

JANUARY 18, 2010

SUCCESSFUL RESULT FROM FIRST DRILL HOLES AT CLAY LAKE GOLD TARGET

- **63m Of 0.62g/t Gold And 1g/t Silver, Including 9m Of 1.48g/t Gold And 1g/t Silver**
 - **310m Drilled In North-Western Corner Of 141 Hectare Soil Anomaly**
 - **Wide Zone Of Mineralisation And Quartz Stockwork Intersected**
 - **Potentially Larger Than The Clontibret Gold Discovery**
-

Conroy Diamonds and Gold Plc (**AIM: CDG; IEX: CDG.I**) is pleased to announce that it has completed two inclined diamond drill holes, totalling 310m, in the north-western corner of its Clay Lake gold anomaly in Co. Armagh which returned positive gold results and demonstrated the presence of a broad zone of mineralisation.

The Clay Lake anomaly covers an area of approximately 141ha and has returned the highest gold-in-soil values ever recorded by the Company on its Irish exploration licences. It is larger than the Clontibret anomaly (125ha), 7km to the south-west in Co Monaghan, where the Company has established a JORC-compliant gold resource of over 1m ounces.

One of the drill holes at Clay Lake, was 157m long and reached a vertical depth of approximately 110m. It intersected 3m of 1.57g/t gold from 22.5m, followed by a 63m intersection of 0.62g/t gold and 1g/t silver from 90.5m, the first 9m of which averaged 1.48g/t gold and 1g/t silver. Arenites and argillites (shales) were the main lithologies in this hole.

The 63m zone of mineralisation in this hole occurred in a sequence of argillites with quartz stockwork. The highest gold value over a single metre was 3.07g/t, and the lowest was 0.15g/t.

The intersection also carried elevated silver values of up to 2.5g/t. This is significant in its own right and also enhances the Company's understanding of the Clay Lake target and how it differs from the other major targets the Company has discovered on its licences. It also indicates that the gold at Clay Lake has different characteristics to that found in the Clontibret deposit.

The other hole, 153m long and also reaching a vertical depth of around 110m, intersected 8m of 0.93g/t gold from 34m, including 3m of 2.13g/t from 35m. This was followed by 2m of 0.77g/t gold from 98.7m. The main lithology in this hole was arenites (sandstones).

CONROY 2

Last November, the Company announced that it had identified an 18m wide zone of gold mineralisation with elevated silver values following rock chip sampling in a stream bed at Clay Lake. This zone is similar to and in the same lithology as the 63m intersection mentioned above and is located some 450m away from the two drill holes.

Commenting today, Chairman, Professor Richard Conroy said:

“I am very pleased that the first drill holes at Clay Lake have returned such positive results from a location some distance along strike from the zone of gold mineralisation we identified in a stream bed late last year. The drill intersections indicate that the mineralisation continues both at depth and for several hundred metres along strike from the stream bed zone and remains open in all directions.

“We have, however, done little more than scratch the surface of just a small part of this very large target, which extends over an area of more than 1.4 million square metres, yet the results achieved at such an early stage, we believe, are quite outstanding and encourage us that much more is yet to be revealed.

“In addition, relative to Clontibret, the Clay Lake target is much larger and has returned significantly higher gold-in-soil sample values.”

Further Information:

<i>Professor Richard Conroy, Chairman, Conroy Diamonds and Gold plc</i>	Tel: +353-1-661-8958
<i>Charles Dampney, City Capital Corporation Limited</i>	Tel: +44-20-3178-3399
<i>Simon Clements/Virginia Bull, Merchant John East Securities Limited</i>	Tel: +44-20-7628-2200
<i>John Tuite, IBI Corporate Finance Limited</i>	Tel: +353-1-637-7800
<i>Ron Marshman/Michael Padley, Lotbbury Financial</i>	Tel: +44-20-7011-9411
<i>Don Hall, Hall Communications,</i>	Tel: +353-1-660-9377

Visit website at: www.conroydiamondsandgold.com

[Conroy Share Price](#)