



CONROY
DIAMONDS AND GOLD P.I.c.

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**CONROY SHAREHOLDERS APPROVE DE-MERGER
OF DIAMOND INTERESTS INTO NEW COMPANY**

- **Early application anticipated for admission of Karelian Diamond Resources to AIM**
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At a series of meetings in Dublin this morning, shareholders and optionholders of Conroy Diamonds and Gold P.I.c. (CDG) approved proposals to de-merge the company's diamond interests in Finland into a separate entity, Karelian Diamond Resources plc ("Karelian"). The de-merger will be implemented by way of a Scheme of Arrangement under the terms of which CDG shareholders will receive one ordinary fully-paid Karelian share for every six ordinary CDG shares held on the record date.

High Court approval of the transaction will now be sought.

Karelian intends to apply for admission to AIM at the earliest opportunity. Brokers to the company are Seymour Pierce.

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