



Dwyka
Diamonds
Limited

20 October 2004

Ms Jill Hewitt
Australian Stock Exchange Limited
2 The Esplanade
Perth WA 6000

Dear Ms Hewitt

Announcement dated 28 September 2004

We hereby clarify the statement contained in our ASX release dated 28 September 2004 in relation to the resource at the Blaauwbosch Mine in South Africa.

Dwyka's geological and mining consultants, Venmyn Rand (Pty) Ltd, have stated that at the Blaauwbosch mine an inferred resource of 1.7mt was identified within the kimberlite pipe to a depth of 500 metres.

The information regarding the resource was compiled by Dwyka's consultant Catherine Telfer, a director and employee of Venmyn Rand (Pty) Ltd. Ms Telfer has over 12 years experience as technical-economic geological adviser and is a Competent Person for the reporting of resources pursuant to the Australasian Code for Reporting of Mineral Resources and Ore Reserves.

Ms Telfer is a member of the Australasian Institute of Mining and Metallurgy, the Natural Scientist Institute of South Africa and the Geological Society of South Africa.

Yours faithfully
Dwyka Diamonds Limited

Mike Langoulant
Company Secretary

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Dwyka Diamonds Limited ACN 060 938 552

Level 4, HPPL House 28 - 42 Ventnor Avenue West Perth WA 6005 Australia Postal Address: PO Box 368 West Perth WA 6872 Australia

Tel: (+61 8) 9324 2955 Fax: (+61 8) 9324 2977 Email: info@dwykadiamonds.com Website: www.dwykadiamonds.com



ASX

AUSTRALIAN STOCK EXCHANGE

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20 October 2004

Mr M Langoulant
Company Secretary
Dwyka Diamonds Limited
Level 4 28-42 Ventnor Avenue
WEST PERTH WA 6005

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 9224 0000
Facsimile 61 9221 2020
Internet <http://www.asx.com.au>

Facsimile: 9324 2977

Dear Mike

Dwyka Diamonds (the "Company")

ANNOUNCEMENT DATED 28 September 2004

We refer to the announcement titled "Progress of acquisition of kimberlite mines in South Africa" (the "Announcement"), lodged on 28 September 2004 by Dwyka Diamonds Limited (the "Company").

The Announcement states "A resource of 1.7mt is considered to exist in the pipe, with the potential to increase this tonnage by the addition of mining known fissures on the property" which is Non JORC compliant.

Pursuant to the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), the public reporting of mineral resources (and/or ore reserves) must be JORC compliant and must be made with the relevant statement of competency. The public reporting of mineral resources (and/or ore reserves) that is non-JORC compliant is not permitted.

Accordingly, Australian Stock Exchange Limited ("ASX") requests the Company make an announcement to the market retracting its statement with respect to the non-JORC compliant resource.

We would appreciate your response, in a format suitable for release to the market, as soon as possible and in any event, by no later than the close of business (i.e. 5.00 pm W.S.T.) on Wednesday 20 October 2004.

Your response should be sent to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

If you have any queries in relation to this letter, please contact me on (08) 9224 0013.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Hewitt', written in a cursive style.

Jill Hewitt
Companies Advisor

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