A.C.N. 060 938 552

QUARTERLY REPORT 30 JUNE 2008

DWYKA RESOURCES LIMITED (ASX:DWY.AX; AIM:DWY.L)

Highlights during the Quarter

Philippines Coal Project

- Acquired option to acquire an interest in the Daguma Coal Project located on southern Mindanao in the Philippines. Since exercised in July 2008.
- Conclusion of services agreement with Tomori Enterprises Limited to provide ongoing liaison and facilitation services for the life of the Daguma Coal Project
- Successful capital raising of GBP10.3m (A$21.3m) to finance acquisition and exploration expenditure
- Review of historical data on the Daguma Coal Project completed

Muremera Nickel Project in Burundi

- Phase One of Muremera exploration programme completed
- Phase Two, due to commence, concentrating on drilling geophysical anomalies derived from recently completed VTEM survey
- Muremera geological environment confirmed to be similar to that at nearby Kabanga which is currently has an inferred resource of 36Mt @ 2.8% Nickel

SwaziGold Project in Swaziland

- Core drilling at Daisy Prospect returns gold values of 3.39 g/t over 10m
- High grade intersection of 16.56 g/t over 1m
- Trenching at Kobolondo Prospect returns several significant gold intersections

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- Option to increase interest in the SwaziGold Project, extended from 30 June 2008 until 30 September 2008.

Kimcor Diamonds Plc

- Increase in overall diamond production to 5,173 carats in May 2008 (compared with previous average monthly production of 1,200 carats)

PHILIPPINES COAL PROJECT

On 7 May 2008, Dwyka announced that it had entered into an option giving it the ability to acquire an interest in the Daguma and Bonanza coal deposits located on the Philippines island of Mindanao (collectively, the '**Project**'). A review of historic data in relation to the Project was subsequently completed by Dwyka and the results of that review were announced by the Company on 29 May 2008.

The Company also announced on 28 May 2008 that pursuant to the terms of a placing agreement, Ambrian Partners Limited as broker to the Company had conditionally placed 39,745,500 fully paid ordinary shares ('**Shares**') at a price of 26 pence per Share with selected institutional investors to raise gross proceeds of approximately £10.3 million (A$21.3 million) in order to finance the acquisition by the Company of an initial 30% interest in the Project and related exploration and development costs (the '**Placing**').

An Extraordinary General Meeting of Dwyka shareholders ("**EGM**") held on 30 June 2008, approved the Placing, the exercise by the Company of an option to acquire an interest in the Project, the issue of Shares in connection with the exercise of that option and the issue of Shares as consideration pursuant to a services agreement in connection with the Project ("**Services Agreement**").

Subsequent to the end of the Quarter, Dwyka announced that a drilling agreement in relation to an initial 5000 metre core drilling programme for the Project (to result in approximately 25 large diameter drill holes) had been signed and that drilling was expected to commence shortly. In addition, the Company has announced that it had exercised its Project option, permitting it to acquire an indirect 30% interest in the Project by 18 January 2009, with the possibility of thereafter increasing that interest to a maximum of 100%. As a result of the exercise of that option, Dwyka also announced that it would pay US$1.25million to Tomori Enterprises Limited ("**Tomori**") and would issue to Tomori a total of 17,494,071 Shares at a deemed price of 26 pence per Share. These Shares were issued as partial consideration for the exercise of the Project option and as full consideration for the provision by Tomori to Dwyka, pursuant to the Services Agreement, of Project-related services over the life of the Project.

MUREMERA PROJECT

During the quarter, it was announced that BHP Billiton had successfully completed Phase One of the exploration programme at the Muremera Nickel Project, comprising a VTEM study and first phase drilling. Phase 2 of drilling is due to commence in the September Quarter.

The results of the VTEM studies and first phase drilling indicates that the geological environment at Muremera is similar to that at the nearby Kabanga deposit which currently has an inferred resource grading 36Mt@2.8% Nickel, and that the Muremera district remains positive for higher grade Kabanga North type Nickel mineralization.

The geological methods which aided the discovery of Kabanga are being used at Muremera and include early stage geophysical studies and orientation drilling. Orientation drilling has been undertaken to increase the likelihood of locating economic zones of nickel bearing sulphide in such a complex structure.

The second phase of the exploration programme will be focused on more precise and defined drilling of targets identified from the recently received VTEM results.

The Muremera Nickel Project is located within one of the world's principal nickel provinces, just 2 kilometres from, almost adjacent to and in the same geological sequence as, the giant Xstrata/Barrick Kabanga deposit in Tanzania which currently has an inferred resource of 36Mt @ 2.8% Nickel. The Kabanga deposit is thought to be the world's largest undeveloped nickel sulphide deposit and has similar geophysical anomalies to those at Muremera.

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As a result of the completion of Phase 1, BHP Billiton has satisfied its requirements to earn an initial 10% interest in the Project. BHP Billiton has the ability to earn a total interest of up to 50% in the Project by carrying the Project through to completion of a concept study and sole funding at least US$5.2million worth of Project expenditure. It is anticipated that the amount to be spent by BHP Billiton to reach an overall interest of 50% in the Project is likely to be significantly greater than the minimum required amount of US$5.2million, as BHP Billiton has already spent approximately US$4.2 million in relation to Phase One (as against the minimum required amount for that phase of US$1.2million).

SWAZIGOLD PROJECT

Daisy Prospect

Drilling

During the Quarter, core drilling was conducted at the Daisy Prospect as part of a 2000 metre drilling diamond drilling programme underway in connection with the SwaziGold Project. The assay results for the first hole (SG03D) returned significant gold values located between 116 and 126m. The 10m intersection returned an average gold content of 3.39 g/t which includes a high grade intersection of 16.56 g/t over 1m. Drilling of SG04 D was completed on the 26th of April at a depth of 234.73m. The southernmost extent of the ore body was intersected from 173 to 176m with an average grade of 0.31 g/t over 3 metres. The mineralization corresponds to similar patterns of mineralization in previous drilling programmes, and evidence suggests that a major east-west trend fault truncates the ore body to the south.

Drilling of SG05 D was completed on the 18th of June at a depth 190.49m. The complete host rock stratigraphy and alteration zone were Intersected in BH SG 05D (similar to SG 03D). The hole has a high silicic content, probably as a result of late stage post mineralization faulting and associated fluid infiltration. It therefore intersected no significant gold mineralisation. The inferred relict ore zone is located at 142.38 -153.49 metres. Figure 1 and Figure 2 indicates the borehole positions of the current and proposed boreholes and the proposed daisy oreshoot.

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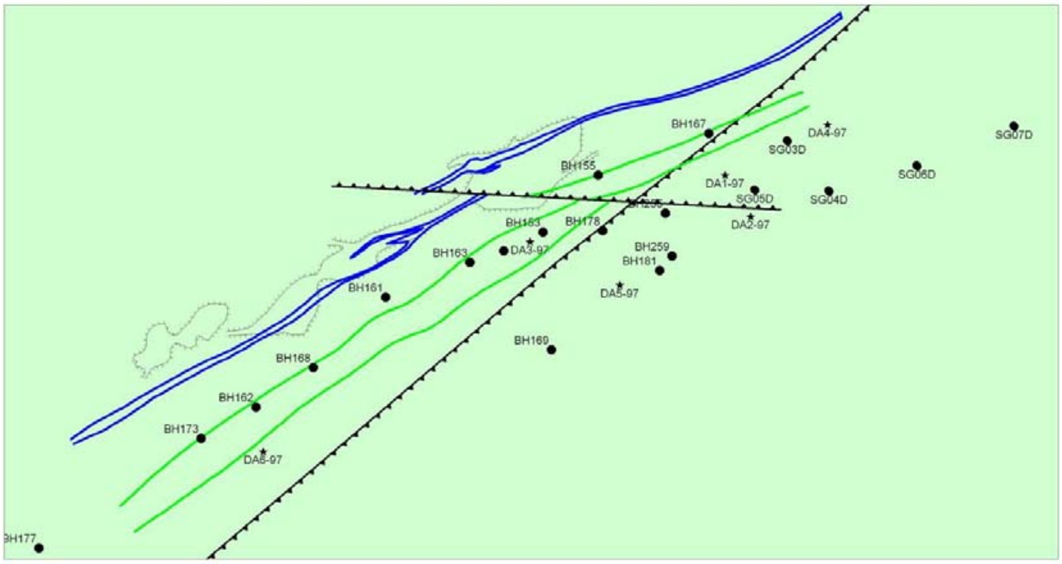

Fig. 1: Daisy Prospect showing hanging wall Daisy Chert Bar (Green), Footwall Talc Schist (Blue) with current and proposed (SG06D and SG07D) borehole positions.

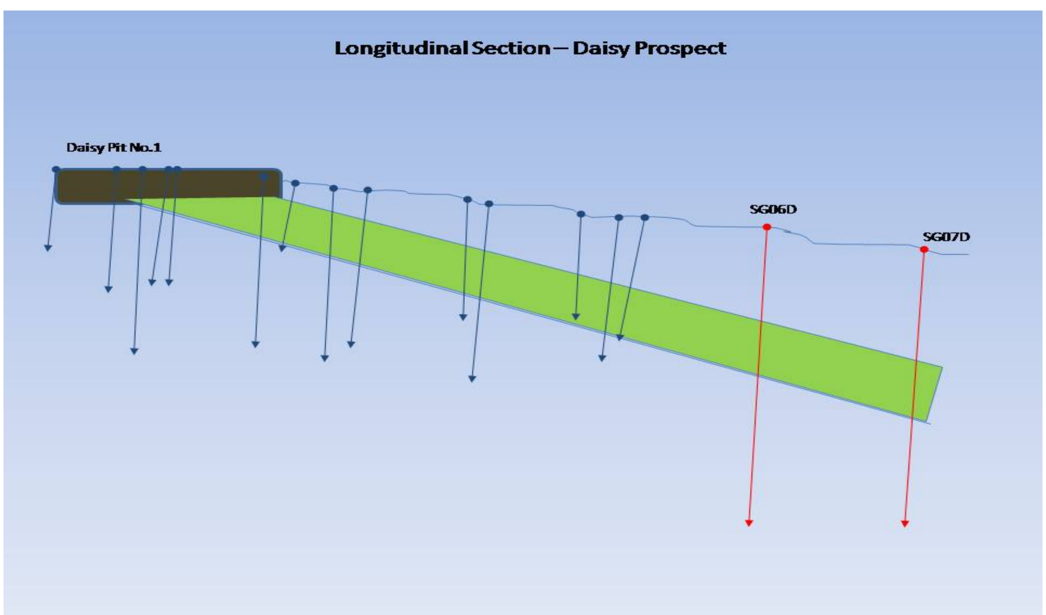

Fig.2: Longitudinal Section through the Daisy mineralization. The ore shoot is indicated in green, and holes drilled to date are in blue.

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Soil Geochemistry

Infill soil geochemistry on a 100 metre x 50 metre grid was completed in the south-western portion of the Daisy Prospect during the quarter (209 new samples). These results, together with previous results as reported on 3 December 2007 have defined a 1250 metre x 500 metre >100ppb gold in soil anomaly (peak 1560ppb) to the south-west of the Daisy mine. The North-Eastern part of this anomaly corresponds with the old Gordon Mine. The sampling program corresponds with the old Gordon workings, plant area and some of the historical pits and trenches. The soil geochemistry also identified additional reverse circulation ("RC") drilling targets located to the north of the known Daisy Prospect.

Kobolondo Prospect

Trenching

To date, a total of eight trenches have been excavated on the Main Shear Zone (the main gold bearing structure) in the 450 metre strike length. Trench spacing ranges from 30 – 70 metre. Mineralisation in the Main Shear Zone has been closed-off to the south-west but remains open to the north-east. The following table summarises the intersections >1g/t Au:

Trench 1:	2.59g/t Au over 11m (including 6.30g/t Au over 4m)
Trench 2:	1.09g/t Au over 3m
Trench 3:	No intersections >1g/t Au
Trench 4:	1.38g/t Au over 2m
Trench 5:	6.59g/t Au over 4m;
	1.56g/t Au over 2m;
	2.72g/t Au over 2m
Trench 6:	1.12g/t Au over 1m;
	1.06g/t Au over 2m;
	1.64g/t Au over 1m
Trench 7:	2.60g/t Au over 2m ;
	4.84g/t Au over 1m
Trench 8:	5.08g/t Au over 3m ;
	1.27g/t Au over 1m

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Drilling

Ground conditions at the SwaziGold Project are typical of the Barberton style of geology. In particular, the ground conditions at Kobolondo are poor, suggesting that there has been plenty of geological activity. This activity, in the form of weathering and oxidation, implies significant potential for larger trap sites and zones prone to preferential mineralisation. After initial core drilling with Triple Tube Core Barrels at Kobolondo, it has been decided to move to RC drilling to obtain better results, as Kobolondo remains an important target. This RC drill programme is expected to commence as soon as a rig is available.

Equity Earn-in

Under the terms of a Shareholders and Earn-in Agreement, Dwyka is able to progressively increase its interest in Swazi Gold Ventures (Pty) Limited ("**SGV**") (up to a maximum of 100%) by funding Project exploration and making certain periodic share and cash-based payments. As a result of a three-month extension to the deadline for completion of the current phase under that agreement, Dwyka has until 30 September 2008 to spend a total of US$750,000 in order to increase its equity in SGV from 50% to 70%. As at 30 June 2008, Dwyka had incurred total project expenditure of US$667,137.

The extension will enable the completion of the 3D modeling and associated resource estimations of the main prospects in relation to the SwaziGold Project.

KIMCOR DIAMONDS PLC

During the Quarter, Kimcor Diamonds Plc ("**KimCor**") reported diamond production of 5,173 carats for May 2008, as compared with previous average monthly production of 1,200 carats. In addition, KimCor also announced the following information:

SMI4

During May, diamond recovery from the SMI4 tailings project averaged 12.23cpht against a budget of 6cpht.

New equipment required to take SMI4 processing rates up to 150,000 tonnes per month ("tpm") was intended to be installed and commissioned during the September 2008 quarter.

Newlands

Newlands mine achieved the budgeted recoverable grades for both kimberlite and tailings during May 2008. A new crusher circuit was installed during late May and KimCor expected the operation to process 7,000tpm of kimberlite and 23,000tpm of tailings during June 2008.

Blaauwbosch

The hoisting from underground and processing of kimberlite at Blaauwbosch mine was expected to increase from 100 to 400 tonnes per shift in June following the completion of a new ore pass that had previously been a bottleneck to production. This new ore pass was scheduled for completion by 16 June 2008.

Nooitegdacht

The terms of a new strategic alliance were under negotiation with a South African based diamond mining company with particular expertise in large-scale alluvial mining. Initially the proposal would see the existing KimCor processing plant operate at capacity of 45,000tpm with the introduction of a new fleet of haul trucks and excavators for mining. The medium-term objective would be to invest in mobile pan processing plants to replace the existing plant.

MELISSA STURGESS
Chief Executive Officer

The technical exploration and mining information contained in the above announcement has been reviewed and approved by Ed Nealon, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is qualified as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Nealon is a Dwyka Resources Limited Director and meets the criteria of a qualified person under the AIM guidance note for mining, oil and gas companies.

Ed Nealon consents to the inclusion in this announcement of such information in the form and context in which it appears.

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Enquiries:

Melissa Sturgess
Dwyka Resources Limited
(+618) 9324 2955 or melissa@dwyresources.com

In the United Kingdom
Richard Brown
Ambrian Partners Limited
+44 (0)20 7634 4700

Press enquiries
Charlie Geller/Leesa Peters
Conduit PR
(+44) 20 7429 6604 or (+44) 7970 067 320

or visit http://www.dwyresources.com

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

DWYKA RESOURCES LIMITED

ACN or ARBN	Quarter ended ("current quarter")
98 060 938 552	30 June 2008

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		2,646
1.2	Payments for (a) exploration and evaluation	(325)	(1,494)
	(b) development		(183)
	(c) production		(3,035)
	(d) administration	(503)	(2,276)
1.3	Dividends received		
1.4	Interest and items of a similar nature received	17	114
1.5	Interest and other costs of finance paid		(193)
1.6	Income taxes paid		
1.7	Other FOREX		(10)
	Net Operating Cash Flows	(811)	(4,431)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		(227)
	(b)equity investments		
	(c) other fixed assets	(3)	(21)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		462
1.10	Loans to other entities	(212)	(212)
1.11	Loans repaid by other entities		60
1.12	a) Other cash held in associates accounted for on an equity basis – previously held by subsidiaries and included in consolidated cash balances		(8,284)
	b) Other cash acquired upon subsidiary acquisition		7,662
	Net investing cash flows	(215)	(560)
1.13	Total operating and investing cash flows (carried forward)	(1,026)	(4,991)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,026)	(4,991)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	21,503	22,949
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(75)
1.18	Dividends paid		
1.19	Other – capital raising costs	(845)	(845)
	Net financing cash flows	20,658	22,029
	Net increase (decrease) in cash held	19,632	17,038
1.20	Cash at beginning of quarter/year to date	1,609	4,265
1.21	Exchange rate adjustments to item 1.20	(93)	(155)
1.22	**Cash at end of quarter**	21,148	21,148

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	165
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available $A'000	Amount used $A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	$A'000
4.1 Exploration and evaluation	600
4.2 Development	
Total	**600**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
5.1 Cash on hand and at bank	20,618	89
5.2 Deposits at call	410	1,220
5.3 Bank overdraft		
5.4 Other – rental bonds	120	30
Total: cash at end of quarter (item 1.22)	**21,148**	**1,609**

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1	**Preference +securities** *(description)*	-	-		
7.2	Changes during quarter				
7.3	**+Ordinary securities**	171,089,706	171,089,706	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,745,500	39,745,500	GBP0.26 ($0.55)	GBP0.26 ($0.55)
7.5	**+Convertible debt securities** *(description)*		-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		125,000	-	*$0.52*	*30/6/2010*
		500,000	-	*$0.31*	30/6/2010
		450,000	-	$0.95	30/6/2009
7.8	Issued during quarter				
7.9	Exercised during quarter			*Exercise price*	*Expiry date*
7.10	Expired (cancelled) during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 29 July 2008
Company Secretary

Print name: Michael Langoulant

Notes

1 This quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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