



CONROY DIAMONDS AND GOLD P.L.C.

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SRK STUDY FINDS THE EVIDENCE TO SUPPORT CONROY'S BELIEF IN 1M+ OUNCES GOLD WITHIN ITS IRISH LICENCES

- **One Small Area Drilled Has "Potential To Contain Over 100,000oz"**
- **Much Larger Anomalies Covering 200 Times The Size Of Drilled Area Considered "To Have Better Potential For Mineralisation"**
- **SRK Concurs With Conroy's Broad Approach To Exploration: Advises Work Is Concentrated On Three Areas Selected**
- **Conclusion 'Positive' And Boost To Hopes Of Emerging New Gold Province**

Internationally-respected SRK Consulting has interpreted three major deep-seated lineaments passing through Conroy's Irish properties. Major economic gold deposits elsewhere in the world have often been found on such lineaments, say the consultants.

Their report, which has taken six months to prepare, gives increasing encouragement to the company's hopes of a new gold province.

SRK believes results from the company's exploration activities in Ireland are 'positive' and 'advance its intention to find 1m+ ounces of gold in Longford-Down Massif licences'.

Two of the three areas independently selected by the consultants have had little exploration by the company and are within the Longford-Down Massif that Conroy considers will prove to be a new gold camp. The areas covered by SRK are much larger than studied by Conroy's geochemical programmes.

The most favoured area by SRK contains the Armagh-Monaghan Gold Belt; one of the other two areas is just west of the Slieve Glah project, and the third is also within Conroy's licences. Conroy's chairman, Professor Richard Conroy commented today: "It is very good news for us. The report's findings truly put us on the road to proving a future mining camp. Discoveries made to date are part of a very large gold-bearing mineralised system. Our most drilled area, a small anomaly within Tullybuck-Lisglassan, is open on all sides and should give us plenty more ounces. But this in itself is but a tiny part of the overall picture with the much larger anomalies found elsewhere yet to be drilled."

SRK, in its report on Conroy's gold prospects and exploration potential, concurs with the company's broad-based exploration approach which should continue "whilst concentrating on the three selected areas outlined". Resource and exploration models are being developed by Conroy in conjunction with SRK.

In assessing Conroy's drilling and underground sampling results at the Tullybuck-Lisglassan deposit the consultants say: "The drilling has concentrated near the two old mine shafts and has demonstrated that several narrow gold-bearing veins are reasonably continuous. In addition there are some widely spaced drillholes whose results suggest that vein mineralisation extends at least 150m to the north and stockwork mineralisation persists for some 300m to the east of the well-drilled area. SRK considers that the deposit has the potential to contain over 100,000 ounces of gold."

The consultants point out: "The drilled area of some 50,000 square metres is but a tiny part of much larger anomalies which cover an area 200 times the size of the drilled area at Tullybuck-Lisglassan and are considered to have better potential for mineralisation."

"The Tullybuck-Lisglassan drilling has tested only a small part of a much larger area of equal or better potential according to the basal till geochemistry results. The drilling targeted veins which were discovered by virtue of their exposure in a stream gully.

"The large basal till geochemistry anomalies show the potential for finding more mineralisation under the glacial till cover in the licence areas.

"SRK therefore considers there is potential to find several similar or bigger deposits. Conroy's exploration results gathered to date are positive and advance the company towards its stated intention to find a million ounces plus in the Longford-Down Massif licences," the consultants state.

Conroy holds licences covering 1,500 square kilometres along the Longford-Down Massif. Its approach to exploration targeting has been primarily based on proximity to the Orlock Bridge Fault particularly in areas where perpendicular structures offset this fault. In many mineralised provinces of the world economic deposits are found to be hosted on such major deep-seated lineaments where these coincide with crustal structures and disruptions to these structures.

COUNTRY-WIDE LINEAMENTS POINT THE WAY

SRK says that when country-wide lineament interpretation is superimposed, intersections with the Orlock Bridge Fault – thought to be the controlling influence of regional mineralisation of the Longford-Down Massif – broadly coincide with the three features identified in SRK's regional analysis. It believes the three areas where these lineaments intersect the Orlock Bridge Fault to be particularly prospective in the context of the regional geology and the combined studies add weight to expectation that favourable sites for gold mineralisation exist in the three selected areas.

Conroy, through its exploration programmes, has been demonstrating the overall gold potential of the Longford-Down Massif. It has established a large gold bearing area to date through a combination of till geochemistry, trenching and drilling. In particular, the till geochemistry results have generated a number of gold anomalies containing significant grades which warrant follow-up exploration.

The geometry of these high grade anomalies reinforces the structural controls of the Orlock Bridge Fault and associated cross cutting structures.

Professor Conroy said that the SRK report gave the company a solid base to go forward 'alone or in joint venture' and the company would incorporate SRK's recommendations into its exploration programme.

"The report forms a crucial step in our plans. We have taken a lot of stick in the stockmarket with some people feeling that we should have concentrated on one area and left the rest. That policy would not have brought us to the stage we are at today and well on the road to confirming a new gold province."

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