



A.C.N 060 938 552

## **QUARTERLY REPORT 31 MARCH 2008**

---

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

---

#### **Highlights during and since the end of the Quarter**

##### **Muremera Nickel Project in Burundi**

- Mineralisation recovered from drill programme confirms that the Muremera model resembles that of the Kabanga deposit
- Assay and petrographic results returned for two of the four stratigraphic holes
- Nickel bearing sulphide mineralisation intersected in both holes
- Pentlandite observed in the majority of mineralised samples
- Successful completion of helicopter borne VTEM surveying, covering a total of 5,684 km

##### **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

---

## **MUREMERA PROJECT**

### **DRILLING**

During the quarter, four drillholes were completed on the Muremera B anomaly, which is considered prospective due to a superposition of both strong electromagnetic and magnetic anomalies. All four holes were drilled for

## **QUARTERLY REPORT 31 MARCH 2008**

---

structural/stratigraphic purposes but the second hole (D002) also intersected semi-massive sulphides between 220 and 235 metres.

The stratigraphic, assay results and petrographic data obtained from the drilling completed to date indicate that the Muremera bodies have zones of higher tenor nickel sulphides within them, and that they are part of a flow-through system similar to that at the Kabanga deposit, currently being developed by Xtrata and Barrick in neighbouring Tanzania.

The next phase of drilling due to commence in July will concentrate further on locating the parts of the system where the higher tenor sulphides may have coalesced and concentrated like they have at Kabanga.

### **VTEM**

Geotech Ltd was contracted to fly the 1st B-field VTEM survey in Africa over the Muremera. The VTEM survey of the licence area has now successfully been completed with a total of 5,684 kilometres flown at 100m line spacing. The VTEM data is currently being interpreted and should produce prospective nickel sulphide targets to be drilled directly from the VTEM data.

### **BHPB EARN-IN**

BHPBilliton has the right to earn 50% of the ownership of Danyland Limited, the Dwyka subsidiary which currently owns 100% of the Muremera Nickel Project. It is expected that the first earn-in hurdle of 10% will be achieved towards the end of the June Quarter, 2008 with an approximate expenditure by BHP Billiton of US\$3.16m, which is US\$1.96m more than the minimum requirement of US\$1.2m.

BHPB has also assigned an additional two geologists to the Muremera project which will lead to an increase in the pace of the work programme.

## **SWAZIGOLD PROJECT**

### **Daisy Prospect**

#### **Drilling**

Core drilling is currently underway at the Daisy Prospect and 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

## **QUARTERLY REPORT 31 MARCH 2008**

---

which includes a high grade intersection of 16.56 g/t over 1m. The second drill hole (SG04D) is currently at a depth of 152.63m and is expected to intersect the mineralized zone approximately 50m deeper than SG03D.

Good core recoveries are being achieved at the Daisy Prospect and the core drilling will continue as per the planned work programme.

### **Soil Geochemistry**

Infill soil geochemistry on a 100m x 50m 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 1250m x 500m >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 450m strike length. Trench spacing ranges from 30 - 70m. 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                    |



A.C.N 060 938 552

## **QUARTERLY REPORT 31 MARCH 2008**

---

### **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 will commence as soon as a rig is available.

### **Equity Earn-in**

Under the terms of the Agreement with Swazi Gold Ventures (Pty) Limited, Dwyka is required to expend US\$750,000 on the Project by the end of June 2008 in order to increase its equity in the Company to 70%. Dwyka is on track to achieve this hurdle.

Notes to editors:

Dwyka is focusing on the diversified minerals sector, primarily nickel and gold, in order to achieve maximum value for shareholders during the ongoing resources boom.

### **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\$5.2million 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.

## **QUARTERLY REPORT 31 MARCH 2008**

---

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.

A handwritten signature in black ink, appearing to read "Melissa Sturges", with a long, wavy horizontal line extending to the right.

### **MELISSA STURGES 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.

#### Enquiries:

In Australia  
Mike Langoulant  
Dwyka Resources Limited  
(+618) 9324 2955

In the United Kingdom  
Richard Brown  
Ambrian Partners Limited  
(+44) 20 7776 6417

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

or visit <http://www.dwyresources.com>

## 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

098 060 938 552

Quarter ended ("current quarter")

31 March 2008

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date<br>(9 months) \$A'000 |
|---|----------------------------|------------------------------------|
| <b>Cash flows related to operating activities</b>   |                            |                                    |
| 1.1 Receipts from product sales and related debtors   |                            | 2,646                              |
| 1.2 Payments for (a) exploration and evaluation   | (403)                      | (1,169)                            |
| (b) development   |                            | (183)                              |
| (c) production  |                            | (3,035)                            |
| (d) administration  | (526)                      | (1,673)                            |
| 1.3 Dividends received  |                            |                                    |
| 1.4 Interest and items of a similar nature received   | 26                         | 97                                 |
| 1.5 Interest and other costs of finance paid  |                            | (193)                              |
| 1.6 Income taxes paid   |                            |                                    |
| 1.7 Other FOREX   |                            | (10)                               |
| <b>Net Operating Cash Flows</b>   | <b>(903)</b>               | <b>(3,620)</b>                     |
| <b>Cash flows related to investing activities</b>   |                            |                                    |
| 1.8 Payment for purchases of: (a)prospects  |                            | (227)                              |
| (b)equity investments   |                            |                                    |
| (c) other fixed assets  | (14)                       | (18)                               |
| 1.9 Proceeds from sale of: (a)prospects   |                            |                                    |
| (b)equity investments   | (20)                       | 462                                |
| 1.10 Loans to other entities  |                            |                                    |
| 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                              |
| <b>Net investing cash flows</b>   | <b>(34)</b>                | <b>(345)</b>                       |
| 1.13 Total operating and investing cash flows (carried forward)   | <b>(937)</b>               | <b>(3,965)</b>                     |

+ See chapter 19 for defined terms.

|      |  |       |         |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (937) | (3,965) |
|      | <b>Cash flows related to financing activities</b>          |       |         |
| 1.14 | Proceeds from issues of shares, options, etc.              |       | 1,446   |
| 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                              |       |         |
|      | <b>Net financing cash flows</b>                            |       | 1,371   |
|      | <b>Net increase (decrease) in cash held</b>                | (937) | (2,594) |
| 1.20 | Cash at beginning of quarter/year to date                  | 2,577 | 4,265   |
| 1.21 | Exchange rate adjustments to item 1.20                     | (31)  | (62)    |
| 1.22 | <b>Cash at end of quarter</b>                              | 1,609 | 1,609   |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 85                         |
| 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

+ See chapter 19 for defined terms.

- 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<br>\$A'000 | Amount used<br>\$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 | 200        |
| 4.2 Development                |            |
| <b>Total</b>                   | <b>200</b> |

### 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 89                         | 29                          |
| 5.2 Deposits at call  | 1,520                      | 2,548                       |
| 5.3 Bank overdraft  |                            |                             |
| 5.4 Other (provide details)   |                            |                             |
| <b>Total: cash at end of quarter</b> (item 1.22)  | <b>1,609</b>               | <b>2,577</b>                |

### Changes in interests in mining tenements

|     | Tenement reference  | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>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 <b>Preference +securities</b><br><i>(description)</i>   | -                             | -             |   |   |
| 7.2 Changes during quarter  |                               |               |   |   |
| 7.3 <b>+Ordinary securities</b>   | 131,344,206                   | 131,344,206   | N/A   | N/A   |
| 7.4 Changes during quarter<br>(a) Increases through issues<br><br>(b) Decreases through returns of capital, buy-backs |                               |               |   |   |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>   |                               | -             |   |   |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted     |                               |               |   |   |
| 7.7 <b>Options</b><br><i>(description and conversion factor)</i>  | 125,000<br>500,000<br>450,000 | -<br>-<br>-   | <i>Exercise price</i><br>\$0.52<br>\$0.31<br>\$0.95 | <i>Expiry date</i><br>30/6/2010<br>30/6/2010<br>30/6/2009 |
| 7.8 Issued during quarter   |                               |               |   |   |
| 7.9 Exercised during quarter  |                               |               | <i>Exercise price</i>                               | <i>Expiry date</i>  |
| 7.10 Expired (cancelled) during quarter   |                               |               |   |   |
| 7.11 <b>Debentures</b><br><i>(totals only)</i>  |                               |               |   |   |
| 7.12 <b>Unsecured notes</b><br><i>(totals only)</i>   |                               |               |   |   |

+ 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: 30 April 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.

== == == == ==

---

+ See chapter 19 for defined terms.