

28 October 2010



CONROY
DIAMONDS AND GOLD P.L.C.

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

Preliminary results for the year ended 31 May 2010

A year of significant progress

Conroy (**AIM: CDG; ESM: CDGI**), the Irish based resource company exploring and developing gold and other projects in Ireland, is pleased to announce its results for the year ended 31 May 2010. A period during which the Company moved from the purely exploration stage to the scoping stage for mine development.

Highlights

- **Clontibret – 1 million oz gold resource identified: scoping and environmental studies underway**
- **Drilling at Clay lake identifies potentially larger target: 13 mineralised zones identified**
- **Extensive zinc anomaly discovered**
- **Over €3 million raised in period**

Chairman, Professor Richard Conroy commented:

"We have made excellent progress during the year and this has continued into the present year. The commencement of scoping and environmental studies at your Company's gold project at Clontibret in Co. Monaghan marks a significant new stage in your Company's development and the results from the nearby Clay Lake gold target in Co. Armagh suggest that this target may be even more prospective than Clontibret. The discovery of a large zinc anomaly to the south of these targets is an additional bonus."

Further Information:

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Chairman's Statement

I have pleasure in presenting your Company's preliminary results for the 12 months ended 31 May 2010. The year has been a highly successful one for your Company.

During the year the Company has moved from the purely exploration stage to the scoping stage for mine development at Clontibret, in Co Monaghan. Clontibret is but one of your Company's targets along the thirty mile gold trend, discovered in the Longford - Down Massif. Seven km from Clontibret, drilling has confirmed the presence of gold in bedrock at a potentially very large Clay Lake target in Co Armagh. In addition, the zinc discovery on your Company's licence area to the south of the Clay Lake target has been shown to be extensive.

The Company has also enjoyed the support of a number of investors for fund raisings during the period, which raised in excess of €3 million, which has allowed your Company to expedite its move from purely exploration towards development.

GOLD EXPLORATION AND DEVELOPMENT

Clontibret Target

The transformation of your Company from being entirely focused on exploration to a potential gold producer was marked by the initiation of scoping studies at the gold target at Clontibret in Co Monaghan where your Company has identified a one million oz gold resource on 20 per cent. of the target. Wardrop Engineering Inc has been appointed to carry out this scoping study on this part of the Clontibret target. Wardrop has been working in the global mining industry since the early 1960's and is at the forefront of gold mining expertise.

The scoping studies will involve a preliminary mine plan, which will be the basis for determining whether or not to proceed with infill drilling on this part of the anomaly and the more detailed engineering work involved in the prefeasibility and feasibility studies.

The scope of the work includes the following: – Geology, including Regional Geology, Resource Review, Deposit Types and Mineralisation; Mine Plan and Production, Metallurgy and Plant Design, Infrastructure/Utilities and Ancillary Facilities, Mine Water and Waste Management, Capital and Operating Costs Estimates and Financial Analysis.

Post year-end Golder Associates were appointed as environmental consultants to the project. Golder has extensive mine development experience in Ireland, across Europe and worldwide. It is widely recognised for setting industry standards in a range of fields including environmental and health and safety standards for mining.

Clay Lake Target

The first drill holes at Clay Lake have returned positive results on this very large gold target in Co Armagh, seven km to the Northeast of the Clontibret target. The Clay Lake anomaly which covers an area of approximately 141 ha, is larger than the Clontibret anomaly (125ha), and has returned the highest gold-in-soil values ever recorded by your Company on its Irish exploration licences, up to 1.53 g/t gold.

Further step out drill holes have also been successful. Intersections have included 63 metres of 0.62g/t gold and 1g/t silver including nine metres of 1.48g/t gold and 1 g/t silver, 14 metres of 0.72g/t gold, four metres of 2.29 g/t gold, three metres of 2.74 g/t gold and two metres of 1.78 g/t gold.

As well as a number of gold intersections being encountered a wide zone of quartz stockwork mineralisation has also been established. Similar to the Clontibret gold mineralisation it occurs at surface and continues at depth and is open in all directions.

The presence of elevated silver values at Clay Lake is significant in its own right and also indicates that the gold at Clay Lake has different characteristics to that found in the Clontibret deposit.

The Clay Lake target which may well be the source area of the Clay Lake Nugget, a 28 gramme gold nugget found in the mid 1980's and now in the Ulster Museum, has shown very encouraging results to date. All the holes drilled so far at the Clay Lake target are in the top corner of the anomaly (which is two km long and one km wide) and all have intersected gold.

We believe that the size of the anomaly, its continuity and the results to date confirm the Board's view that the Clay Lake target is even more prospective than the Clontibret target.

ZINC DISCOVERY

An extensive zinc anomaly has been discovered during the course of your Company's exploration on its prospecting licences in Counties Armagh and Monaghan.

The discovery is located to the southeast of the gold discovery at Clontibret and to the southwest of your Company's gold discovery at Clay Lake.

The anomaly at first was thought to be a series of separate anomalies, but has now been shown to be a single extensive anomaly covering an area of approximately 100 km². Very high soil values of up to 4,047ppm have been returned (normal back ground values in the Longford-Down Massif are generally below 200ppm).

The geology of the area is comparable to the Caledonian geology of Scandinavia which hosts stratabound base metal sulphide deposits. In the nineteenth century shallow lead and zinc mines were worked in the local area as well as the antimony mine at Clontibret. These base metal findings provide further evidence that a significant metalliferous system is present in the Clay Lake and Clontibret areas.

Our primary focus as a Company remains the delineation of our gold discoveries. However, we cannot ignore the possibility that we may have made a significant zinc discovery. If confirmed it would be a welcome addition to the gold potential of the Company's licence areas.

EXPLORATION ELSEWHERE

Exploration continued on your Company's exploration licences elsewhere in Ireland, fulfilling all work commitments, and also in Finland.

CHANGE OF NAME

So much progress has been made in relation to your Company's gold and base metal interests and as the Company no longer has any diamond interests, that it would seem appropriate to rename the Company - Conroy Gold and Natural Resources plc. A resolution will therefore be put forward for the shareholder's consideration at the forthcoming Annual General Meeting.

ENTERPRISE SECURITIES MARKET OF THE IRISH STOCK EXCHANGE

The Company already attracts the interest of many Irish investors because of our exploration success in Ireland and in December 2009 the Company's shares were admitted to trading on the Enterprise Securities Market ("ESM") (The Irish Stock Exchange's specialist market for smaller growth companies is an exchange regulated market). The addition of a euro quotation on ESM also facilitates trading in the Company's shares from both Irish and international investors who choose to trade in Euros.

FINANCE

The loss after taxation for the year ended 31 May 2010 was €290,445 (2009: €298,119) and the net assets as at 31 May 2010 were €9,344,116 (2009: €6,159,903). Cash at bank as at 31 May 2010 was €1,648,160 (2009: €61,744).

As in previous years, I have supported the working capital requirements of the Company and in the period under review have advanced loans to the value of €190,000 and the balance of the loans due to me at the period end was €1,284,576. The loans have been made on normal commercial terms. The other Directors consider, having consulted with the Company's

Nominated Adviser and the Company's ESM Adviser, that the terms of the loans are fair and reasonable in so far as the Company's shareholders are concerned.

During the year under review fund raisings totalling €3,000,632 were completed and I converted €325,000 of my loans to the Company into shares.

AUDITORS

I would like to take the opportunity of thanking the partners and staff of Deloitte & Touche for their services to your Company during the course of the year.

DIRECTORS, CONSULTANTS AND STAFF

I would also like to express my deep appreciation of the support and dedication of the Directors, Consultants and Staff, which has made possible the continued progress and success, which your Company has achieved.

I am also pleased to welcome Dr Sorca Conroy-Sherman to the Board following a successful medical career and having independently achieved success and broad ranging city experience. Her knowledge, skills and experience will significantly contribute to the Company as it moves into a new phase of development.

FUTURE OUTLOOK

Much progress has been made; and the possibilities are very exciting as we move into a new phase of development. We have already made further excellent progress in the year to date and I look forward to the future with confidence.

Professor Richard Conroy
28 October 2010

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2010**

	2010 €	2009 €
OPERATING EXPENSES	(290,522)	(298,155)
Other Income	<u>77</u>	<u>36</u>
LOSS BEFORE TAX	(290,445)	(298,119)
Taxation	<u>-</u>	<u>-</u>
LOSS RETAINED FOR THE YEAR	<u>(290,445)</u>	<u>(298,119)</u>
Loss per ordinary share – basic and fully diluted	<u>(€0.0021)</u>	<u>(€0.0025)</u>

**BALANCE SHEET
AS AT 31 MAY 2010**

	2010 €	2009 €
ASSETS		
Non-current Assets		
Intangible assets	9,802,468	8,736,915
Financial assets	<u>2</u>	<u>2</u>
Property, plant and equipment	<u>14,424</u>	<u>24,791</u>
	<u>9,816,894</u>	<u>8,761,708</u>
Current Assets		
Trade and other receivables	56,381	24,982
Cash and cash equivalents	<u>1,648,160</u>	<u>61,744</u>
	<u>1,704,541</u>	<u>86,726</u>
Total Assets	<u>11,521,435</u>	<u>8,848,434</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Called up share capital	5,713,935	3,170,649
Share premium	6,273,383	5,491,037
Capital conversion reserve fund	30,617	30,617
Share based payments reserve	582,656	433,630
Retained losses	<u>(3,256,475)</u>	<u>(2,966,030)</u>
Total Equity	<u>9,344,116</u>	<u>6,159,903</u>
Non-current Liabilities		
Trade and other payables: Amounts falling due after more than one year	<u>1,284,576</u>	<u>1,928,473</u>
Total non-current liabilities	<u>1,284,576</u>	<u>1,928,473</u>
Current Liabilities		
Trade and other payables: Amounts falling due within one year	<u>892,743</u>	<u>760,058</u>
Total Current Liabilities	<u>892,743</u>	<u>760,058</u>
Total Liabilities	<u>2,177,319</u>	<u>2,688,531</u>
Total Equity and Liabilities	<u>11,521,435</u>	<u>8,848,434</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2010**

	2010 €	2009 €
Cash flows from operating activities		
Cash (used in)/generated by operations	(150,092)	155,856
Tax paid	-	-
Net cash (used in)/generated by operating activities	<u>(150,092)</u>	<u>155,856</u>
Cash flows from investing activities		
Investment in exploration and evaluation	(945,021)	(786,164)
Payments to acquire property, plant and equipment	(206)	(5,409)
Net cash used in investing activities	<u>(945,227)</u>	<u>(791,573)</u>
Cash flows from financing activities		
Issue of share capital	3,325,632	-
Advances of shareholder loan	190,000	755,000
Repayment and conversion of shareholder loan	(833,897)	(196,971)
Net cash generated from financing activities	<u>2,681,735</u>	<u>588,029</u>
Increase/(decrease) in cash and cash equivalents	<u>1,586,416</u>	<u>(47,688)</u>
Cash and cash equivalents at beginning of year	<u>61,744</u>	<u>109,432</u>
Cash and cash equivalents at end of year	<u>1,648,160</u>	<u>61,744</u>

Notes to the Financial Statements

1. Publication of non-statutory accounts

The financial information set out in this preliminary announcement is abbreviated from the accounts as defined in Section 19 of the Companies (Amendment) Act 1986.

The financial information for the year ended 31 May 2010 have been extracted from the Company's financial statements to that date which have received an unqualified auditors' report but have not yet been delivered to the Registrar of Companies.

2. Earnings per share

The calculation of the loss per ordinary share of €0.0021 (2009 - €0.0025) is based on the loss for the financial year of €290,445 (2009 - €298,119) and the weighted average number of ordinary shares in issue during the year of 136,981,154 (2009 - 105,688,297). In August 2009, 10,833,333 ordinary shares were issued in return for capitalisation of shareholder's loans amounting to €325,000. The loss per share was adjusted retrospectively for this.

The effect of share options and warrants is anti-dilutive.

3. Dividends

No dividends were paid or are proposed in respect of the year ended 31 May 2010.

4. Copies of Accounts

It is expected that a copy of the Annual Report and Financial Statements will be available on the Company's website www.conroydiamondsandgold.com and will be available from the Company's registered office, 10 Upper Pembroke Street, Dublin 2 in due course. It will also be forwarded to shareholders who requested a hard copy. A further announcement will be made once the Annual Report and Financial Statements have been published.