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Dwyka Resources Limited ('Dwyka' or the 'Company')

Drilling and Prefeasibility to commence at Daguma Coal Project

Highlights

- Drilling due to commence at the Daguma Coal Project by the second week of August
- Construction of the Daguma camp and core shed is progressing on schedule
- Sedgman Limited appointed to conduct a prefeasibility study on the Project
- Prefeasibility Study to consider alternative production and engineering approaches for each component of the Project to determine the most efficient operating scenarios

Dwyka is pleased to announce that diamond drilling at the Daguma Coal Project ("**Project**"), located on southern Mindanao, in the Philippines, is expected to commence by the second week of August 2008. Sedgman Limited ("**Sedgman**") has been appointed to conduct a prefeasibility study in relation to the Project ("**Prefeasibility Study**"), which will cover the coal handling & processing plant (CHPP), coal transport, stockpiling & blending, port & ship-loading facilities, and infrastructure requirements in relation to the Project.

Diamond Drilling

Drilling in relation to the Project will commence initially on the two coal blocks which comprise the Daguma deposit ("**Daguma**"), one of two coal deposits forming part of the Project. These blocks have been the subject of significant historical drilling (32 holes) and other work, including the completion of a scoping study. Two diamond drill rigs are currently being mobilized to site and the required geophysical logging equipment is being imported into the Philippines. The construction of a 15-man camp and core shed at Daguma has begun and will be completed before drilling commences.

The initial 5,000 metres of diamond drilling will consist of 25 large diameter drill holes with an estimate average depth of 200m. An estimated 500 samples will be sent to Manila for coal quality analyses. All available historical geological and topographical information has been incorporated into a geological software package which has been used to construct a 1,000m drilling grid over the Daguma licence area. The detailed topography, coal outcrop positions, drilling grid and the localities of the first eight drill holes are indicated in Figure 1.

The purpose of this drilling program is to verify historic work and further define and delineate a JORC-compliant resource of 150 million tonnes of coal within 24 months, with the intention of bringing the Project into production.

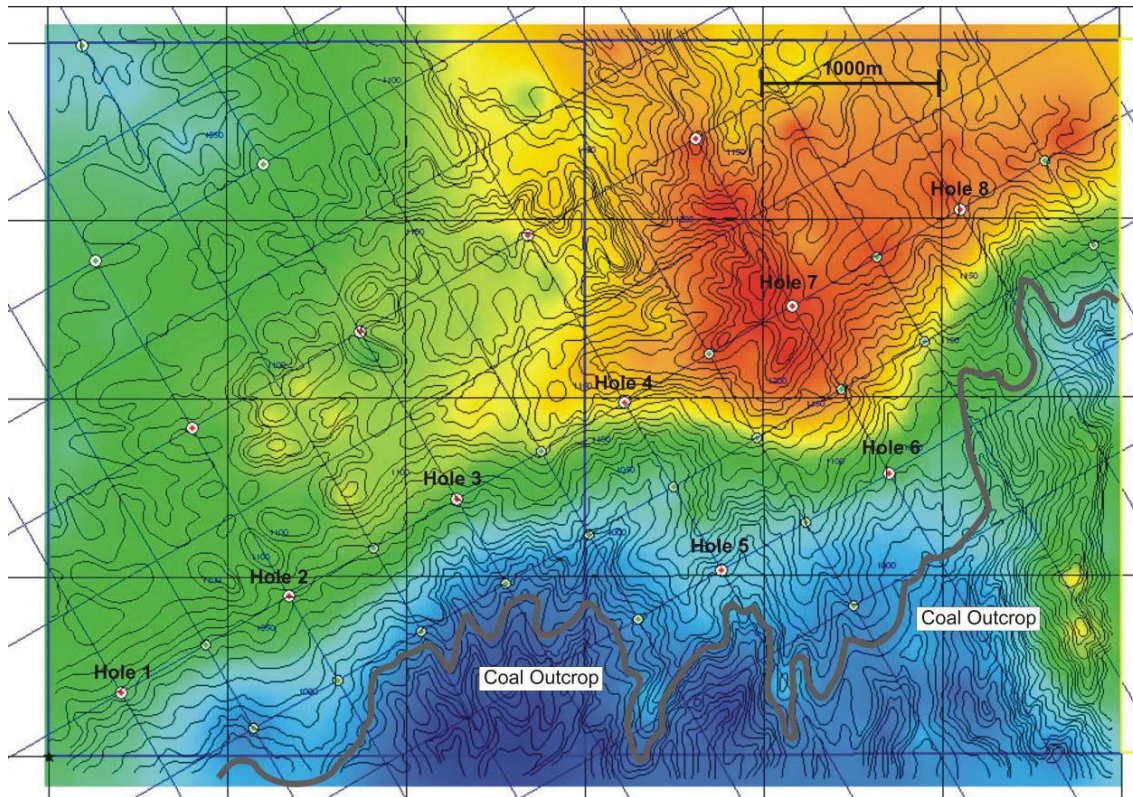


Figure 1. Daguma Licence Area and drill hole positions for the first eight holes.

Prefeasibility Study

The Prefeasibility Study will assist with preliminary decisions regarding the capacity and configuration of the minerals processing, transport, port and infrastructure elements of the Project. The Prefeasibility Study will consider alternative production and engineering approaches for each component of the Project to determine the most efficient operating scenarios.

Capital and operating costs will be estimated for a number of production rates to determine the optimum economic size for an initial development and production plan.

Sedgman will work with Philippines-based engineering contractors to ensure that facilities meet local requirements and that costs are Philippines-based. It is envisaged that all plant construction for the Project will be undertaken by Philippine-based companies utilising local skilled labour. Under the terms of a study agreement, Sedgman is to complete the Prefeasibility Study by 12 September 2008 and submit the study report shortly afterwards.

The Prefeasibility Study will initially be based on data currently available and will be refined as the results of the drilling program referred to above become available.

Melissa Sturgess, Chief Executive Officer of the Company, said:

“It is our objective to move the Project quickly towards production. The drilling programme is an important step in verifying the size of the Project’s resource, whilst the Prefeasibility Study assists us in determining the best approach to maximize the Project’s value.”

Speaking from Manila, Mr Evaristo Narvaez, Jnr, President of Dwyka's Philippine partner MANA Resources Development Corporation ("MRDC"), commented:

"MRDC is confident that we have the skills and able workforce in the Philippines to be able to work with Dwyka and Sedgman to cost-effectively build the infrastructure required for this exciting project."

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Notes to editors:

Dwyka is focusing on the diversified minerals sector in order to achieve maximum value for shareholders during the ongoing resource boom.

Coal

Dwyka has an option to acquire an indirect interest of up to 100% in each of two Filipino companies which own the Daguma and Bonanza coal deposits, located in southern Mindanao, The Philippines ("**Daguma Coal Project**"). The Daguma Coal Project comprises 10 coal Blocks, each having an area of approximately 10 square kilometres (giving a total project area of approximately 100 square kilometres). Two of the Blocks have been the subject of significant historical drilling (32 holes) and other work, including the completion of a scoping study. The remaining 8 Blocks are also located within the same geological coal basin, termed the Cotabato Basin, and have recently been proven to be coal bearing through a combination of drilling, pitting and trenching. Dwyka considers these Blocks to be highly prospective, with the potential to be of similar size or even exceeding the two main Blocks. The Company is planning to initiate an extensive grid drilling programme on the remaining 8 Blocks, which will enable resource estimation and classification to occur within the next 12 months.

Analysis of the coal located at the Daguma Coal Project suggests that it is of medium calorific value, approximately 5,300 Kcal/kg, making it suitable for both the export market to India and China and for in-country power stations and industrial (cement) purposes. The Philippines has ready demand for coal for power stations and other coal miners in The Philippines are already exporting similar calorific value coal to India, China and Hong Kong.

Nickel

Dwyka has a major nickel exploration project underway in Burundi. Dwyka acquired all of the shares in Danyland Limited (**'Danyland'**), the owner of the Muremera Nickel Project in Burundi, Africa, in January 2007. The Muremera project is located within one of the world's principal nickel provinces, only 2 kilometres from, almost adjacent to and in the same geological sequence as, the giant Xstrata/Barrick Kabanga deposit in Tanzania.

The Kabanga deposit is thought to be the world's largest undeveloped nickel sulphide deposit and has similar geophysical anomalies to those at Muremera. An exploration permit has been granted in relation to Muremera and access for exploration activities is good. The project's prospectivity has led to a commitment from BHP Billiton to spend at least US\$5.2 million as part of sole funding arrangements to earn up to a 50% interest in Danyland.

Gold

Pursuant to a Shareholders and Earn-in Agreement dated 16 July 2007, Dwyka has the right to earn up to a 90% interest in Swaziland Gold (Pty) Ltd (**'SwaziGold'**), which in turn owns the Swazigold Project in Swaziland, Africa. The project is a large (435 square kilometre) gold exploration play in the highly prospective Archaean Barberton Greenstone Belt in Swaziland, historically a producer of 11.5 million ounces of gold.

In the Barberton Greenstone Belt, extensive, shallow, historic workings, plus a lack of modern exploration, have presented Dwyka with an ideal opportunity. Previous owners drilled some 13,500 metres of the project area, providing the Company with a drill database that includes numerous gold intersections. These have allowed Dwyka to establish immediate targets for both infill drilling and the development of extensions to established zones of mineralization. In the current favourable resources climate, it is believed that Dwyka's gold exploration activities will accelerate.

Diamonds

Dwyka has a shareholding of 48.2% in KimCor Diamonds Plc, an AIM-listed diamond explorer and producer with a portfolio of projects in Southern Africa.