



1 July 2008

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

**Drilling programme to commence at Daguma Coal Project**

**Highlights:**

- **Drilling contract signed in relation to 5,000m of core drilling**
- **Equipment ready for mobilisation to site**
- **First coal quality results expected in August 2008**
- **Objective is to prove up a JORC-compliant resource of 150 million tonnes of coal with a view to bringing the project into production thereafter**

Dwyka is pleased to announce that a drilling agreement has been signed with Construction & Drilling Specialist, Inc. ("CDSI"), one of the leading Filipino drilling companies, pursuant to which CDSI will complete 5,000m of core drilling (resulting in approximately 25 large diameter drill holes) at the Daguma coal deposit.

The purpose of the drilling is to verify historic work and further define and delineate the coal resource at the Daguma deposit which forms part of the Daguma coal project ("**Project**") located on southern Mindanao, The Philippines. It is Dwyka's objective to prove up a measured, defined (JORC-compliant) resource of 150 million tonnes of coal within 24 months, with the intention of bringing the Project into production.

Drilling under the agreement is intended to commence immediately following the exercise by Dwyka of its option to acquire an initial indirect interest of 30% in the Project, expected to occur shortly.

In May 2008, Dwyka raised GBP10.3M from institutional investors and other exempt offerees in support of the Project.

Speaking today in relation to the signing of the drilling agreement, Melissa Sturgess, Chief Executive Officer of the Company, said:

"We are delighted to already be in a position to commence drilling at Daguma. It is testament to the abilities of our local Philippine partners that we have been able to get to this point so quickly. We look forward to delivering the first results from the drilling programme in the near future".

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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 resources boom.

### **Coal**

Dwyka has the ability 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 also 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.

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 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.