



CONROY
DIAMONDS AND GOLD P.L.C.

Half-Yearly Report
2009

DEAR SHAREHOLDER

I am pleased to report on the activities of your Company for the six months ended 30 November 2009, a period during which the gold price improved steadily, before reaching a new peak of over US\$1,200/oz at the beginning of December 2009. Base metal prices also showed a welcome recovery in the period under review.

In terms of the wider stock market, the FTSE Index of AIM shares improved by over 50 per cent. from the lows reached in the first quarter of the year. Your Company's shares participated in this price recovery and we were able in the period to add to our cash resources through share subscriptions and placings.

Clontibret

Work programmes on our Irish exploration licences have continued to return very good results and, in the case of Clontibret, we have now moved beyond the exploration stage with the recent appointment of Wardrop Engineering to carry out a scoping study. This will determine if the current JORC-compliant resource of just over 1 million ounces of gold can support a profitable mining operation.

Whilst this study will primarily be related to Clontibret, it will also consider the possible implications presented by our other nearby gold discoveries at Clay Lake and Glenish.

Wardrop is a multi-disciplined engineering and consultancy firm that has been working in the global mining industry since the early 1960s and is at the forefront of gold mining expertise.

Clay Lake

During the period we have determined that the Clay Lake gold-in-soil anomaly, which we first announced in February 2009, is much larger and more coherent than the Clontibret target, 7km to the south-west. It has returned the highest gold-in-soil sample values (up to 1.53 gramme/tonne) recorded by the Company on its Irish licences, averaging twice those reported at Clontibret.

Chip sampling of rock exposed in stream beds in the northern corner of the soil anomaly returned positive results, and identified an 18m wide mineralised zone averaging 0.47g gramme/tonne gold, with individual samples assaying up to 1.69 gramme/tonne. Furthermore, the extent of this mineralised zone was not fully established as further chip sampling along trend was precluded by soil cover.

After analysis and interpretation of all the sampling data, we brought in a rig at the end of 2009 and completed two inclined diamond drill holes located approximately 450m away from the stream bed sampling. Given that exploration at Clay Lake is still at a very early stage, the recently announced drilling results are, in the Board's opinion, outstanding. They confirm the presence of a broad zone of gold mineralisation, with one hole returning an impressive 63m intersection grading 0.62 gramme/tonne gold from rocks similar to those exposed in the stream bed.

The drilling also showed that the mineralisation continues to a vertical depth of at least 110m and extends for several hundred metres along trend from the stream bed mineralisation. We are confident that much more will be revealed as exploration progresses on this exciting find.

Zinc Discovery

Our discovery of a very large zinc-in-soil anomaly to the south-east of Clontibret has added a new dimension to our activities in this area which features a number of historic, near-surface lead and zinc orebodies that supported small-scale production in the 19th century.

Infill sampling at this discovery to the south-east of Clontibret has resulted in three previously identified separate zinc-in-soil anomalies merging into one large, coherent anomaly covering an area of over 8km². The samples returned an average zinc value of 466 parts per million ("ppm"), with a peak value of 4,047ppm, many times the area's typical background zinc-in-soil values of less than 200ppm. We believe that this anomaly is further evidence of the presence of a large, zoned metalliferous system in the area.

Outlook

Your Company is now moving into an exciting new phase of its development as the Clontibret scoping study gets underway. At the same time, we believe that our work at Clay Lake, though still at an early stage, indicates that this discovery could be of equal or even greater magnitude than Clontibret. The new zinc discovery to the south-east of Clontibret adds a new dimension to the area.

Although your Company cannot ignore the possibility that it has made a significant zinc discovery, our prime focus remains on the delineation and development of our gold projects within the 50km long trend we have identified on our Irish licences. We remain confident of achieving further success over the coming months.

Corporate

In December 2009, the shares of your Company were listed on the Irish Enterprise Exchange (IEX). We believe that this move will facilitate dealings for investors in Ireland and elsewhere who normally trade shares in Euro.

Finance

The results for the six months ended 30 November 2009 are set out below. The loss for the period was €183,126 (2008: loss €202,464).

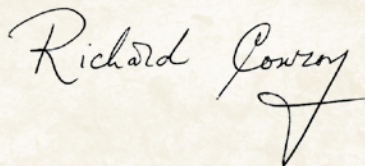
During the period under review your Company raised €830,071, net of expenses, from investors by way of share placings, and I converted €325,000 of my loans to the Company into shares.

Your Board is considering various options to finance the next phase of the Company's activities.

Directors and Staff

I would like to thank my fellow directors, staff and consultants for their support and dedication, which has enabled the continued success of the Company. I look forward to the future with confidence.

Yours faithfully,

A handwritten signature in black ink that reads "Richard Conroy". The signature is written in a cursive style with a large, stylized initial 'C' at the end.

Professor Richard Conroy

Chairman

25 February 2010

UNAUDITED BALANCE SHEET

As at 30 November 2009

	30 November 2009 (Unaudited) €	30 November 2008 (Unaudited) €	31 May 2009 (Audited) €
Non-current Assets			
Intangible assets	9,166,965	8,297,538	8,736,915
Financial assets	2	2	2
Property, plant and equipment	19,515	26,921	24,791
	9,186,482	8,324,461	8,761,708
Current Assets			
Trade and other receivables	32,933	44,110	24,982
Cash and cash equivalents	413,419	90,676	61,744
	446,352	134,786	86,726
Total Assets	9,632,834	8,459,247	8,848,434
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up share capital	4,285,935	3,170,649	3,170,649
Share premium	5,530,823	5,491,037	5,491,037
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserve	508,143	359,117	433,630
Retained losses	(3,149,156)	(2,870,375)	(2,966,030)
Total Equity	7,206,362	6,181,045	6,159,903
Non-current Liabilities			
Trade and other payables:			
Amounts falling due after more than one year	1,567,701	1,831,111	1,928,473
Total non-current liabilities	1,567,701	1,831,111	1,928,473
Current Liabilities			
Trade and other payables:			
Amounts falling due within one year	858,771	447,091	760,058
Total Current Liabilities	858,771	447,091	760,058
Total Liabilities	2,426,472	2,278,202	2,688,531
Total Equity and Liabilities	9,632,834	8,459,247	8,848,434

UNAUDITED INCOME STATEMENT

For the Six Months Ended 30 November 2009

	Six months ended 30 November 2009 (Unaudited) €	Six months ended 30 November 2008 (Unaudited) €	Year ended 31 May 2009 (Audited) €
OPERATING EXPENSES	(183,142)	(202,478)	(298,155)
Other Income	16	14	36
LOSS BEFORE TAXATION	(183,126)	(202,464)	(298,119)
Taxation	-	-	-
LOSS RETAINED FOR THE PERIOD	(183,126)	(202,464)	(298,119)
Loss per ordinary share – Basic and diluted	(0.0015)	(0.0019)	(0.0028)

UNAUDITED CASH FLOW STATEMENT

For the Six Months Ended 30 November 2009

	30 November 2009 (Unaudited) €	30 November 2008 (Unaudited) €	31 May 2009 (Audited) €
Cash (used by)/generated by operations	(12,574)	(18,768)	155,856
Tax paid	-	-	-
Net cash (used in)/generated by operating activities	(12,574)	(18,768)	155,856
Cash flows from investing activities			
Investment in mineral interest	(430,050)	(407,053)	(786,164)
Payments to acquire property, plant and equipment	-	(2,098)	(5,409)
Net cash used in investing activities	(430,050)	(409,151)	(791,573)
Cash flows from financing activities			
Issue of share capital, net	830,071	-	-
Shareholders loan (repayments)/advances	(35,772)	409,163	588,029
Net cash from financing activities	794,299	409,163	588,029
Increase/(Decrease) in cash and cash equivalents	351,675	(18,756)	(47,688)
Cash and cash equivalents at beginning of period	61,744	109,432	109,432
Cash and cash equivalents at end of period	413,419	90,676	61,744