



CONROY
DIAMONDS AND GOLD P.L.C.

OCTOBER 16, 2006

CONROY TO ACQUIRE FINNISH GOLD EXPLORATION INTERESTS OF CONROY PLC TOGETHER WITH RELATED DATABASE

- **Finnish Properties Independently Valued At €1 Million**
 - **Proposed Acquisition To Be Paid In Conroy D&G Shares At 3.5p Each**
 - **EGM Set For November 1 To Consider Transaction**
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Conroy Diamonds and Gold P.L.C. proposes to expand its gold exploration interests by acquiring from Conroy P.L.C. that company's gold exploration assets in Finland for a consideration of €1 million (£675,300) to be satisfied by the issue of 19,294,286 New Ordinary Shares.

These assets include nine Exploration Licences held by Trans-International Mineral Exploration Limited, a wholly owned subsidiary of Conroy P.L.C., in the Central Lapland Greenstone Belt, together with an extensive geological and geophysical database. The Directors believe that Finland has excellent prospects for gold and is under-explored by world standards.

These gold exploration assets in Finland will supplement the Company's existing gold interests in the Longford-Down Massif in Ireland and will, in the directors' opinion, expose Conroy to new and exciting gold exploration opportunities in an area which is highly prospective and is quickly becoming the location of a burgeoning gold mining and exploration industry in a mining friendly environment.

Most of Finland lies on the so-called Baltic Shield - the ancient cratonic mass forming the core of North Western Europe. Although underlain by this major cratonic mass, Finland has not been subjected to the same exploration effort seen in other shield areas (e.g. Southern Africa, Western Australia, Canada) and gold has been largely produced as a by-product of operations in massive sulphide deposits.

Studies by the Geological Survey of Finland (GTK) have resulted in a reappraisal of Finland's gold potential indicating a high potential for gold in Central Lapland and by 1991 the first gold mine in Finland was in operation. This was followed by the discovery of the Suurikuusikko gold deposit in the Central Lapland Greenstone Belt, which is estimated to have a resource of over 2 million oz of gold and is now under development by the Canadian gold mining company Agnico-Eagle Mines Limited.

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Conroy P.l.c. has carried out an active exploration programme for gold in Finland and has acquired a significant knowledge of the style of gold deposition and mineralisation, in particular in the Central Lapland Greenstone Belt. Conroy P.l.c. has built up an extensive database on gold occurrences in the area which includes a comprehensive overview, detailed aeromagnetic interpretation, and a review of the entire GTK geochemical database (1 sample per 4km²). The analysis of the data was followed by the collection and analysis of over 2,300 geochemical samples. This was undertaken by the GTK on behalf of Conroy P.l.c. and resulted in the identification of four areas of particularly attractive prospectivity for gold in the Central Lapland Greenstone Belt.

The company proposes to continue the exploration programme over the prospective areas which have been identified and will also continue to employ, under contract, the services of the GTK.

The strategy of Conroy in Finland will be to identify economic gold deposits and thus increase value to shareholders funds. Finland, with its well-developed infrastructure and mining culture, is a mining friendly country with geological potential for large gold deposits.

As the Chairman of Conroy is the main shareholder in Conroy P.l.c., and other directors of Conroy are shareholders and directors of both companies, an Extraordinary General Meeting will be held on Wednesday November 1, 2006 to consider, and if thought fit, resolve to proceed with the acquisition of the gold exploration assets in Finland of Conroy P.l.c. which have been independently valued at €1 million by CSA, a worldwide exploration management consultancy.

It is proposed that these assets be acquired by the Company for €1 million (£675,300), to be satisfied by the issue of 19,294,286 new Ordinary Shares to Conroy P.l.c., valued at 3.5p per share (the average middle market share price of the Company's Ordinary Shares in the 3 months prior to the date of this document). Conroy P.l.c. will hold 18.26% of the share capital of Conroy Diamonds and Gold following this transaction.

Application will be made for the new Ordinary Shares to be admitted to trading on AIM, and dealings are expected to commence on Thursday 2 November 2006.

Further Information:

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