



Dwyka  
Diamonds  
Limited

Monday, 23<sup>rd</sup> January 2006

## DEBT FUNDING SECURED AND RECEIVED FOR DE BEERS DIAMOND TAILINGS RETREATMENT JOINT VENTURE

---

### HIGHLIGHTS

- Debt finance of ZAR17 million (GBP1.7m) secured and received
  - Successful debt financing results in ZAR17 million (GBP1.7m) cash being returned to Dwyka's balance sheet
  - Construction of plant near completion
  - Plant will treat minimum of 50,000 tonnes per month of diamond tailings from De Beers' Kimberley operations
- 

Dwyka Diamonds Limited ("Dwyka" or "the Company"), the AIM and ASX listed diamond producer and project developer, today announces that debt finance of ZAR17.2 million (approximately GBP1.7m) has been secured and received for the Company's South African Diamond Tailings Retreatment Project from the Industrial Development Corporation of South Africa ("IDC") and the European Investment Bank ("EIB").

The tailings project is a joint venture between Dwyka's wholly owned subsidiary Supermix Mining (Pty) Ltd ("Supermix"), and Black Economic Empowerment ("BEE") entity Kolong Investment Holdings (Pty) Ltd ("Kolong"). Dwyka has an effective 40% interest in the joint venture vehicle, Superkolong (Pty) Limited. The project will be supplied with tailings from De Beers Consolidated Mines Limited's Kimberley mines.

The total project capital expenditure budget is estimated at ZAR25 million and project development to date has been funded by Dwyka. Securing this debt facility reduces Dwyka's funding commitment to the tailings project to ZAR8 million. The debt finance therefore unlocks funds previously committed to the tailings project by Dwyka for other opportunities, and considerably improves the equity internal rate of return for this project.

**Commenting on the receipt of funds today Melissa Sturgess, Chairman of Dwyka Diamonds said:** *"For a relatively limited capital outlay, Dwyka will obtain access to a further source of annuity cash flow with significant expansion potential. The support of the IDC and EIB provides solid third party endorsements to the robust economics of the project and is a vote of confidence in Dwyka's technical capabilities."*

### Details of debt terms

The IDC has advanced a senior loan of ZAR11.5 million to Superkolong, while the EIB has advanced a subordinated loan of ZAR5.685 million to Superkolong as a funding contribution on behalf of Kolong. The IDC loan and the EIB loan do not have recourse to the balance sheet of the Dwyka group, other than its investment in Superkolong.

*For further information please contact:*

**In Australia:**

Adrian Griffin / Melissa Sturgess  
Dwyka Diamonds Limited  
+61 8 9324 2955

**In United Kingdom:**

Laurence Read/ Leesa Peters  
Conduit PR  
+44 20 7429 6605 / +44 7979 955 923

*Alternatively, visit:* <http://www.dwykadiamonds.com>