



22 July 2005

## DE BEERS DIAMOND TAILINGS RETREATMENT PROJECT UPDATE

- Site preparation nearly complete
- Construction due to be completed Q4 2005
- Plant to treat 50,000 tonnes/month from De Beers Kimberly operations

Following the commencement of construction earlier this month at the South African diamond tailing retreatment plant, a JV between Dwyka Diamonds Limited (tic:DWY) and Kolong Investments, site preparation is nearly complete and the fencing and civil contractors have been appointed. The Project will be supplied with tailings by De Beers Consolidated Mines Limited ("De Beers") from their production facilities in Kimberly. The target date for construction completion is by the end of Q4 2005. The plant will treat a minimum of 50,000 tonnes of diamond tailings per month.

Most of the required steelwork and equipment has been purchased and is now being prepared by a local engineering workshop prior to erection on site. The new plant has a "no technical compromises" design, featuring state of the art dense medium separation and X-ray sorting technology to ensure maximum diamond recovery.

Selection and appointment of the key members of the project execution team have been steered by Dwyka Chief Operating Officer, Evan Kirby. Internationally renowned Dense Medium Separation Consultant, Dr Tony Mason, has been retained for detailed process design and equipment specification throughout the plant. The appointed Project Manager, Ralph English, has a long history of successful management of mining projects in Southern Africa and other parts of the world. These key players have been supported by the extensive local experience of Dwyka's recently appointed managing director, Cedric Bredenkamp.

The Tailings Retreatment Project is owned by Superkolong (Pty) Ltd with Dwyka holding 40 per cent of the equity through its wholly owned subsidiary company, Supermix (Pty) Ltd. The capital cost of the project will be about R20 million and project development is currently being funded by Dwyka. Once operations have commenced funding is expected to be switched to a South African Rands bank loan.

**Commenting on the update today Melissa Sturgess, Chairman, of Dwyka Diamonds said:** "Progress to date at the retreatment project has been excellent and we aim to be in full production by Q1 of 2006. The tailings project will give Dwyka multiple revenue streams and allow us to further demonstrate our competence as a producer in the diamond sector."

*For further information please contact:*

**In Australia:**  
Melissa Sturgess  
Dwyka Diamonds Limited  
(+618) 9324 2955

**In United Kingdom:**  
Laurence Read/ Leesa Peters  
Conduit PR  
(+44) 20 7618 8707/ (+44) 7979 955 923

Or visit: <http://www.dwykadiamonds.com>