



CONROY
DIAMONDS AND GOLD P.l.c.

Conroy Diamonds
and Gold P.l.c.

Interim Report

2000

Chairman's Statement

Dear Shareholder,

I have great pleasure in presenting your Company's Interim Report. Excellent progress continues to be made by your Company. Highlights include the discovery of gold in County Armagh and a report by a European Research Team led by the British Geological Survey (BGS), which has found "a new structural orientation not previously observed" at your Company's Tullybuck/Lisglassan gold deposit and believes "that mineralisation is more extensive" than previously indicated. This independent confirmation of the conclusions of your Company's technical experts, that the orientation of the gold veins is different to that of the base-metals mineralised structures, paves the way for additional reserves at Tullybuck/Lisglassan as well as significant new discoveries elsewhere.

Discovery of Gold in County Armagh

The discovery of gold in County Armagh, at a location some 6.5km north-east along strike of the Tullybuck/Lisglassan deposit where previously your Company encountered mineable gold grades and widths, is a new and exciting development.

The Armagh discovery provides firm evidence that the Tullybuck/Lisglassan gold deposit is not an isolated occurrence but is part of the much larger Armagh-Monaghan Gold Belt which has a known length of 18km and lies within your Company's licence area. It also

points to the very real possibility that a number of economic gold deposits could be located along this Gold Belt.

The new find as well as confirming the presence of gold mineralisation some distance from Tullybuck/Lisglassan also provides strong support for your Company's geological model for the Armagh-Monaghan Gold Belt – the interpretation of geological factors and events, which have controlled the emplacement of mineralisation within the belt. Both Tullybuck/Lisglassan and the new Armagh discovery are spatially related to the very important Orlock Bridge Fault, which your Company believes is the geological structure which most influenced the creation of the gold belt.

The target area for the Armagh drilling programme was identified by geochemical prospecting followed by bedrock analysis of two surface trenches. The first borehole was drilled to intersect the underground extension of a broad gold anomaly identified in one of the trenches. Between 16.50m and 23.44m down-hole, it intersected an interval of 6.94m grading 4.41g/t gold. This included a section of 1.87m between 17.97m and 19.84m, which averaged 8.84g/t.

The second hole was drilled to intersect the underground extension of a diffuse, low grade anomaly on a separate structure, which had been identified in the trenches. This returned an intersection of 9.27m grading 1.88g/t gold between 14.73m and 24.00m downhole.

Subsequent drillholes returned a number of other significant gold intersections including one of 5.49 g/t over an interval of 7.46m between 16.15m and 23.61m downhole within which a 3.56m section averaged 9.53g/t gold. These results indicate the presence of an extensive gold-bearing structure open at depth and along strike.

More Extensive Mineralisation at Tullybuck/Lisglassan

The findings of the European Research Team led by the British Geological Survey announcing that mineralisation at Tullybuck/Lisglassan is more extensive than previously indicated did not come as a surprise but it is pleasing to have independent confirmation of its potential. The research findings are not only relevant to Tullybuck/Lisglassan but also to optimization of future exploration plans for the entire Armagh-Monaghan Gold Belt. They provide a mineralogical and geochemical basis that will make future exploration operations even more efficient than before.

Your Company has systematically worked to understand the structural and geological controls of mineralisation in Monaghan and Armagh, initially using the data from the Tullybuck/Lisglassan deposit and adjacent area. These new results have demonstrated the existence of a substantial area of high gold mineralisation potential in the Armagh-Monaghan Gold Belt with many targets still to be tested.

Base Metals South of the Orlock Bridge Fault

Elsewhere in the Longford-Down Massif the presence of a large number of old base metal workings including zinc veins, together with geochemical soil sampling, has indicated base metal mineralisation over a very wide area of approximately 50km² south of the Orlock Bridge Fault. This suggests that there may be potential for larger concentrations of base metals at depth. In geological setting and mineralisation, the area has much in common with the Leadhills-Wanlockhead ore field of the Southern Uplands of Scotland. This major ore field was in production for several centuries, ceasing operations in the 1950s.

Slieve Glah Base Metals and Gold Prospects

Some 45km to the south west of Tullybuck/Lisglassan is the Slieve Glah area. Here the direction of the Orlock Bridge Fault swings in the vicinity of a granodiorite intrusive known to contain copper and molybdenum mineralisation and the fault is exposed as a 200m wide zone with a distinctive mylonitic fabric.

Your Company has carried out an initial geochemical soil sampling programme at Slieve Glah, the results of which have been most encouraging with anomalous values for gold and base metals detected. Gold values of greater than 10ppb were obtained in approximately 12% of the samples and ranged up to 468ppb.

These results are very important because they confirm the exploration potential of the Orlock Bridge/Slieve Glah structural feature over a significant distance.

Polymetallic Zone

To the west and south of the Armagh-Monaghan gold belt (the area to the north and east of the belt has not yet been evaluated) are a series of intriguing gold and base metals targets. These targets which include gold, lead, zinc and barite, require follow-up work.

Land Position

Your Company has secured its land position in the Longford-Down Massif. Its holdings now extend over 1300 km² (500sq miles) covering what your Company considers to be the most highly prospective acreage in the Longford-Down Massif.

Finance

Following the successful fundraising last May and the admission of your Company's shares to the AIM market the Company extended its exploration programme along the Armagh-Monaghan gold belt. The excellent results achieved and the strong indications that the discoveries at Tullybuck/Lisglassan and in Armagh have the potential to be economic, even at current low gold prices, suggest that very significant value could be added to the Company's shares by further exploration at

these sites and, indeed, on the other highly prospective areas on our licenses.

The cash in hand at 30 November 2000 was IRE385,776, which together with facilities available to the Company, is financing the current phase of the exploration programme. Your directors are considering the various options for financing its further exploration and development programmes. This may include bringing in a joint-venture partner or the raising of further permanent capital.

Directors and Staff

I would like to thank my fellow directors, staff and consultants for their support and dedication. They have made the continued progress and success of the Company possible.

The future is both interesting and exciting.

Yours faithfully



Professor Richard Conroy,
Executive Chairman
30 March 2001

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CONROY DIAMONDS AND GOLD P.I.c.

Balance Sheet at 30 November 2000

	November 2000 (Unaudited) IRE	November 1999 (Unaudited) IRE	May 2000 (Audited) IRE
Fixed Assets			
Intangible – Mineral Interests	1,896,976	1,224,772	1,504,609
Tangible fixed assets	53,118	10,432	9,419
	<u>1,950,094</u>	<u>1,235,204</u>	<u>1,514,028</u>
Current Assets			
Debtors	30,238	51,391	14,282
Cash at hand	385,776	729	1,137,056
	<u>416,014</u>	<u>52,120</u>	<u>1,151,338</u>
Creditors: Amounts falling due within one year	<u>(393,254)</u>	<u>(536,353)</u>	<u>(614,616)</u>
Net Current Assets/(Liabilities)	<u>22,760</u>	<u>(484,233)</u>	<u>536,722</u>
Total Assets less Current Liabilities	<u>1,972,854</u>	<u>750,971</u>	<u>2,050,750</u>
Creditors: Amounts falling due after more than one year	-	-	-
	<u>IRE1,972,854</u>	<u>IRE750,971</u>	<u>IRE2,050,750</u>
Capital and Reserves			
Called up share capital	354,627	242,127	354,627
Share premium account	2,041,411	785,688	2,041,411
Profit and loss account	(423,184)	(276,844)	(345,288)
Shareholders' funds	<u>IRE1,972,854</u>	<u>IRE750,971</u>	<u>IRE2,050,750</u>

Profit and Loss Account for half-Year Ended 30 November 2000

	November 2000 (Unaudited) IRE	November 1999 (Unaudited) IRE	Year to 31 May 2000 (Audited) IRE
Operating Expenses	(84,736)	(35,349)	(104,014)
Other income	6,840	-	221
Loss on Ordinary Activities before Taxation	<u>(77,896)</u>	<u>(35,349)</u>	<u>(103,793)</u>
Tax on loss on ordinary activities	-	-	-
Loss for period	<u>(77,896)</u>	<u>(35,349)</u>	<u>(103,793)</u>
Profit and Loss account at 1 June, 2000	<u>(345,288)</u>	<u>(241,495)</u>	<u>(241,495)</u>
Profit and Loss account at 30 November, 2000	<u>(IRE423,184)</u>	<u>(IRE276,844)</u>	<u>(IRE345,288)</u>

