



DWYKA DIAMONDS LIMITED
("Dwyka Diamonds" or "the Company")

**DWYKA TO TAKE OVER CERTAIN DE BEERS GEOLOGICAL
OFFICES AND PURCHASE PLANT AND EQUIPMENT**

The Directors of Dwyka Diamonds Limited, the AIM and ASX listed diamonds producer and developer, today announces that it has reached agreement with De Beers Consolidated Mines Limited to:

- take over a number of offices in Kimberley, South Africa, on a 10 year, care and maintenance basis; and
- acquire a specialised sampling plant and engineering workshop in Kimberley, South Africa.

Under the agreement Dwyka will lease five buildings on the De Beers Geological Services Division Campus on a care and maintenance basis. The offices have become available due to the recent restructuring of De Beers' exploration operations in Kimberley.

In addition, for a sum of ZAR4.0m (subject to final audit), Dwyka has purchased a specialised sampling plant, various pieces of processing equipment and a fully equipped engineering workshop. Some of the process plant is being utilised immediately in the De Beers Tailings Retreatment Project Joint Venture. It is anticipated that the sampling plant for the forthcoming bulk sampling operation in Tanzania will be constructed using much of the plant that forms part of the purchase agreement.

The engineering workshop will be utilized extensively to build plant and infrastructure that will be required on the underground mines Blaauwbosch and Newlands and on future Dwyka projects. It is anticipated that this acquisition will significantly decrease Dwyka's project capital costs going forward.

As a direct result of the agreement Dwyka has employed 30 ex-De Beers employees who were recently retrenched. This is a demonstration of the mutually beneficial way in which Dwyka and De Beers are working together to provide jobs for local Kimberley people. It will also secure the future of a range of buildings which have historic significance to Kimberley and the history of diamond mining in South Africa. These new employees are part of the required staffing complement for the tailings joint venture project.



Commenting on the agreement, Melissa Sturgess, Chairman of Dwyka, said, "This is another way in which the relationship that has developed between Dwyka and De Beers can be mutually beneficial while providing positive social outcomes. De Beers' commitment to assisting its former employees find alternative work has resulted in this innovative agreement. Dwyka obtains incredible benefits from new office space and the purchase of a range of processing equipment and is able to secure the services of a range of De Beers' trained employees'.

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