

DWYKA DIAMONDS LIMITED
ACN 060 938 552

NOTICE OF GENERAL MEETING
and
EXPLANATORY MEMORANDUM

Date of Meeting: Monday, 12 March 2007
Time of Meeting: 10.00 am
Place of Meeting: 98 Colin Street
West Perth, Western Australia

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

DWYKA DIAMONDS LIMITED
ACN 060 938 552

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Dwyka Diamonds Limited ACN 060 938 552 ("**Company**") will be held at 98 Colin Street, West Perth, Western Australia at 10.00 am on Monday, 12 March 2007.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Meeting.

RESOLUTIONS

1. Change of Company Name

To consider and, if thought fit, to pass, the following as a **special resolution**:

"That, pursuant to section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to Dwyka Resources Limited."

2. Ratification of issue of Shares to Allerton Horizon Ltd

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and all other purposes, the shareholders of the Company hereby approve and ratify the issue of 6,475,343 Shares to Allerton Horizon Limited on 30 January 2007 in part consideration for the acquisition of the Muremera nickel project, on the terms and conditions contained in the Explanatory Memorandum."

<p>The Company will disregard any votes cast on this resolution by Allerton Horizon Ltd and by an associate of Allerton Horizon Ltd. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.</p>
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3. Ratification of issue of Shares to Allerton Horizon Ltd

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and all other purposes, the shareholders of the Company hereby approve and ratify the issue of 3,237,671 Shares to Allerton Horizon Limited on or about 12 February 2007 in consideration for the satisfaction of performance milestones in connection with the acquisition of the Muremera nickel project, on the terms and conditions contained in the Explanatory Memorandum."

<p>The Company will disregard any votes cast on this resolution by Allerton Horizon Ltd and by an associate of Allerton Horizon Ltd. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.</p>
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**4. Approval of issue of Shareholder Share Purchase Plan
Shortfall Shares to clients of Montagu**

To consider and, if thought fit, to pass, with or without amendment, the following **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue of up to 8,870,950 Shares at an issue price of A\$0.31 per Share to clients of Montagu Stockbrokers Pty Ltd, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by any person who may participate in the issue and by an associate of such persons. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5. Approval of placement of up to 7,258,065 Shares

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue of up to 7,258,065 Shares at an issue price of A\$0.31 per Share to raise up to A\$2,250,000 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution by any person who may participate in the placement and by an associate of such persons. However, the Company need not disregard a vote if it is cast by such persons as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by a person as chair of the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Michael Langoulant
Company Secretary
DATED: 8 February 2006

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's office, 98 Colin Street, West Perth WA 6005, +61 8 9324 2977, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 5.00 pm on Friday, 9 March 2007. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

DWYKA DIAMONDS LIMITED
ACN 060 938 552

PROXY FORM

Dwyka Diamonds Limited, 98 Colin Street, West Perth WA 6005, Facsimile +61 8 9324 2977

I/We _____

of _____

being a shareholder/(s) of Dwyka Diamonds Limited ("**Company**") and entitled to

_____ shares in the Company

hereby appoint _____

of _____

or failing him/her/it _____

of _____

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the Company to be held at 98 Colin Street, West Perth, Western Australia at 10.00 am on Monday, 12 March 2007 and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%.
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of a resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

I/we direct my/our proxy to vote as indicated overleaf:

DWYKA DIAMONDS LIMITED
ACN 060 938 552

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the general meeting of Shareholders to be held at 98 Colin Street, West Perth, Western Australia at 10.00 am on Monday, 12 March 2007.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this General Meeting are set out below.

1. Resolution 1 - Change of Company Name

As announced on 17 January 2007, it is proposed that the Company change its name to Dwyka Resources Limited.

The Directors consider the current name of the Company does not accurately reflect the Company's ongoing strategy of growth and diversification. The Company remains committed to its portfolio of producing diamond assets but is pursuing projects across a wider range of commodities to allow the Company to drive shareholder value faster than may be possible with exposure to diamonds alone. The proposed new name more accurately reflects the diversification of the Company across a number of projects and mineral commodities. Resolution 1 is a special resolution and requires the approval of 75% of the votes cast by Shareholders.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

2. Resolutions 2 and 3 - Ratification of issues of Shares to Allerton Horizon Limited

Resolution 2 seeks shareholder ratification for the issues of Shares to Allerton Horizon Limited for the purposes of Listing Rule 7.4.

The purpose of seeking shareholder approval and ratification of the issue of Shares is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that Dwyka may issue in any 12 month period without shareholder approval.

As announced on 19 January 2007, the Company entered into a sale and purchase agreement ("**Acquisition Agreement**") pursuant to which it acquired all of the shares in Danyland Limited. Danyland Limited owns the Muremera nickel project in Burundi. In accordance with the agreement, the total consideration payable by Dwyka in respect of this acquisition is US\$2,000,000 (payable in Shares determined having regard to the weighted average of the prices at which the Shares were traded on AIM during the five day trading period immediately before 30 January 2007) which were issued on 30 January 2007 ("**Tranche 1 Shares**") followed by a further US\$3,000,000 which are to be issued upon the achievement of certain project milestones (also payable in Shares determined having regard to the weighted average of the prices at which the Shares were traded on AIM during the five day period immediately before 30 January 2007.). Dwyka understands that some of these project milestones will be satisfied on or around 12 February 2007, so that a further US\$1,000,000 worth of Dwyka shares will be issued on or before the date of this Meeting ("**Tranche 2 Shares**").

Resolution 2 seeks ratification for the issue of the Tranche 1 Shares and Resolution 3 seeks ratification for the issue of the Tranche 2 Shares.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issues of Shares to Allerton Horizon Limited.

- (a) The number of Tranche 1 Shares allotted was 6,475,343 on 30 January 2007. Further, the Company understands that, in accordance with the Acquisition Agreement, it will be required to allot 3,237,671 Tranche 2 Shares on or about 12 February 2007, and in any event prior to the date of the Meeting. The Company will make an ASX announcement on the date on which the Tranche 2 Shares are issued.
- (b) The deemed issue price of the Shares was £0.157
- (c) The Shares rank equally with all existing Shares.
- (d) The name of the allottee is Allerton Horizon Limited.
- (e) No funds were raised pursuant to the issue of Shares to Allerton Horizon Limited as the Tranche 1 Shares were issued in part consideration for the acquisition of the Muremera nickel project and the Tranche 2 Shares were issued in consideration for the satisfaction of performance milestones in connection with the acquisition of the Muremera nickel project.

The Directors unanimously recommend Shareholders vote in favour of Resolutions 2 and 3.

3. Resolution 4 - Approval of issue of Shareholder Share Purchase Plan Shortfall Shares to clients of Montagu

On 17 January 2007 the Company announced to Shareholders that it was offering to all Eligible Shareholders the opportunity to subscribe for up to A\$5,000 worth of Shares at an issue price of A\$0.31 per Share. The Shareholder Share Purchase Plan has been underwritten by Montagu.

Resolution 4 seeks shareholder approval for the issue of Shares to clients of Montagu for the purposes of Listing Rule 7.1.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may not issue or agree to issue securities which represent more than 15% of the nominal value of the company's issued capital at the beginning of any 12 month period without obtaining shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided to Shareholders to enable them to consider the issue of the Shortfall Shares to clients of Montagu.

- (a) The number of Shares to be issued is the number of Shares not subscribed for by Eligible Shareholders under the Shareholder Share Purchase Plan. The maximum number of Shortfall Shares that may be issued pursuant to Resolution 4 is 8,870,950 Shares.
- (b) The issue of the Shares will occur no later than three months after the date of the Meeting, or such later date approved by ASX.
- (c) The issue price of the Shortfall Shares will be A\$0.31.

- (d) The Shortfall Shares rank equally with all existing Shares.
- (e) The allottees will be clients of Montagu Stockbrokers Pty Ltd. Montagu has underwritten the Shareholder Share Purchase Plan, subject to standard conditions.
- (f) The funds raised are being used to develop the Muremera project and to continue the development of the Company's diamond assets.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

4. Resolution 5 - Approval of placement of up to 7,258,065 Shares

The Company proposes to issue up to 7,258,065 Shares to exempt offerees under the Corporations Act. The placement is being underwritten by Montagu.

4.1 Listing Rule 7.1

Resolution 5 seeks shareholder approval for the issue of Shares to exempt offerees for the purposes of Listing Rule 7.1.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may not issue or agree to issue securities which represent more than 15% of the nominal value of the company's issued capital at the beginning of any 12 month period without obtaining shareholder approval.

4.2 Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the proposed issue of Shares:

- (a) The maximum number of Shares to be issued pursuant to Resolution 5 is 7,258,065;
- (b) The issue of the Shares will occur no later than three months after the date of the Meeting, or such later date approved by ASX;
- (c) The Board presently intend to issue the Shares pursuant to Resolution 5 as one allotment. However, they reserve the right to issue the Shares progressively;
- (d) The Shares will be issued at a price of A\$0.31 per Share to raise a total of up to A\$2,250,000 before expenses of the issue;
- (e) The identity of the allottees of the Shares is not known at the date of this Notice. However, the allottees will be exempt offerees under the Corporations Act;
- (f) The Shares to be issued by the Company are fully paid ordinary shares in the Company and rank equally with, and are on the same terms as, the existing Shares on issue; and
- (g) The funds raised are being used to develop the Muremera project and to continue the development of the Company's diamond assets.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

5. Glossary of Terms

The following terms and abbreviations used in the Notice of Meeting and this Explanatory Memorandum have the following meanings:

"**A\$**" means Australian dollars.

"**AIM**" means the Alternative Investment Market of the London Stock Exchange plc.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited.

"**Board**" means the board of Directors.

"**Company**" and "**Dwyka**" means Dwyka Diamonds Limited, ACN 060 938 552.

"**Corporations Act**" means the *Corporations Act 2001* (Commonwealth).

"**Directors**" means the directors of the Company, from time to time.

"**Eligible Shareholders**" means Shareholders who were offered Shares in the Company under the Shareholder Share Purchase Plan, being Shareholders who have an address (as recorded in the Company's register of members on the record date for the Shareholder Share Purchase Plan) in Australia, New Zealand or the United Kingdom or in any other jurisdiction in which it is lawful and practical for the Company to offer and issue Shares under the Shareholder Share Purchase Plan.

"**Explanatory Memorandum**" means this explanatory memorandum.

"**General Meeting**" or "**Meeting**" means the general meeting of Shareholders to be held at 98 Colin Street, West Perth, Western Australia at 10.00 am on 12 March 2007, or any adjournment thereof.

"**Listing Rules**" means the official listing rules of ASX.

"**Montagu**" means Montagu Stockbrokers Pty Ltd.

"**Notice of Meeting**" means the notice of the Meeting which accompanies the Explanatory Memorandum.

"**Resolution**" means a resolution in the Notice of Meeting.

"**Section**" means a section of this Explanatory Memorandum.

"**Shareholders**" means registered holders of Shares.

"**Shareholder Share Purchase Plan**" means the shareholder share purchase plan offered to Eligible Shareholders on, as announced to Shareholders on 17 January 2007.

"**Shares**" means fully paid ordinary shares in the capital of the Company.

"**Shortfall Shares**" means those Shares not subscribed for by Eligible Shareholders under the Shareholder Share Purchase Plan.

Dwyka Diamonds Limited

SHAREHOLDER SHARE PURCHASE PLAN

Eligible Shareholders can purchase up to \$5,000 of Dwyka Diamonds Limited Shares

This is an important document and should be read in its entirety. This document is not a prospectus for the purposes of the Prospectus Rules (UK) or the Corporations Act 2001 (Cth). The value of the offer made in accordance with this document is less than €2.5million and therefore falls under the exemption in Article 1(2) the Prospectus Directive (EU) and section 85(5) and paragraph 9(1), Schedule 11A of the Financial Services and Markets Act 2000 (UK). If you have disposed of all of your shares in Dwyka Diamonds Limited, this document and the Entitlement and Application form should be handed or sent to the purchaser of those shares or the broker, banker or other agent through whom the disposal was effected. If you have any doubts as to what you should do, you should seek advice from your stockbroker, accountant, solicitor, other professional adviser or (UK) other independent financial adviser authorised under the Financial Services and Markets Act 2000 .

Offer Closes: 2 March 2007



Dwyka
Diamonds
Limited

2 February 2007

Dear Shareholder

Invitation to participate in Dwyka's Shareholder Share Purchase Plan

The Board of Directors of Dwyka Diamonds Limited ("**Dwyka**" or "**Company**") is pleased to advise you of the introduction of this Shareholder Share Purchase Plan ("**Plan**"). The Plan entitles existing shareholders in the Company ("**Shareholders**"), irrespective of the size of their shareholding, to purchase up to \$5,000 worth of shares in the Company ("**Shares**") at a discount to the market price and free of all brokerage and commission ("**Offer**").

The Offer is underwritten by Montagu Stockbrokers Pty Ltd ("**Underwriter**"). The Underwriter may be issued with up to 4,347,556 Shares pursuant to the Plan where one or more of the eligible shareholders fails to subscribe for the maximum number of Shares available to them under the Offer.

Participation in the Plan is entirely voluntary and is subject to the terms and conditions attached to this letter. If you wish to participate in the Plan, you must complete and lodge the attached Entitlement and Application Form or before the **Closing Date of 5pm WST on 2 March 2007**.

As an incentive to Shareholders, the Shares are being offered at an issue price of \$0.31 cents, which is a 20% discount to the market price (calculated by reference to the average price for the Shares over the 5 trading days immediately preceding 17 January 2007, the date on which the Offer was announced). However, you should note that the market price of the Shares may rise or fall between the date of the Offer and the date on which the Shares are allocated to you. This means that the issue price you pay for the Shares may exceed the market price of the Shares at the date of allotment of the Shares under the Offer. You should obtain your own financial advice in relation to the Offer and consider price movements of the Shares prior to accepting the Offer.

The Directors of Dwyka intend to subscribe for Shares under the SPP with respect to their own shareholding.

As set out in the announcements dated 17 and 18 January 2007 and 2 February 2007, Dwyka has acquired all of the shares in Danyland Limited which holds the Muremera nickel project which is located within 2km of the Kabanga project, the world's largest undeveloped nickel sulphide deposit. The funds raised from this Offer and a further placement are to be used to develop the Muremera project and to continue the development of the Company's diamond assets. The further placement will be made to sophisticated investors and other exempt offerees at the same subscription price as this Plan. Offers under the Plan to Shareholders do not require shareholder approval. However, the Company is seeking shareholder approval for the issue of shares pursuant to the underwriting of the Plan and under the placement for the purposes of ASX Listing Rule 7.1 at a General Meeting of Shareholders on 12 March 2007. The Notice of General Meeting seeking shareholder approval for this placement and other related matters is enclosed.

If you have any queries concerning the Offer, please contact Computershare Investor Services Call Centre 1300 557 010.

We thank you for your continued support for our Company and welcome your participation in the Plan.

Yours sincerely

Melissa Sturgess
Executive Chairman

.....
Dwyka Diamonds Limited ACN 060 938 552

98 Colin Street, West Perth WA 6005 Australia Postal Address: PO Box 368 West Perth WA 6872 Australia

Tel: (+61 8) 9324 2955 Fax: (+61 8) 9324 2977 Email: info@dwykadiamonds.com Website: www.dwykadiamonds.com

KEY DATES

DATE	EVENT	
5 February 2007	Record date	The date on which Dwyka determines Eligible Shareholders
2 March 2007	Closing Date	Share Purchase Plan closes. Applications must be received by the Company by 5.00pm (WST)
12 March 2007	General Meeting	Shareholder approval for the change in the Company's name to Dwyka Resources Limited and for the Placement is sought
12 March 2007	Plan Issue Date	Shares issued under Plan
26 March 2007	Placement Closing Date	Placement closes (if not closed sooner)

Dwyka has the discretion to alter some Key Dates without prior notice to shareholders.

PLAN TERMS AND CONDITIONS

Participation

Participation in the Plan is open to all persons registered as holders of Shares at 5.00 pm WST time on 5 February 2007 ("**Record Date**") who have an address (as recorded in the Company's register of members) in Australia, New Zealand or the United Kingdom or in any other jurisdiction in which it is lawful and practical for the Company to offer and to issue Shares under the Plan ("**Eligible Shareholders**"). This Offer is not made in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

Participation in the Plan is entirely at the discretion of Eligible Shareholders. An Eligible Shareholder may:

- apply for up to a maximum of **five thousand dollars (\$5,000)** worth of Shares, being up to a maximum of 16,129 Shares and not less than a minimum of five hundred (\$500) worth of Shares, being a minimum of 1,613 Shares; or
- do nothing, in which case the 16,129 Shares to which the Eligible Shareholder is entitled will revert to the Underwriter.

Offers are non-renounceable, meaning that Eligible Shareholders cannot transfer their entitlement to purchase Shares under an Offer to another person.

Pricing

As an incentive to Shareholders, the Shares are being offered at an issue price of \$0.31 cents, which is 80% of the volume weighted average market price for Shares over the 5 days on which sales of Shares on ASX were recorded prior to 17 January 2007, the date this Offer was announced. This represents a

discount of 34.4% on the trading price over the 5 days on which sales of Shares on ASX were recorded prior to 2 February 2007, the date of this Offer, of \$0.472 cents.

The Offer also provides an opportunity for those Eligible Shareholders with less than a marketable parcel of shares (\$500 worth) to increase their shareholding to a marketable parcel level.

Limit on participation

In order to comply with ASIC regulations, an Eligible Shareholder may not acquire more than \$5,000 worth of Shares under the Plan in any 12 month period, taking into account all applications including joint and other beneficial interests. The maximum number of 16,129 Shares which each Eligible Shareholder may apply for will apply even if an Eligible Shareholder has received more than one Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under separate share accounts). Dwyka reserves the right to reject any acceptance where this rule or any other term of the Plan has not been complied with.

Allotment of Shares

It is the Board's intention to issue Shares under the Plan on or around 12 March 2007.

Shares allotted under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of their issue.

Dwyka will, promptly after allotment of Shares under the Plan, apply for the Shares to be quoted on ASX and admitted to trading on the AIM Market of the London Stock Exchange.

Costs of participation

No brokerage, commissions or any other transaction costs will be payable by Eligible Shareholders in respect of their application for, and allotment of, Shares under the Plan.

Lodgement Instructions

To participate in the Plan an Eligible Shareholder must return a completed Entitlement and Application Form, together with a cheque for the purchase price for the number of Shares applied for, on or before the **Closing Date of 5pm WST on 2 March 2007**.

Completed forms may be mailed or delivered to:

Mailing Address

Computershare Investor Services
GPO Box D182
PERTH WA 6840

Delivery Address

Computershare Investor Services
Level 2, 45 St Georges Tce
PERTH WA 6000

Once an application has been made it cannot be revoked. All valid applications will be deemed to have been accepted on the Closing Date.

Declaration and Acknowledgements

By forwarding a cheque and completing Entitlement and Application Form, an Eligible Shareholder:

- confirms that he/she/it is an Eligible Shareholder for the purposes of the Plan;
- acknowledges that the Eligible Shareholder has read, understood and agrees to be bound by the terms and conditions of the Plan;
- agrees to accept any lesser number of Shares than the number of Shares applied for;

- confirms that the total cost of all Shares purchased by the Eligible Shareholder (including through joint and beneficial holdings) does not exceed \$5,000; and
- agrees to be bound by the constitution of Dwyka in respect of the Shares issued to the Eligible Shareholder.

Additional Information

The Plan will be administered by the Board, or a committee or delegate of the Board, which will have an absolute discretion to:

- determine appropriate procedures for administration of the Plan; and
- resolve conclusively any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan whether generally or in relation to any participating Eligible Shareholder, or application for Shares, and any such resolution will be binding on all participants and other persons to whom the resolution relates.

The Plan and these terms and conditions of the Plan may be suspended, terminated or amended at any time by the Board.

The Board reserves the right to refuse an application if it considers that the applicant is not an Eligible Shareholder or has not otherwise complied with the terms of the Plan or for any other reason. If an application is refused, application monies received will be refunded without interest.

DWYKA DIAMONDS LIMITED

Shareholder Share Purchase Plan Entitlement and Application Form

Please insert name and address as shown on your Issuer or CHESS holding statement:

SURNAME:..... Mr/Mrs/Ms/Miss:.....

Given Names:

or

Company Name:..... A.C.N.

Address in full:.....

..... State:..... Postcode:.....

Daytime Phone: HIN / SRN No:

TO THE DIRECTORS, DWYKA DIAMONDS LIMITED:

I/We, the above mentioned, being registered as ordinary shareholder(s) in the Company do hereby apply for the number of shares as stated below at an issue price of \$0.31 cents per Share, being 80% of the volume weighted average market price for Shares over the last 5 days on which sales in Shares were recorded prior to 17 January 2007, issued in accordance with the Dwyka Shareholder Share Purchase Plan and the constitution of the Company.

NUMBER OF NEW SHARES	PRICE PER SHARE	AMOUNT ENCLOSED
		\$ _____

- The minimum number of shares you can apply for is 1,613 which will cost you \$500.
- The maximum number of shares you can apply for is 16,129 which will cost you \$5,000.
- You can purchase any number of shares between the maximum and minimum.

I/We enclose my/our cheque being payment of \$0.31 cents for each new fully paid ordinary share applied for.

I/We agree to be bound by the Company's Constitution and the terms of the Dwyka Shareholder Share Purchase Plan.

INSERT DETAILS OF YOUR CHEQUE OR BANK CHEQUE – PLEASE COMPLETE IN BLOCK LETTERS

Name of Drawer	Cheque No.	BSB	Account No.	Amount

RETURN OF THIS DOCUMENT WITH YOUR CHEQUE FOR PAYMENT WILL CONSTITUTE YOUR APPLICATION FOR SHARES UNDER THE TERMS OF THE DWYKA SHAREHOLDER SHARE PURCHASE PLAN

DWYKA DIAMONDS LIMITED

Shareholder Share Purchase Plan

INSTRUCTIONS ON HOW TO COMPLETE THE ENTITLEMENT AND APPLICATION FORM

Payment

The amount of your cheque should be equal to the total number of shares for which you apply multiplied by \$0.31 cents. Payment must be made in Australian currency only. Cheques should be made payable to "Dwyka Diamonds Limited" and crossed "**Not negotiable**". Receipts for payment will not be issued.

Cash payment will not be accepted. Cheques will be deposited on their day of receipt. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonored.

Lodgement Details

Your completed form, together with your cheque for the purchase price for the number of shares you wish to acquire, on or before the **Closing Date of 5pm WST on 2 March 2007**.

Your completed form may be mailed or delivered to:

Mailing Address

Computershare Investor Services
GPO Box D182
PERTH WA 6840

Delivery Address

Computershare Investor Services
Level 2, 45 St Georges Tce
PERTH WA 6000

Privacy

As a shareholder in Dwyka, Chapter 2C of the *Corporations Act 2001* requires information about you (including your name, address and details of the shares you hold) to be included in Dwyka's public register. This information must continue to be included in Dwyka's public register if you cease to be a shareholder. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding.

Questions

If you have any queries concerning the offer, please contact Computershare Investor Services Call Centre on 1300 557 010.