



26 June 2008

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

### **Muremera Nickel Project Proceeds to Phase 2**

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#### **Highlights**

- Phase One of Muremera exploration programme completed
  - Phase Two due to commence in July 2008, concentrating on drilling geophysical anomalies derived from recently completed VTEM survey
  - Muremera geological environment similar to that at nearby Kabanga which is currently at 36Mt@2.8% Nickel
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The Directors of the Company are pleased to announce that Phase Two of the exploration programme at the Muremera Nickel Project is due to commence in July, following the successful completion of the Phase One Programme which comprised the VTEM study and first phase drilling.

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 sits at 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, currently due to commence in July, 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 a 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.

As a result of the completion of Phase 1, BHP Billiton has satisfied its requirements to earn an initial 10% interest in Danyland Limited (“**Danyland**”), the Dwyka subsidiary which owns the Project. BHP Billiton has the ability to earn a total interest of up to 50% in Danyland by carrying the Project through to completion of a concept study and sole funding at least US\$5.2million worth of Project expenditure.

Melissa Sturgess, Dwyka’s CEO said:

“We believe this is a very exciting exploration target and a fantastic opportunity for Dwyka, which must be explored carefully and with the full might of expertise that is available. We are fortunate to have BHP Billiton as our partners in this important project.”

*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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**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**

To that end, Dwyka has a major nickel exploration project underway in Burundi, as well as an exciting gold exploration programme in Swaziland. 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.