral offset of Maulin/Ballylane of 2.5km while having little effect on Ballybeg/Maulin contact. The Ballylane/Maulin contact shows a 1.5km offset, and Oaklands/Campile a shift of 0.5km. Another major fault to the west of Bunclody, strikes almost N-S and displaces the Maulin/Ballybeg contact over 3km to the north on the eastern side and then trends more west of north towards the Leinster granites.

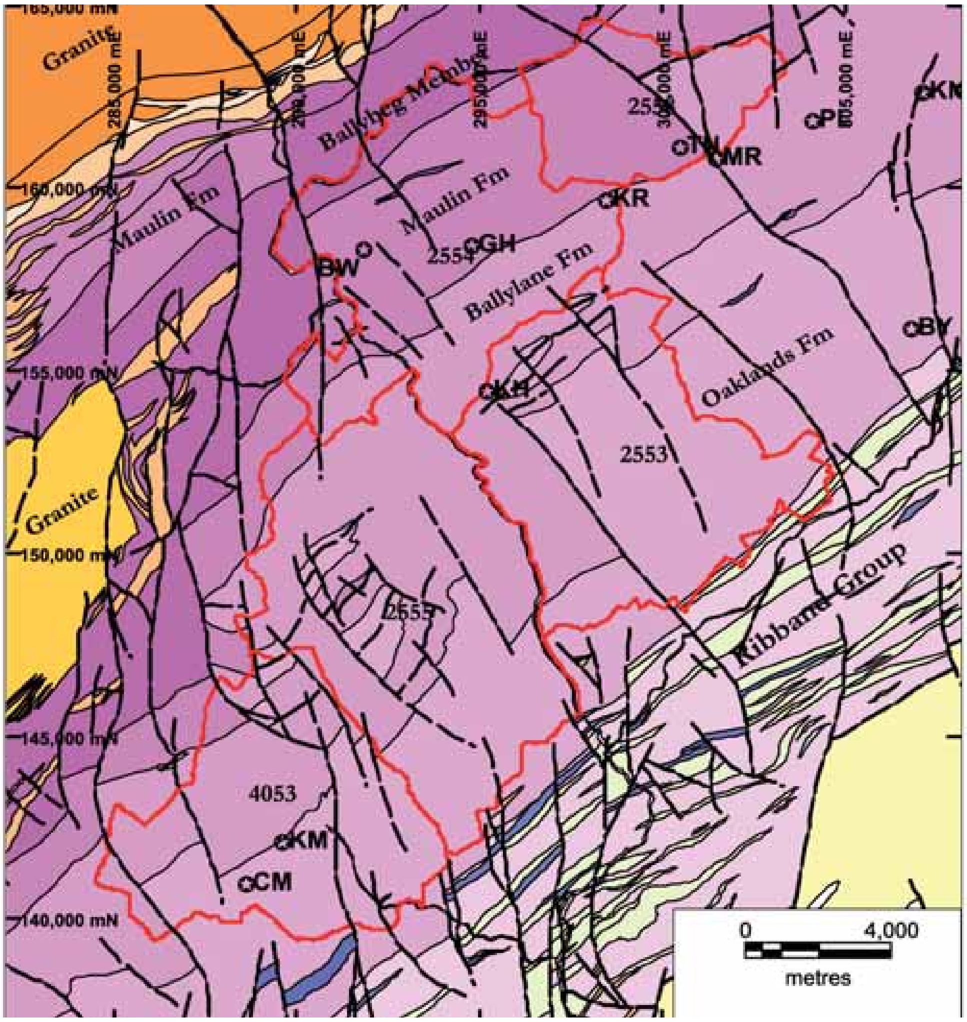

Figure 11: Geology Map of Mine River Block (stars mark mineralized zones)

Title	Zone	X_ING	Y_ING	Description
AV	Avoca Mines Cu Au	319760.5	180966.2	Mined intermittently from 1700's to 1983. Estimated 16 Mt @ 0.6% Cu & Au + Ag
CM	Caim Mine Pb, Ag	288642	141055	Mined intermittently from 1815 to 1846. Mined an estimated 2245 tons Pb + associated Ag. Minor Au in recent drilling
KR	Knocknalour Au	298489.9	159769	Geochem, trenching, Drilling - 7 Holes. Best Results: 2554-1 (18.89g/t Au over 0.3m), 2554-2 (19.9g/t Au over 0.4m)
TN	Tombreen Au	300503.2	161219.5	Geochem, trenching, Drilling - 6 Holes. Best Results: TBD-1 (11.65g/t Au over 0.4m), 2558-3 (18.4g/t Au over 0.5m)

Table 1: Some mineralized Zones Wicklow-Wexford

Target Model

The thick package of metasediments and volcanics of the south-easterly younging Ribband Group to Duncannon Group was compacted and deformed during Ordovician to Devonian times. During the waning stages of volcanism, fluids including gold and silica permeated through the fracture system and deposited gold. This fluid/fracture system would have been active through to Devonian times with the emplacement of the Leinster Granites. Dextral wrench faulting between the eastern boundary of the granites and the Ferns Fault zone (FFZ) to the east would have produced dilatant Reidel shears along a 15° offset to the NE-SW Caledonoid trend (i.e. an ENE trend). These offsets would allow for the concentration of gold and silica. Large hydrothermal alteration zones would result from the passage of these fluids, with an envelope of sericitic alteration around a core of silicic alteration, where enriched concentrations of gold will be found.

Structure is the key. Mineralising fluids will pass up through major domain fault. Gold will pass up through this fault and out to subsidiary splay faults, which are less active. "Gold likes pyrite and graphite" – therefore an Airborne Magnetic and EM survey should find these systems if they exist.

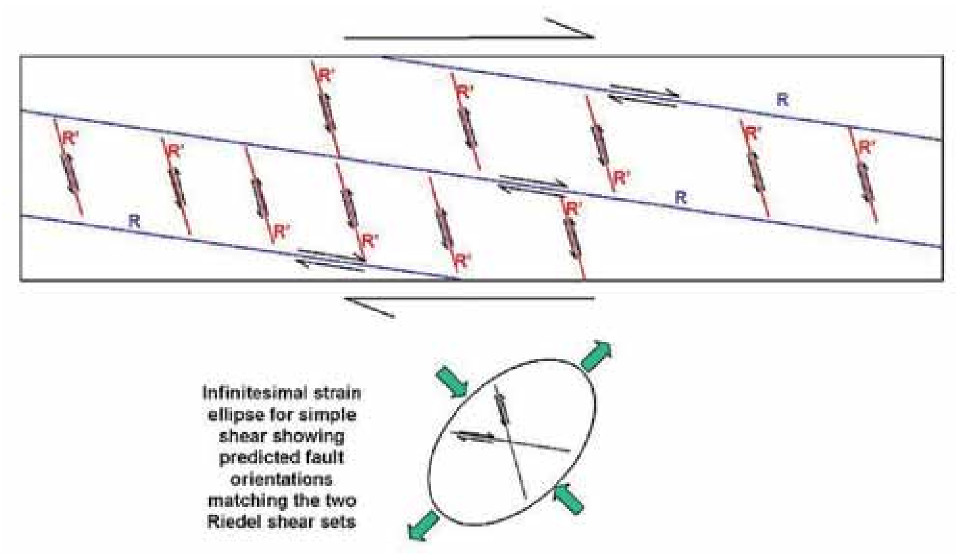

Figure 12: Target Model displaying major dextral structural corridor with Riedel splay offsets

Historic exploration has identified this structural trend. The most noticeable zone is along the Mine Bridge trend, which stretches from Ballinstraw (BW) in the west of PL 2554 to Hollyfort on PL 2236.

The alteration halo and mineralization have been identified from both historic exploration and from the recent airborne geophysical surveys, with soil follow up.

Exploration 2012

The HRI exploration program for 2012 included:

- Data Compilation & Review
- Extensive Airborne Magnetic, EM & Radiometric Survey (March-May)
- Soil Geochemical grids as follow up to target zones identified from the Airborne.

The first step in the exploration of the extended HRI block, including the JV ground with Connemara, was to get a coherent base map on which to base all future exploration, and also to relate the various historical data to a geological and structural model such as that model suggested above.

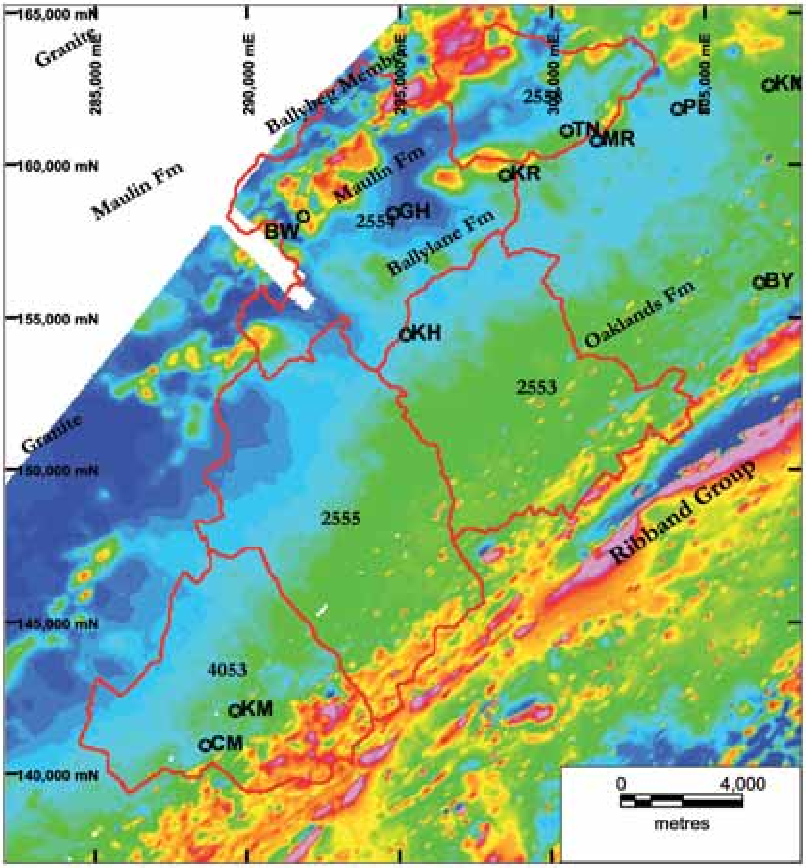

Figure 13: Total Magnetic Image – Mine River Block. New data merged with Tara 2000 data

A detailed airborne geophysical survey was planned and executed between March and May of 2012. This survey included magnetics, radiometrics and VLF-EM. The results from this survey would form the basis of the future program.

The strong NW-SE trending magnetic high along the west of the grid lies at the mapped western shear zone. NNE trending splay offsets have been clearly mapped in the central zone to the NW of the town of Gorey.

All the soil grids were planned on lines spaced 300m apart with station intervals at 50m. The grids were oriented to strike across the magnetic linears trending roughly ENE. The best historical exploration at Tombreen and Knocknalour had been explored with relatively detailed stream-soil-deep overburden-trenching-drilling progression. Unfortunately the soil and DOB data at Tombreen could not be tracked down, so Grid 2 recreates some of the data from that area. The area between Tombreen and Knocknalour is well covered geochemically, so Grids 2 & 3 could be separated.

Grid 2 – A total of 336 samples were collected from this grid, out of which 45 were below detection limit for Au, average Au value for the rest at 11.3ppb, with a maximum at 213ppb. There was a moderate correlation of As with Au. This Grid has extensive elevated zones, not just at the areas previously concentrated, but also to the SW from Tombreen.

Grid 3 – total of 463 samples, 263 of which were below detection limit, average of 9.5ppb Au with a maximum of 489ppb. There was no correlation of As with Au. A narrow NE-SE trending linear zone of anomalous Au along the southern side of Gibbet Hill looks worth following up.

Grid 4 – total of 418 samples, 262 of which were below detection limit, average of the rest is 3.5ppb Au. No correlation of As with Au.

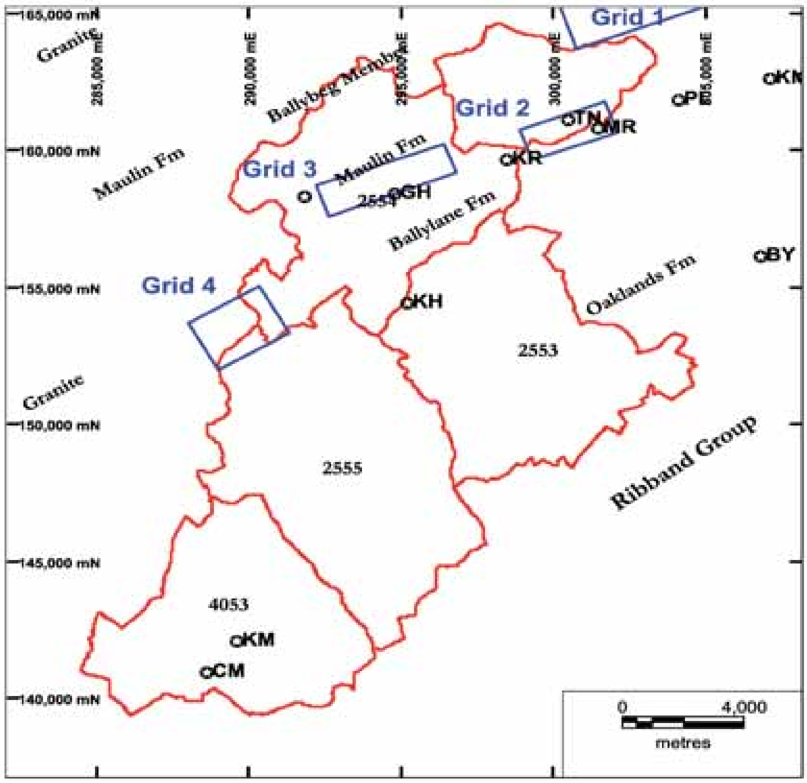

Figure 14: Soil Grids

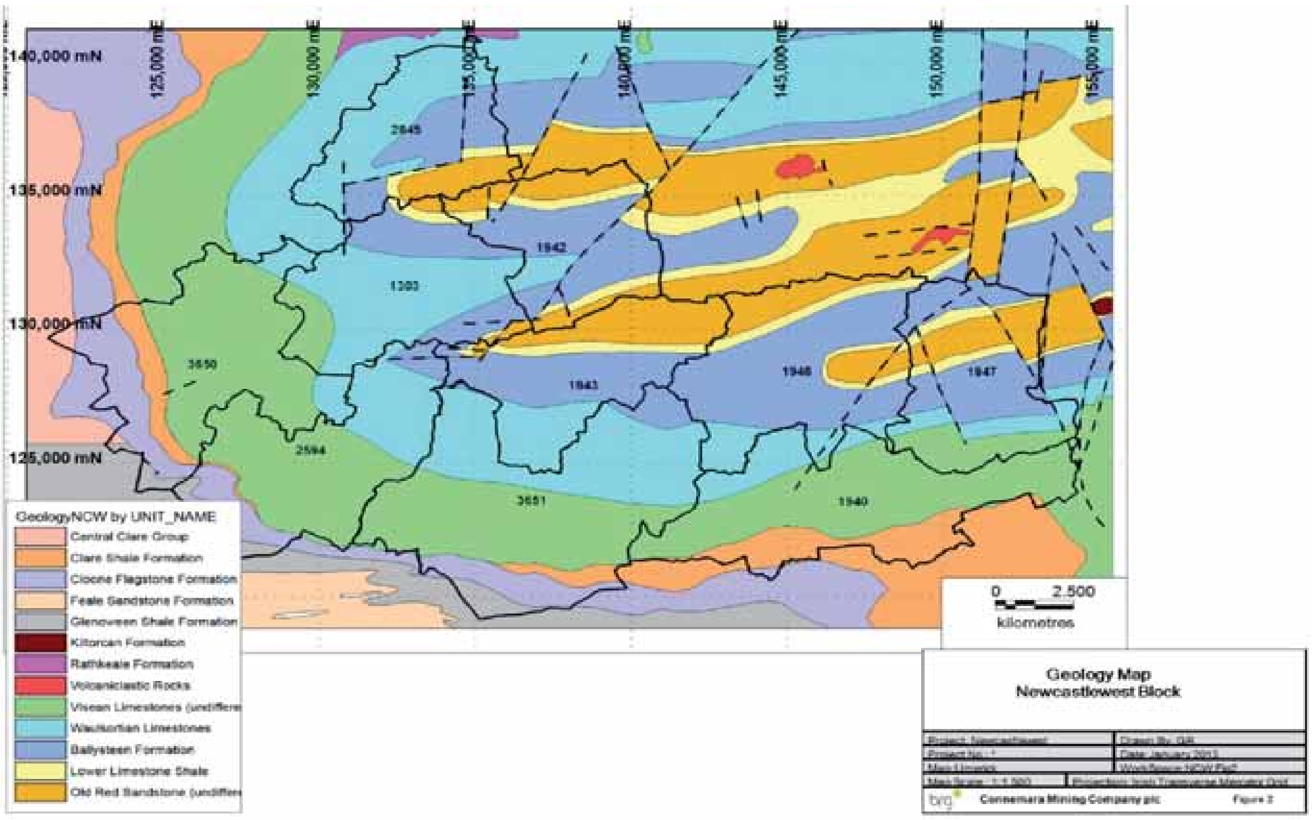

Figure 15: Newcastlewest Geology

Future work planned for Mine River Block:

- Infill geochemical sampling between zones outlined by the soil surveys
- Correlation between anomalous gold from geochemical sampling and airborne geophysics to fine-tune further zones to target
- Build up a case for diamond drilling of outlined targets.

Some infill soil sampling is currently in progress, plus new target zones from historic stream sediment sampling, particularly on PL2553 to the NW of Ferns.

Newcastlewest

This block of 10 licences was returned to Connemara by Teck in December 2012. No work had been done on the block during this review period and as the licences had been held since 2005, the expenditure levels were high. Connemara has put together an extensive review of the exploration completed to date on this block in an effort to obtain a joint venture partner. Some interest has been shown in the block, and an extension to the licencing period has been offered by the EMD, subject to the surrender of some of the licences and the commencement of exploration by Q3 2013.

Five licences (PLs 1940, 1942, 1943, 1946 & 1947) were surrendered in May 2013. These are the eastern licences on the block, on which there are smaller zones of potential target zone Waulsortian Reef. The licence position is now a block of 5.

Thurles

The Thurles Block of three licences has been held by Connemara since July 2008.

Exploration to date has included:

- Data Compilation and Review
- Regional IP & Resistivity Surveys
- Diamond Drilling program (4 Drillholes and over 1200m).

Connemara is currently evaluating the data from this block and has taken lithogeochemical samples from the 3 drillholes that reached the target base of Waulsortian. Discussions have also been held with several companies for a possible joint venture of the block.

Nenagh & Castlemaine

The Nenagh Block of 4 licences was surrendered in October 2012, and the Castlemaine licence in September. Talks had been made with several companies to joint venture this ground without success.

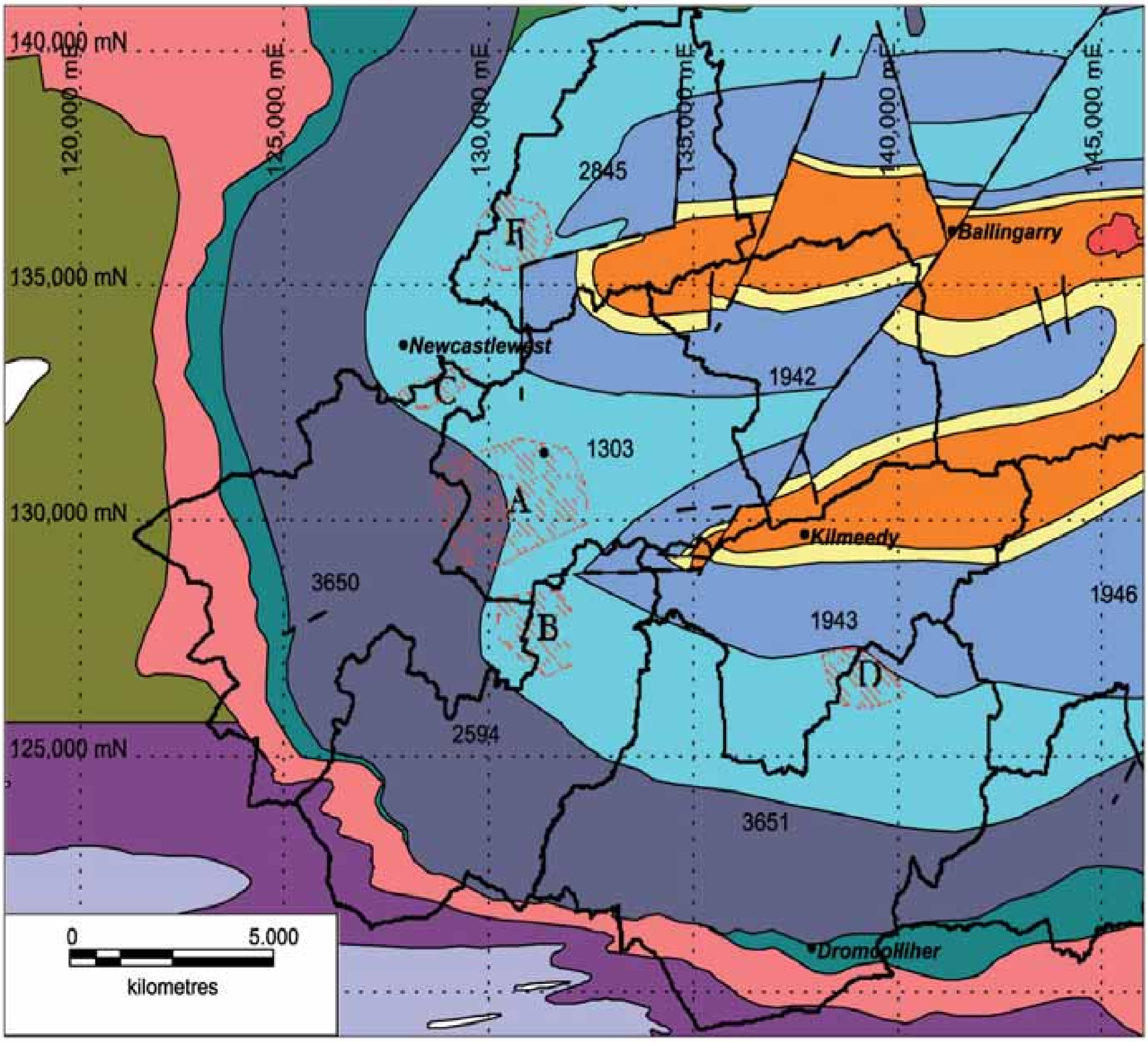

Figure 16: Western Block of retained licences with drill target zones (red hatched)

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The main activity of Connemara Mining Company plc ("Connemara") is exploration for and development of mineral resources in Ireland.

The Group holds interests in 24 exploration licences mainly for zinc and lead in known mineralised trends. During the year, €154,950 (2011: €862,496) was spent on exploration on the mineral licences.

Further information concerning the activities of the Group during the year and its future prospects is contained in the Chairman's Statement and Review of Operations.

RESULTS FOR THE YEAR

The consolidated loss for the year after taxation was €322,988 (2011: €397,121).

The directors do not recommend that a dividend be declared for the year ended 31 December 2012 (2011: €Nil).

RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation.

The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk.

The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	Nature of risk and mitigation
Licence obligations	Operations must be carried out in accordance with the terms of each licence, agreed with the relevant ministry for natural resources in the host country. Typically, operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such agreements or fails to make timely payments of relevant levies and taxes, or provide the required geological information or meet other reporting requirements. The Group has regular communication and meetings with relevant bodies to discuss future work plans and receive feedback from those bodies. The group has regular meetings with its operating partners to discuss planned work programmes. Compliance with licence obligations is monitored by the Board.
Requirement for further funding	The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy and may dilute its interest in existing projects. The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.

Geological and development risks	Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves. The Group activities in Ireland are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.
Financial risk management	Details of the Group's financial risk management policies are set out in Note 21.

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

KEY PERFORMANCE INDICATORS

In the period under review Connemara operated a number of exploration programmes on five separate license blocks. The main key performance indicator is the number of drills and the assessment of drill results. Further information is set out in the Chairman's Statement and Review of Operations

DIRECTORS

The current directors are set out on the inside back cover.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES OF THE COMPANY

The directors and secretary held the following beneficial interest in the shares of the company:

	Ordinary Shares		Options Ordinary Shares	
	Of 1c each 31/12/2012 Number	Of 1c each 31/12/2011 Number	**Of 1c each 31/12/2012 Number**	Of 1c each 31/12/2011 Number
J. Teeling	**1,000,001**	1,000,001	**700,000**	700,000
J. Finn	**1,000,001**	1,000,001	**500,000**	500,000
V. Byrne	**-**	-	**100,000**	100,000
G. Reid	**250,000**	250,000	**50,000**	50,000

There were no share options exercised during the year.

SUBSTANTIAL SHAREHOLDINGS

The share register records that the following shareholders excluding the directors, held 3% or more of the issued share capital of the company as at 31 December 2012 and 31 May 2013.

	31 December 2012		31 May 2013	
	Number of Shares	%	Number of Shares	%
WB Nominees	4,330,501	16.84%	5,120,501	14.33%
Trampus Ltd	1,625,000	6.32%	2,425,000	6.79%
State Street Nominees Limited	1,560,000	6.07%	3,560,000	9.96%
Citicorp Investments Limited	1,000,000	3.89%	1,000,000	2.80%
Catherine Maguire	872,950	3.40%	872,950	2.44%

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Board is committed to maintaining high standards of corporate governance and to managing the company in an honest and ethical manner.

The Board approves the Group's strategy, investment plans and regularly reviews operational and financial performance, risk management, health and safety, environment and community (HSEC) matters.

The Chairman is responsible for the leadership of the Board, whilst the Executive Directors are responsible for formulating strategy and delivery, once agreed by the Board.

The Group aims to maximise the use of natural resources such as energy and water, and is committed to full reinstatement as part of environmental obligations, where applicable. The Group works toward positive and constructive relationships with governance and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

FINANCIAL RISK MANAGEMENT

Details of the Group's financial risk management policies are set out in Note 21.

GOING CONCERN

Information in relation to going concern is outlined in Note 3.

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have involved appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at 162 Clontarf Road, Dublin 3.

CHARITABLE AND POLITICAL DONATIONS

The company made no political or charitable contributions during the year.

SUBSEQUENT EVENTS

Significant subsequent events are set out in Note 22.

AUDITORS

The auditors, Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with section 160 (2) of the Companies Act, 1963.

Signed on behalf of the Board:

John Teeling	James Finn
Director	Director

25 June 2013

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the Group and of the loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Group and the Parent Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and comply with Irish statute comprising the Companies Acts, 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor’s Report to the Members of Connemara Mining Company Plc

We have audited the financial statements of Connemara Mining Company Plc for the year ended 31 December 2012 which comprise the Group Financial Statements: the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Group Statement of Changes in Equity, the Consolidated Cash Flow Statement and the Parent Company Financial Statements: the Company Balance Sheet, the Company Statement of Changes in Equity, the Company Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Acts, 1963 to 2012.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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 Statement of Directors’ Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the 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 group’s and the parent 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 financial statements. In addition, we read all the financial and non-financial information in the Reports and Consolidated Financial Statements for the year ended 31 December 2012 to identify material inconsistencies with the audited financial statements. 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 financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group’s affairs as at 31 December 2012 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs, as adopted by the European Union as applied in accordance with the provisions of the Companies Acts, 1963 to 2012, of the state of the parent company’s affairs as at 31 December 2012; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012

Emphasis of Matter – Realisation of Assets and Going Concern

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

- notes 13, 14 and 15 of the financial statements concerning the valuation and realisation of intangible assets, investments in subsidiaries and amounts due by group undertakings. The realisation of the intangible assets of €2,253,319 included in the consolidated balance sheet and of the investment in subsidiaries of €172,398 and amounts due by group undertakings of €2,090,259 included in the company balance sheet is dependent on the discovery and successful development of economic mineral reserves including the ability of the group to raise sufficient finance to develop the projects. The financial statements do not include any adjustments relating to these uncertainties and the ultimate outcome cannot, at present, be determined.

- note 3 to the financial statements which indicates that the Group incurred a loss of €322,988 during the year and had net current liabilities of €225,114 at the balance sheet date. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The directors have prepared cash flow projections which indicate that the Group has adequate financing to meet the Group's working capital needs. On that basis the directors consider it appropriate to prepare the financial statements of the Group and company on a going concern basis. The financial statements do not include any adjustments that would result if the Group or company was unable to continue as a going concern.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, the group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, have also complied with the IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Matters on which we are required to report by the Companies Acts, 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2012 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts, 1963 to 2012 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

Ciarán O'Brien
for and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

25 June 2013

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Notes	2012 €	2011 €
CONTINUING OPERATIONS			
Administrative expenses	4	**(324,083)**	(399,708)
OPERATING LOSS		**(324,083)**	(399,708)
Investment revenue	6	**1,095**	2,587
LOSS BEFORE TAXATION	4	**(322,988)**	(397,121)
Income tax expense	7	**-**	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		**(322,988)**	(397,121)
Loss per share – basic and diluted	11	**(1.26c)**	(1.59c)

The financial statements were approved by the Board of Directors on 25 June 2013 and signed on its behalf by:

John Teeling
Director

James Finn
Director

Consolidated Balance Sheet

as at 31 December 2012

	Notes	2012 €	2011 €
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	13	**2,253,319**	2,098,369
CURRENT ASSETS			
Other receivables	15	**23,426**	52,441
Cash and cash equivalents	16	**165,256**	662,018
		188,682	714,459
TOTAL ASSETS		**2,442,001**	2,812,828
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	17	**(413,796)**	(461,635)
NET CURRENT (LIABILITIES)/ASSETS		**(225,114)**	252,824
NET ASSETS		**2,028,205**	2,351,193
EQUITY:			
Called-up share capital	19	**257,097**	257,097
Share premium	19	**4,105,155**	4,105,155
Share based payment reserve		**55,915**	55,915
Retained deficit		**(2,389,962)**	(2,066,974)
TOTAL EQUITY		**2,028,205**	2,351,193

The financial statements were approved by the Board of Directors on 25 June 2013 and signed on its behalf by:

John Teeling
Director

James Finn
Director

Company Balance Sheet

as at 31 December 2012

	Notes	2012 €	2011 €
ASSETS:			
NON CURRENT ASSETS			
Intangible assets	13	-	-
Investment in subsidiaries	14	172,398	172,398
		172,398	172,398
CURRENT ASSETS			
Other receivables	15	2,102,189	1,941,286
Cash and cash equivalents	16	69,762	427,681
		2,171,951	2,368,967
TOTAL ASSETS		2,344,349	2,541,365
LIABILITIES:			
CURRENT LIABILITIES			
Trade and other payables	17	(316,144)	(190,172)
NET CURRENT ASSETS		1,855,807	2,178,795
NET ASSETS		2,028,205	2,351,193
EQUITY:			
Called-up share capital	19	257,097	257,097
Share premium	19	4,105,155	4,105,155
Share based payment reserve		55,915	55,915
Retained deficit		(2,389,962)	(2,066,974)
TOTAL EQUITY		2,028,205	2,351,193

The financial statements were approved by the Board of Directors on 25 June 2013 and signed on its behalf by:

John Teeling
Director

James Finn
Director

Statements of Changes in Equity

for the year ended 31 December 2012

Group and Company

	Called up Share Capital €	Share Premium €	Share Based Payment Reserve €	Retained Deficit €	Total €
At 1 January 2011	204,597	3,028,874	55,915	(1,669,853)	1,619,533
Shares issued	52,500	1,135,690	-	-	1,188,190
Share issue expenses	-	(59,409)	-	-	(59,409)
Loss for the year	-	-	-	(397,121)	(397,121)
At 31 December 2011	257,097	4,105,155	55,915	(2,066,974)	2,351,193
Loss for the year	-	-	-	(322,988)	(322,988)
At 31 December 2012	**257,097**	**4,105,155**	**55,915**	**(2,389,962)**	**2,028,205**

Share premium

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

Share based payment reserve

The share based payment reserve arises on the grant of share options to directors and consultants under the share options plan.

Retained deficit

Retained deficit comprises accumulated losses in the current and prior years.

Consolidated Cash Flow Statement

for the year ended 31 December 2012

	Notes	2012 €	2011 €
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		(322,988)	(397,121)
Investment revenue recognised in loss for the year		(1,095)	(2,587)
Exchange movements		(5,972)	22,524
		(330,055)	(377,184)
MOVEMENTS IN WORKING CAPITAL			
Decrease in trade and other payables		(47,839)	(6,269)
Decrease in other receivables		29,015	12,762
CASH USED BY OPERATIONS		(348,879)	(370,691)
Investment revenue		1,095	2,587
NET CASH USED IN OPERATING ACTIVITIES		(347,784)	(368,104)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(154,950)	(862,496)
Receipts for exploration and evaluation		-	53,603
NET CASH USED IN INVESTING ACTIVITIES		(154,950)	(808,893)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		-	1,188,190
Share issue costs		-	(59,409)
NET CASH FROM FINANCING ACTIVITIES		-	1,128,781
NET DECREASE IN CASH AND CASH EQUIVALENTS		(502,734)	(48,216)
Cash and cash equivalents at beginning of financial year		662,018	732,758
Effect of exchange rate changes on cash held in foreign currencies		5,972	(22,524)
Cash and cash equivalents at end of financial year	16	165,256	662,018

Company Cash Flow Statement

for the year ended 31 December 2012

	Notes	2012 €	2011 €
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the year		(322,988)	(397,121)
Investment revenue recognised in loss for the year		(1,095)	(2,587)
Exchange movements		(5,972)	22,524
		(330,055)	(377,184)
MOVEMENTS IN WORKING CAPITAL			
Increase/(decrease) in trade and other payables		125,972	(118,662)
Increase in other receivables		(160,903)	(961,654)
CASH USED BY OPERATIONS		(364,986)	(1,457,500)
Investment revenue		1,095	2,587
NET CASH USED IN OPERATING ACTIVITIES		(363,891)	(1,454,913)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		-	-
Receipts for exploration and evaluation		-	53,603
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		-	53,603
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		-	1,188,190
Share issue costs		-	(59,409)
NET CASH FROM FINANCING ACTIVITIES		-	1,128,781
NET DECREASE IN CASH AND CASH EQUIVALENTS		(363,891)	(272,529)
Cash and cash equivalents at beginning of the financial year		427,681	722,734
Effects of exchange rate changes on cash held in foreign currencies		5,972	(22,524)
Cash and cash equivalents at end of the financial year	16	69,762	427,681

1. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies adopted by the group and company are as follows:

(i) Basis of preparation

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments.

(ii) Statement of compliance

The financial statements of Connemara Mining Company plc and all its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements have also been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(iv) Intangible assets

Exploration and evaluation assets
Exploration expenditure relates to the initial search for mineral deposits with economic potential in Ireland.
Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration properties and leases, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration costs are capitalised as an intangible asset until technical feasibility and commercial viability of extraction of reserves are demonstrable, when the capitalised exploration costs are re-classed to property, plant and equipment. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management.

Prior to reclassification to property, plant and equipment exploration and evaluation assets are assessed for impairment and any impairment loss recognised immediately in the statement of comprehensive income.

Impairment of intangible assets
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The company reviews for impairment on an ongoing basis and specifically if any of the following occurs:

(a) the period for which the Group has a right to explore in the specific area has expired or is expected to expire;
(b) further expenditure on exploration and evaluation in the specific area is neither budgeted or planned;
(c) the exploration and evaluation has not led to the discovery of economic reserves;
(d) sufficient data exists 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.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(v) Foreign currencies

The individual financial statements of each Group company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Euro, the functional currency of the Company.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies), are recognised at the rate of exchange prevailing on the dates of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income for the period.

(vi) Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(vii) Share-based payments

The group and company have applied the requirements of IFRS 2 "Share-Based Payments". In accordance with the transitional provisions, IFRS 2 has been applied to all equity instruments vesting after 1 January 2006.

Equity settled share-based payments are measured at fair value at the date of grant. The fair value excludes the effect of non market based vesting conditions. 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 shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Where the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes model.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(viii) Operating loss

Operating loss comprises general administrative costs incurred by the Group and company, which are not specific to evaluation and exploration projects. Operating loss is stated before investment revenue, finance costs and other gains and losses.

(ix) Investments in subsidiaries

Investments in subsidiaries are held at cost less any accumulated impairment losses.

(x) Financial Instruments

Financial instruments are recognised in the Group's and company's balance sheet when the Group and company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less from the date of acquisition held by the Group and company.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Trade payables

Trade payables are classified as financial liabilities, are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Trade and other receivables

Trade and other receivables are measured at invoice value at initial recognition which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income where there is objective evidence that the carrying value of the asset exceeds the recoverable amount subsequently trade and other receivables are classified as loans and receivables which are measured at amortised cost, using the effective interest rate.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

Critical judgements in applying the Group and Company accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation expenditure

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management consider the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets.

Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Ireland.

The Group's exploration activities are subject to a number of significant and potential risks including:

- geological, development and operational risks;
- compliance with licence obligations;
- liquidity risks; and
- going concern risks;

The recoverability of intangible assets is dependent on the discovery and successful development of economic reserves, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off to the statement of comprehensive income.

Impairment of intangible assets

The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount.

Recoverable amount is determined as the higher of fair value less costs to sell and value in use. The assessment requires judgements as to the likely future commerciality of the assets and when such commerciality should be determined; future revenues, capital and operating costs and the discount rate to be applied to such revenues and costs.

Deferred tax assets

The assessment of availability of future taxable profits involves judgement. A deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Going Concern

The preparation of financial statements requires an assessment of the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information in relation to going concern is outlined in Note 3.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the 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 below.

Share-based payments

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 Group 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 Group is the Black-Scholes valuation model.

2. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group did not adopt any new International Financial Reporting Standards (IFRS) or Interpretations in the year that had a material impact on the Group's Financial Statements. The following IFRS became effective since the last Annual Report but had no material impact on the Financial Statements:

		Effective date
IFRS 1 (amendment)	First-time adoption of International Financial Reporting Standards	1 July 2011
IFRS 7 (amendment)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments	1 July 2011
IAS 12 (amendment)	Income taxes	1 January 2012

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

		Effective date
IAS 1 (amendment)	Presentation of Financial Statements	1 July 2012
IAS 32 (amendment)	Financial Instruments: Presentation	1 January 2013
IFRS 7 (amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IAS 1 (amendment)	Presentation of Financial Statements	1 January 2013
IAS 19 (amendment)	Employee Benefits	1 January 2013
IFRS 13 (amendment)	Fair Value Measurement	1 January 2013
IFRS 12 (amendment)	Disclosure of Interests in Other Entities	1 January 2014
IFRS 11 (amendment)	Joint Arrangements	1 January 2014
IFRS 10 (amendment)	Consolidated Financial Statements	1 January 2014
IAS 28 (amendment)	Investments in Associates and Joint Ventures	1 January 2014
IAS 27 (amendment)	Consolidated and Separate Financial Statements	1 January 2014
IFRS 7 (amendment)	Disclosures – Initial Application of IFRS 9	1 January 2015
IFRS 1 (amendment)	Government Loans	1 January 2013
IFRS 9	Financial Instruments	1 January 2015
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IAS 16 (amendment)	Property, Plant and Equipment	1 January 2013
IAS 34 (amendment)	Interim Financial Reporting	1 January 2013
Annual improvements to IFRS 2009-2011 cycle		1 January 2013

The Directors are currently assessing the impact in relation to the adoption of these Standards and Interpretations for future periods of the Group, however, at this point they do not believe they will have a significant impact on the financial statements of the Group in the period of initial application.

3. GOING CONCERN

The Group incurred a loss for the year of €322,988 and had net current liabilities of €225,114 at the balance sheet date leading to concern about the Group's ability to continue as a going concern.

The Group had a cash balance of €165,256 (2011: €662,018) at the balance sheet date. On 22 April 2013 the Group raised £451,500 (approx. €527,894) through the issue of 9,030,000 ordinary shares at 5p each. The directors have reviewed budgets and cash flow projections and are confident that they have sufficient finance to meet liabilities due for a period of at least twelve months from the date of approval of the financial statements. In making this assessment the directors have considered potential future cash calls to which the Group may be subject. The Group may decide to satisfy these cash calls through dilution of its interests in the related licences.

Accordingly, the directors are satisfied that it is appropriate to continue to prepare the financial statements of the Group and Company on the going concern basis as there will be sufficient funds in place to continue operations for the foreseeable future. The financial statements do not include any adjustment to the carrying amount, or classification of assets and liabilities that would result if the Group or Company was unable to continue as a going concern.

4. LOSS BEFORE TAXATION

	2012 €	2011 €
The loss before taxation is stated after charging/(crediting) the following items included in administrative expenses:		
Professional fees	121,514	169,490
Foreign exchange (gain)/loss	(5,972)	25,759
Directors' remuneration	150,000	150,000
Printing and stationery	8,705	6,541
Other administrative expenses	49,836	47,918
	324,083	399,708

Details of auditor's and directors' remuneration are set out in Note 5 and 9 respectively.

5. AUDITOR'S REMUNERATION

Auditors' remuneration for work carried out for the group and company in respect of the financial year is as follows:

	2012 €	2011 €
Group		
Audit of group accounts	15,000	15,000
Other assurance services	5,000	5,000
Tax advisory services	10,000	24,900
Other non-audit services	-	-
Total	30,000	44,900
Company		
Audit of individual company accounts	7,500	7,500
Other assurance services	7,500	7,500
Tax advisory services	8,000	22,900
Other non-audit services	-	-
Total	23,000	37,900

6. INVESTMENT REVENUE

	2012 €	2011 €
Interest on bank deposits	1,095	2,587

7. INCOME TAX EXPENSE

	2012 €	2011 €
Current tax	-	-
Deferred tax	-	-
	-	-

Factors affecting the tax expense:

	2012 €	2011 €
Loss on ordinary activities before tax	(322,988)	(397,121)
Income tax calculated at 12.5%	(40,373)	(49,640)
Effects of:		
Expenses not allowable	16,247	25,984
Tax losses carried forward	23,934	23,656
Income at higher rate of tax	192	-
Tax charge	-	-

No charge to corporation tax arises in the current year or the prior year primarily due to losses brought forward.

At the balance sheet date, the group has unused tax losses of €1,904,316 (2011: €1,712,844) which equates to a deferred tax asset of €238,040 (2011: €214,105). The deferred tax asset has not been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

8. SEGMENTAL ANALYSIS

Operating segments are identified on the basis of internal reports about the group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two segments, Limerick and Rest of Ireland.

Segment information about the Group's activities is presented below:

8A. Segment Revenue and Segment Result

	Segment Result	
	2012 €	2011 €
Continuing operations in Limerick	-	-
Continuing operations in Rest of Ireland	-	-
Total continuing operations	-	-
Unallocated head office	(322,988)	(397,121)
	(322,988)	(397,121)

8. SEGMENTAL ANALYSIS *(continued)*

There was no revenue earned during the year and all expenses in the year were incurred by head office.

8B. Segment assets and liabilities

Group

	Assets		Liabilities	
	2012	2011	**2012**	2011
	€	€	**€**	€
Limerick	**1,323,409**	1,234,543	**-**	239,140
Rest of Ireland	**929,910**	863,826	**37,423**	-
Total continuing operations	**2,253,319**	2,098,369	**37,423**	239,140
Unallocated head office	**188,682**	714,459	**376,373**	222,495
	2,442,001	2,812,828	**413,796**	461,635

Company

	Assets		Liabilities	
	2012	2011	**2012**	2011
	€	€	**€**	€
Rest of Ireland	**-**	-	**-**	-
Total continuing operations	**-**	-	**-**	-
Unallocated head office	**2,344,349**	2,541,365	**316,144**	190,172
	2,344,349	2,541,365	**316,144**	190,172

8C. Other segmental information

Additions to non current assets

	Group		Company	
	2012	2011	**2012**	2011
	€	€	**€**	€
Limerick	**88,866**	758,108	**-**	-
Rest of Ireland	**66,084**	104,388	**-**	-
Total continuing operations	**154,950**	862,496	**-**	-
Unallocated head office	**-**	-	**-**	-
	154,950	862,496	**-**	-

9. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company

- **Directors' Remuneration and Key Management Compensation**

The remuneration of the directors, who are considered to be the key management personnel, is as follows:

	2012 Fees: Services as director	**2012 Fees: Other services**	**2012 Total**	2011 Fees: Services as director	2011 Fees: Other services	2011 Total
	€	**€**	**€**	€	€	€
John Teeling	**5,000**	**75,000**	**80,000**	5,000	75,000	80,000
James Finn	**5,000**	**55,000**	**60,000**	5,000	55,000	60,000
Vivion Byrne	**5,000**	**5,000**	**10,000**	5,000	5,000	10,000
Graham Reid	**5,000**	**17,800**	**22,800**	5,000	5,800	10,800
	20,000	**152,800**	**172,800**	20,000	140,800	160,800

The number of directors to whom retirement benefits are accruing is nil. There were no entitlements to pension schemes or retirement benefits. There were no gains made by directors on the exercise of share options. Details of directors' interests in the shares of the company are set out in the Directors' Report.

Directors' remuneration of €22,800 was capitalised as exploration and evaluation expenditure in 2012 (2011: €10,800).

During the year an amount of €38,386 in respect of geologist fees and expenses was invoiced to the group by BGR (Geotechnics) Limited, a company of which Graham Reid is a director.

Group

Connemara Mining Company plc shares offices and overheads with a number of companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Botswana Diamonds plc	Hydrocarbon Exploration Limited	Clontarf Energy plc	Petrel Resources plc	Cooley Distillery	Nobel Resources Plc	Total
	€	€	€	€	€	€	€
Balance at 1 January 2011	(6,705)	(6,920)	-	2,331	-	37,924	26,630
Office and overhead costs recharged	(15,815)	-	3,324	(3,040)	(37,500)	4,719	(48,312)
Payments	21,716	6,920	(3,324)	709	37,500	-	63,521
Balance at 31 December 2011	(804)	-	-	-	-	42,643	41,839
Office and overhead costs recharged	**48,978**	**-**	**60,297**	**60,297**	**-**	**-**	**169,572**
Payments	**(48,174)**	**-**	**(60,297)**	**(60,297)**	**-**	**(42,643)**	**(211,411)**
Balance at 31 December 2012	**-**	**-**	**-**	**-**	**-**	**-**	**-**

9. RELATED PARTY TRANSACTIONS *(continued)*

Company

	Botswana Diamonds plc €	Hydrocarbon Exploration Limited €	Clontarf Energy plc €	Petrel Resources plc €	Cooley Distillery €	Total €
Balance at 1 January 2011	(6,705)	(6,920)	-	2,331	-	(11,294)
Office and overhead costs recharged	(15,815)	-	3,324	(3,040)	(37,500)	(53,031)
Payments	21,716	6,920	(3,324)	709	37,500	63,521
Balance at 31 December 2011	(804)	-	-	-	-	(804)
Office and overhead costs recharged	**48,978**	**-**	**60,297**	**60,297**	**-**	**169,572**
Payments	**(48,174)**	**-**	**(60,297)**	**(60,297)**	**-**	**(168,768)**
Balance at 31 December 2012	**-**	**-**	**-**	**-**	**-**	**-**

At 31 December, the following amounts were due to the company by its subsidiary:

	2012 €	2011 €
Connemara Mining Company of Ireland Limited	**2,090,259**	1,936,281

The increase in the amount due from Connemara Mining Company of Ireland Limited arises due to funds advanced by the company to fund exploration and evaluation expenditure by its subsidiary. The amount due from Connemara Mining Company Limited is net of an allowance of €148,224 (2011: €119,342) which has been recognised due to losses incurred by the subsidiary in current and prior years. The amount due is non-interest bearing, repayable on demand and is unsecured.

The recoverability of amounts due from Connemara Mining Company of Ireland Limited is dependent on the discovery and successful development of economic reserves which is subject to a number of potential risks as set out in Note 1(xi).

10. STAFF NUMBERS

The group did not have any employees other than the directors during the current year. Details of directors' remuneration are given in Note 9.

11. LOSS PER SHARE

	2012 €	2011 €
Loss per share - Basic and Diluted	**(1.26c)**	(1.59c)

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:

	2012 €	2011 €
Loss for the year attributable to equity holders of the parent	**(322,988)**	(397,121)

	2012 No.	2011 No.
Weighted average number of ordinary shares for the purpose of basic earnings per share	**25,709,711**	24,918,615

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

12. SHARE BASED PAYMENTS

The group has applied the requirements of IFRS 2 'Share Based Payments'. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that had not vested by 1 January 2006.

Equity-settled share-based payments are measured at fair value at the date of grant.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The options vest immediately.

OPTIONS	2012 Options	2012 Weighted average exercise price in cent	2011 Options	2011 Weighted average exercise price in cent
Outstanding at beginning of year	**1,600,000**	**8**	1,600,000	8
Granted during the year	**-**	**-**	-	-
Outstanding and exercisable at the end of the year	**1,600,000**	**8**	1,600,000	8

The options outstanding at 31 December 2012 had a weighted average exercise price of €0.08 (2011: €0.08), and a weighted average remaining contractual life of 0.6 years (2011: 1.6 years).

The total number of options outstanding at 31 December 2012 was 1,600,000 (2011: 1,600,000). The options are exercisable at prices ranging between €0.01 and €0.19 in accordance with the option agreement.

12. SHARE BASED PAYMENTS *(continued)*

WARRANTS	2012 Warrants	2012 Weighted average exercise price in cent	2011 Warrants	2011 Weighted average exercise price in cent
Outstanding at beginning of year	5,250,000	35	-	-
Granted during the year	-	-	5,250,000	35
Expired during the year	(5,250,000)	(35)	-	-
Outstanding and exercisable at the end of the year	-	-	5,250,000	35

On 25 February 2011, 5,250,000 warrants were granted with a fair value of €Nil. This fair value was calculated using a Black-Scholes Model. These warrants had a one year life and expired during 2012.

The inputs into the Black Scholes model were as follows:

	2012	2011
Weighted average share price at date of grant (in cents)	-	22
Weighted average exercise price (in cents)	-	35
Expected volatility	-	4%
Expected life	-	1 year
Risk free rate	-	0.5%
Expected dividends	-	None

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous years.

13. INTANGIBLE ASSETS

	Group		Company	
	2012 €	2011 €	2012 €	2011 €
Exploration and Evaluation:				
Cost:				
At 1 January	2,098,369	1,289,476	-	53,603
Additions	154,950	862,496		-
Disposals	-	(53,603)	-	(53,603)
At 31 December	2,253,319	2,098,369	-	-
Carrying amount:				
At 31 December	2,253,319	2,098,369	-	-

The above represents expenditure on projects in Ireland. Included in additions to the Group intangible assets is €22,800 (2011: €10,800) 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 at 31 December 2012 was owned 25% by the Group and 75% by Teck Ireland Limited. The Group's share of expenditure on the licences continues to be capitalised as an exploration and evaluation asset.

13. INTANGIBLE ASSETS *(continued)*

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 interests in TILZ Minerals Limited may be diluted accordingly.

On 21 December 2011 the Group sold its interest in licences in Zimbabwe to a third party.

The realisation of the intangible assets is dependent on the discovery and successful development of economic reserves which is subject to a number of risks as outlined in Note 1 (xi). Should this prove unsuccessful the value included in the balance sheet would be written off to the statement of comprehensive income.

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 carrying value of exploration and evaluation of assets at 31 December 2012, the directors are satisfied that the value of the intangible asset is not less than carrying value.

Segmental analysis	Group	
	2012	2011
	€	€
Limerick	1,323,409	1,234,543
Rest of Ireland	929,910	863,826
	2,253,319	2,098,369

14. INVESTMENT IN SUBSIDIARIES

	2012	2011
	€	€
Company		
Shares at cost - unlisted:		
Opening and closing balance	**172,398**	172,398

The value of the investment in subsidiary companies is dependent on the successful development of economic mineral reserves. See note 13 for further details.

The subsidiaries of the company at 31 December 2012 were:

Name	Registered Office	Group Share	Nature of Business
Connemara Mining Company of Ireland Limited	162 Clontarf Road, Dublin 3, Ireland	100%	Mineral Exploration
Limerick Zinc Limited***	162 Clontarf Road, Dublin 3, Ireland	100%	Mineral Exploration

***Indirectly held.

The directors are of the opinion that the value of the investments is not less than their balance sheet value.

The group at 31 December 2012 held a 25% interest in TILZ Minerals Limited, a company incorporated in Ireland. TILZ Minerals Limited holds licences in the Limerick area. See Note 13 for further details.

15. OTHER RECEIVABLES

	Group 2012 €	Group 2011 €	Company 2012 €	Company 2011 €
Current assets:				
VAT refund due	**11,496**	4,792	**-**	-
Other receivables	**11,930**	47,649	**11,930**	5,005
Non-current assets:				
Due by group undertakings*	**-**	-	**2,090,259**	1,936,281
	23,426	52,441	**2,102,189**	1,941,286

The value of the amounts due from group undertakings is dependent on the discovery and successful development of economic mineral reserves as outlined in Note 13.

Other receivables are non interest bearing and are generally receivable within 90 days.

The carrying value of the receivables approximates to their fair value.

*An allowance of €148,224 (2011: €119,342) has been deducted from the amount due by group undertakings. Gross amount due is €2,238,483 (2011: €2,055,623).

Cash at bank earns interest at floating rates based on daily bank rates. The fair values of cash and cash equivalents is €165,256 (2011: €662,018) for group and €69,762 (2011: €427,681) for company. The group and company only deposits cash surpluses with major banks of high quality credit standing.

16. CASH AND CASH EQUIVALENTS

	Group 2012 €	Group 2011 €	Company 2012 €	Company 2011 €
Cash and cash equivalents	**165,256**	662,018	**69,762**	427,681

17. TRADE AND OTHER PAYABLES

	Group 2012 €	Group 2011 €	Company 2012 €	Company 2011 €
Trade and other payables	**91,796**	273,835	**4,144**	18,172
Accruals	**322,000**	187,800	**312,000**	172,000
	413,796	461,635	**316,144**	190,172

Included in accruals is €300,000 (2011: €160,000) of directors' remuneration.

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made between 30 - 45 days.

The carrying value of trade and other payables approximates to their fair value.

18. FINANCIAL INSTRUMENTS

The Group and Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group and Company holds cash as a liquid resource to fund the obligations of the Group and Company. The Group and Company cash balances are held in euro, dollars and sterling. The Group and Company strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure.

The Group and Company has a policy of not hedging due to no significant dealings in currencies other than the reporting currency and sterling denominated transactions and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis.

To date, the Group and Company has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations for future exploration but controls over expenditure are carefully managed.

The carrying amounts of the Group and Company in foreign currency denominated assets and liabilities at the reporting dates are as follows:

Group	**Assets 2012 €**	Assets 2011 €	**Liabilities 2012 €**	Liabilities 2011 €
Sterling	**35,561**	422,371	**1,070**	7,927
US Dollars	**18,140**	54,444	**-**	-

Company	**Assets 2012 €**	Assets 2011 €	**Liabilities 2012 €**	Liabilities 2011 €
Sterling	**35,561**	422,371	**1,070**	7,927

19. SHARE CAPITAL AND SHARE PREMIUM

	2012 €	2011 €
Authorised:		
200,000,000 Ordinary shares of €0.01 each	**2,000,000**	2,000,000

Allotted, Called-Up and Fully Paid:

	Number	**Share Capital €**	**Share Premium €**
At 1 January 2011	20,459,711	204,597	3,028,874
Issued during the year	5,250,000	52,500	1,135,690
Share issue costs	-	-	(59,409)
At 31 December 2011 and 31 December 2012	**25,709,711**	**257,097**	**4,105,155**

On 25 February 2011, 5,250,000 shares were issued at a price of 20p per share to provide additional working capital and fund development costs.

Allocated to each new share was a 12 month warrant to buy one share exercisable at a price of 35p each.
The warrants expired on 25 February 2012.

20. PROFIT ATTRIBUTABLE TO CONNEMARA MINING COMPANY PLC

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act, 1986, the company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The loss after taxation as determined in accordance with IFRS for the parent company amounted to €322,988 (2011: €397,121).

21. RISK MANAGEMENT

The Group's financial instruments comprise cash, other receivables and trade payables which arise directly from exploration activities. The main purpose of these financial instruments is to provide working capital to finance Group operations.

The Group does not enter into any derivative transactions, and it is the Group's policy that no trading in financial instruments shall be undertaken. The Board reviews and agrees policies for managing the risk and they are summarised below.

The Group has no outstanding bank borrowings and has no interest rate exposure, as the Group finances its operations primarily through equity finance.

Liquidity Risk
As regards liquidity, the Group policy is to ensure continuity of funding primarily through fresh issues of shares. Short term funding is achieved through utilising and optimising the management of working capital. The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development. See note 3 for further details on going concern.

Foreign Currency Risk
The Group has transactional currency exposures. Such exposures arise from expenses incurred by the Group in currencies other than the functional currency and are considered to be insignificant. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates, and restricting the buying and selling of currencies to predetermined exchange rates within specified bands.

The Group does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities are considered and may be used where appropriate in the future.

Credit Risk
With respect to credit risk arising from financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group controls this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The capital structure of the Group consists of equity (comprising issued capital and reserves).

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2012 and 31 December 2011.

Financial assets
The Group has no financial assets other than short term receivables and cash at bank.

22. SUBSEQUENT EVENTS

On 8 April 2013, two of the company directors, Mr. John Teeling and Mr. James Finn, exercised options on 1,000,000 new shares of €0.01 each. The exercise price of these options was €0.01 per share.

On 22 April 2013 Connemara raised £451,500 through the issue of 9,030,000 ordinary shares of €0.01 each at a price of 5 pence per New Share. The net proceeds of the transaction will fund further work on the Company's portfolio of exploration projects in Ireland and pay on-going corporate costs.

As part of the transaction the Company's directors,Mr. John Teeling and Mr. James Finn, had each agreed that £136,500 accrued unpaid fees owed to them by Connemara would be settled via the issue of New Shares at the Issue Price.

23. COMMITMENTS AND CONTINGENCIES

Arising under mining licences issued by the Department of Communications, Energy and Natural Resources there are commitments at 31 December 2012 to undertake exploration totalling €364,500 (2011: €639,000).

In 2012 the Group entered into an agreement with Hendrick Resources Ireland Plc ("Hendrick") which gives Hendrick the option to earn a 50% interest in 5 licences held by the Group on the Wicklow/Wexford border. Hendrick must spend €500,000 to earn the 50% interest. The agreement also gives Hendrick the option to increase their interest in the licences to 75% by spending a further €500,000. Hendrick is an exploration company based in Canada.

Also 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 €1.35m on the licences by 2018 in order to earn the 75% interest.

At the balance sheet date the group had annual commitments under non-cancellable operating leases which fall due as follows:

	2012	2011
	€	€
Within one year	**56,460**	-
Within two to five years	**89,395**	-
After 5 years	**-**	-
	145,855	-

This lease is for the offices at 162 Clontarf Road, Dublin 3, Ireland. The lease expense is shared with a number of other companies also based at 162 Clontarf Road, Dublin 3.

24. CONTINGENT LIABILITIES

There are no contingent liabilities (2011: €Nil).

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Connemara Mining Company plc will be held on Friday, 26th July 2013 in the Westbury Hotel, Grafton Steet, Dublin 2 at 1pm for the following purposes:

Ordinary Business

1. To receive and consider the Directors Report, Audited Accounts and Auditors Report for the year ended December 31, 2012.

2. To re-appoint director: John Teeling retires in accordance with Article 89 and seeks re-election.

3. To re-appoint Deloitte & Touche as auditors and to authorise the directors to fix their remuneration.

4 To transact any other ordinary business of an annual general meeting.

By order of the Board:

James Finn
Secretary

25 June 2013

Registered Office: 162 Clontarf Road, Dublin 3.

Note: A member of the company who is unable to attend and vote at the above Annual General Meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the Company.

To be effective, the Form of Proxy duly signed, together with the power of attorney (if any) under which it is signed, must be deposited at the Company's Registrars, Computershare Investor Services (Ireland) Ltd., Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than forty- eight hours before the time appointed for the Meeting or any adjournment thereof at which the person named in the Form of Proxy is to vote.

Directors and Other Information

DIRECTORS	J. Teeling (Chairman) J. Finn V. Byrne G. Reid
SECRETARY	J. Finn
REGISTERED OFFICE	162 Clontarf Road Dublin 3 Telephone 353-1-8332833 Fax 353-1-8333505 E-Mail: info@connemaramining.com Website: www.connemaramc.com
AUDITORS	Deloitte & Touche Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2
BANKERS	Allied Irish Bank plc 140 Lower Drumcondra Road Dublin 9
SOLICITORS	McEvoy & Partners 27 Hatch Street Lower Dublin 2
REGISTRATION NUMBER	417725
AUTHORISED CAPITAL	200,000,000 €0.01 Shares
CURRENT ISSUED CAPITAL	35,739,711 Shares
NOMINATED ADVISOR & BROKER	Westhouse Securities Heron Tower 110 Bishopsgate London EC2N 4AY UK
BROKER	Optiva Securities Limited 2 Mill Street Mayfair London W1S 2AT UK
REGISTRARS	Computershare Investor Services (Ireland) Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18 Ireland

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