



CONROY
DIAMONDS AND GOLD P.L.C.

Half-Yearly Report

08

DEAR SHAREHOLDER

I have great pleasure in presenting your Company's half-yearly report for the six months ended 30 November 2008, a period during which your Company continued the delineation and evaluation of its one million plus ounce gold discovery at Clontibret in County Monaghan, Ireland and, more recently, discovered an extensive new gold anomaly at Clay Lake in County Armagh, larger in size than Clontibret and with higher gold-in-soil values.

Clontibret

The JORC-compliant gold resource has been identified in less than 20 per cent of the Clontibret target. The directors believe that the discovery of the Clontibret gold resource, together with initial exploration of the remaining 80 per cent, suggests there is potential for a significantly larger deposit.

Mineralisation at Clontibret comprises a mix of narrow high-grade lode zones and a more extensive lower-grade stockwork. A recent drill hole, 287m deep and designed to intersect the stockwork at depth achieved this objective and also intersected four additional gold lode zones lying above the stockwork.

This increases the number of mineralised lode structures or zones identified at Clontibret to 38.

Clay Lake

More recently, your Company announced the discovery of an extensive gold-in-soil anomaly on its Clay Lake target in County Armagh, 7km north-east of Clontibret. Values ranging up to 1,531 parts per billion gold (1.53g/t) have been returned, the highest gold-in-soil values yet encountered on your Company's Irish exploration licenses.

The new anomaly measures about 2km by 1km (141 ha), is larger than Clontibret, and carries average gold-in-soil values that are twice the average of those recorded at nearby Clontibret.

The anomaly is named after the Clay Lake nugget containing 28g of gold, found in a stream bed in the 1980s. Your Company has long held the view that the Clay Lake nugget is clear evidence of the area's gold potential, and has actively been seeking the source of this nugget for a number of years. These latest results, with the highest gold-in-soil values encountered anywhere in our licence area, may well

indicate that the source of the nugget lies within the new anomaly. It could well be the jewel in the crown for your Company.

The new discovery lies within the 50km-long gold bearing trend delineated by your Company on its licence area which straddles the border between Northern Ireland and the Republic. The licences, which cover over 1,000km² in counties Armagh, Monaghan and Cavan, follow the surface expression of the Orlock Bridge Fault, a major geological structure believed to have influenced mineralisation in the area.

Potential Gold Mineralisation in the Licence Area

Your Company's technical staff now believe, on the basis of the one million ounce gold resource outlined at Clontibret, the potential of the remaining 80 per cent of that target, the new discovery at Clay Lake and other large gold-in-soil anomalies that have been outlined elsewhere on your Company's exploration licences in Ireland, that the total gold potential on these licences, although conceptual in nature, now lies in the 15-20 million ounce range.

Whilst there has been insufficient exploration to date to define such a mineral resource, and there is no certainty that further exploration will result in a resource of this magnitude being realised, the directors believe that the potential is clear and the possibilities exciting.

Technical and Economic Studies

Preliminary in-house technical and economic studies suggest that the one million plus ounce resource at Clontibret has the potential to become an economically viable mining project. These studies are at a very early stage, however, and must be treated with caution as they are based on the resource as estimated to date, over half of which is in the Inferred category at this stage. We will continue to advance the delineation process with a view to increasing both the total resource estimate and the proportion in the Indicated or Measured categories. This would provide sufficient confidence in the resource estimate to allow technical and economic parameters to be applied, thus enabling evaluation of the economic viability of the deposit with a higher degree of certainty.

Finance

The results for the half-year are set out below. The loss for the period was €202,464 (2007: loss €166,698). As in previous periods I have supported the working capital requirements of the Company and in the period under review have advanced aggregate loans amounting to €1,831,111.

The loans have been made under normal commercial terms in accordance with a letter of support dated 11 November 2008. This letter provides confirmation of support from me for the current financial year ending 31 May 2009. The loans have been and will continue to be made on normal commercial terms. The interest on the loans is currently accruing at a rate of 8.25 per cent per annum. The loans may be repaid at anytime but I have confirmed to the Company that I will not request repayment, other than in exceptional circumstances, within a period of less than one year.

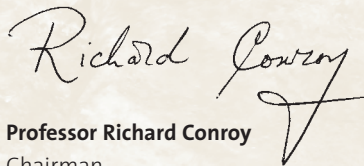
The other directors consider, having consulted with the Company's Nominated Adviser, that the terms of the loan are fair and reasonable in so far as the Company's shareholders are concerned.

Your Board is considering various options to finance your Company's activities going forward.

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

23 February 2009

UNAUDITED BALANCE SHEET

As At 30 November 2008

	30 November 2008 (Unaudited) €	30 November 2007 (Unaudited) €	31 May 2008 (Audited) €
Non-current Assets			
Intangible assets	8,297,538	7,337,620	7,830,219
Financial assets	2	2	2
Property, plant and equipment	26,921	30,934	29,934
	8,324,461	7,368,556	7,860,155
Current Assets			
Trade and other receivables	44,110	35,264	36,229
Cash and cash equivalents	90,676	50,606	109,432
	134,786	85,870	145,661
Total Assets	8,459,247	7,454,426	8,005,816
Equity and Liabilities			
Capital and Reserves			
Called up share capital	3,170,649	3,170,649	3,170,649
Share premium	5,491,037	5,491,037	5,491,037
Capital conversion reserve fund	30,617	30,617	30,617
Share based payments reserve	359,117	181,982	284,604
Retained losses	(2,870,375)	(2,459,735)	(2,667,911)
Total Equity	6,181,045	6,414,550	6,308,996
Non-current Liabilities			
Trade and other payables:			
Amounts falling due after more than one year	1,831,111	942,413	1,421,948
Total non-current liabilities	1,831,111	942,413	1,421,948
Current Liabilities			
Trade and other payables:			
Amounts falling due within one year	447,091	97,463	274,872
Total Current Liabilities	447,091	97,463	274,872
Total Liabilities	2,278,202	1,039,876	1,696,820
Total Equity and Liabilities	8,459,247	7,454,426	8,005,816

UNAUDITED INCOME STATEMENT

For The Six Months Ended 30 November 2008

	Six months ended 30 November 2008 (Unaudited) €	Six months ended 30 November 2007 (Unaudited) €	Year ended 31 May 2008 (Audited) €
Operating Expenses	(202,478)	(166,698)	(374,890)
Other Income	14	-	16
Loss Before Taxation	(202,464)	(166,698)	(374,874)
Taxation	-	-	-
Loss Retained For The Period	(202,464)	(166,698)	(374,874)
Loss per ordinary share – Basic and diluted	(€0.0019)	(€0.0016)	(€0.0035)

UNAUDITED CASH FLOW STATEMENT

For The Six Months Ended 30 November 2008

	30 November 2008 (Unaudited) €	30 November 2007 (Unaudited) €	31 May 2008 (Audited) €
Cash used by operations	(18,768)	(105,012)	(159,261)
Tax paid	-	-	-
Net cash used in operating activities	(18,768)	(105,012)	(159,261)
Cash flows from investing activities			
Investment in mineral interest	(407,053)	(200,743)	(561,640)
Payments to acquire property, plant and equipment	(2,098)	(4,837)	(10,401)
Net cash used in investing activities	(409,151)	(205,580)	(572,041)
Cash flows from financing activities			
Shareholders loan advances	409,163	255,245	734,780
Net cash from financing activities	409,163	255,245	734,780
(Decrease)/Increase in cash and cash equivalents	(18,756)	(55,347)	3,478
Cash and cash equivalents at beginning of period	109,432	105,954	105,954
Cash and cash equivalents at end of period	90,676	50,607	109,432