28 October 2010

CONROY
DIAMONDS AND GOLD P.l.c.

Conroy Diamonds and Gold Plc
("CDG" or the "Company")

Placing and subscription to raise £1.8 million and debt capitalisation

- **Placing of 25,833,333 new ordinary shares at 6 pence per share to raise £1,550,000 before expenses**
- **Subscription for 4,166,667 new ordinary shares at 6 pence per share to raise £250,000 before expenses**
- **Debt capitalisation of £600,000 at 6 pence per share**
- **Proceeds of the placing to be applied to accelerate ongoing programmes at its Clontibret and Clay Lake gold targets**

Conroy (AIM: CDG), the gold exploration and development company focused on Ireland, announces that it has conditionally raised £1.8 million, prior to expenses, through a combination of a placing (the "Placing") of 25,833,333 ordinary shares of EUR 0.03 in the capital of the Company (the "Placing Shares") at a price of 6 pence per Placing Share (the "Placing Price") and a subscription (the "Subscription") for 4,166,667 ordinary shares of EUR 0.03 in the capital of the Company (the "Subscription Shares") at a price of 6 pence per Subscription Share (the "Subscription Price"). In addition, Professor Richard Conroy, Chairman of the Company, has capitalised loans amounting to £600,000 by subscribing for 10,000,000 ordinary shares of EUR 0.03 in the capital of the Company at the Placing Price (together with the Placing Shares and Subscription Shares set out above ("New Shares")).

Following the admission of the New Shares, Professor Richard Conroy will hold 50,377,639 Ordinary Shares in the Company, representing approximately 21.9 per cent. of the Company's enlarged share capital and total voting rights. In addition, Mr Seamus Fitzpatrick, a Non-Executive Director of the Company, subscribed for 136,667 Ordinary Shares in the Placing. On admission, Mr Fitzpatrick will hold 315,667 ordinary shares in the Company, representing 0.14 per cent. of the Company's enlarged share capital and total voting rights.

The Placing Shares were placed with institutional and retail investors by XCAP Securities Plc ("XCAP"). The Placing and Subscription are conditional, inter alia, on admission of the Placing and Subscription Shares to trading on AIM and the Enterprise Securities Market operated by the Irish Stock Exchange Limited ("ESM"). The New Shares will rank *pari passu* with the existing issued ordinary shares of EUR 0.03 in the capital of the Company ("Ordinary Shares").

The Company intends to use the net proceeds of the Placing and Subscription, amounting to approximately £1,675,000, primarily to fund the Company's ongoing programmes at its Clontibret and nearby Clay Lake gold targets and for working capital generally.

The debt capitalisation by Professor Conroy is considered to be a Related Party Transaction under Rule 13 of the AIM Rules for Companies and under Rule 13 of the ESM Rules. With the exception of Professor Richard Conroy, the Company's directors consider, having consulted with the Company's nominated adviser and the Company's ESM adviser, that the terms of the debt capitalisation are fair and reasonable insofar as the Company's shareholders are concerned.

Application has been made to AIM and ESM for the New Shares to be admitted to trading. Admission and trading in the New Shares are expected to commence on 5 November 2010.

On admission of the 40,000,000 New Shares, the Company will have 230,464,487 Ordinary Shares in issue in total.

Professor Richard Conroy, Chairman, commented:

"These monies will allow us to accelerate the development of our gold projects in Ireland. At one of our targets, Clontibret, we already have, on 20 per cent of the target, a resource of 1M oz, and another target, Clay Lake, has, we believe, even larger potential.

"Additional drilling will be carried out on both licence areas and we will continue with the scoping and environmental studies at Clontibret."

Further Information:

Conroy Diamonds and Gold Plc
Professor Richard Conroy, Chairman Tel: +353-1-661-8958

Merchant Securities Limited (Nomad)
Simon Clements/Virginia Bull Tel: +44-20-7628-2200

IBI Corporate Finance Limited (ESM Adviser)
John Tuite Tel: +353-1-637-7800

XCAP Securities Plc (Broker)
John Grant/ Karen Kelly/ David Lawman Tel: +44-20-7101 7070

Lothbury Financial Services
Michael Padley/Michael Spriggs Tel: +44-20-7868-2567

Hall Communications
Don Hall Tel: +353-1-660-9377