



30 July 2007

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

### **MUREMERA NICKEL PROJECT UPDATE**

#### **Highlights**

- Detailed logging and sampling of UNDP core confirms presence of both nickel and copper mineralization
- Petrographic analysis found that pentlandite and chalcopyrite (the minerals of Ni and Cu respectively) are present in most cases
- Signing of 5,000 metre diamond drilling contract
- VTEM geophysical survey commencing shortly

The directors of Dwyka Resources Limited ("Dwyka or the 'Company'") are pleased to provide an update of progress at the Company's Muremera Nickel Project ("the Project") in Burundi. Dwyka holds a 100% interest in the Muremera Nickel Project through its wholly owned subsidiary, Danyland Limited ("Danyland").

The Muremera Exploration Permit is located in north-eastern Burundi and is on the border with Tanzania where it lies adjacent to the Kabanga Nickel Project ("Kabanga") currently being developed by Xstrata Plc and Barrick Gold Limited. Kabanga currently has an inferred resource of 36mt @2.8% Ni (Xstrata News Release: Toronto, February 15, 2007). The Muremera project area was previously explored by the United Nations Development Programme ("UNDP") which found several geophysical anomalies in Burundi along strike from Kabanga.

Detailed logging and sampling of the UNDP core has now been undertaken. Twelve drillholes were logged, sampled and petrographically analysed. Geostatistical analyses revealed a high correlation coefficient between the UNDP results and the new results allowing for the combined use of the two data sets in geochemical studies of the deposit. The petrographic analysis has found that pentlandite and chalcopyrite (the minerals of Ni and Cu respectively) are present in most cases, though often fine grained. The directors of Dwyka believe that based on these early observations there exist similarities between Kabanga and Muremera.

A 5,000 metre diamond drilling contract has been signed with Major Drilling Tanzania for the Muremera Nickel project. The drilling is aimed at further defining anomalies identified through previous core drilling and geophysical work and the analysis outlined above, and is expected to start mid August 2007.

Construction of a 20 man camp at Muremera has begun and will be completed before drilling commences. The initial 5,000 metres of diamond drilling will be completed with an UDR 200D drill rig with hole depths ranging from 500 to 1,000 metres. An estimated 1,000 samples will be sent to Johannesburg, South Africa for assaying.

The diamond drilling forms part of Phase 1 of the Muremera exploration programme which also includes an extensive VTEM geophysical survey expected to commence September 2007. Phase 1 includes airborne geophysical survey, follow up ground geophysical survey and drilling of selected targets. The Geotech VTEM survey will be the first VTEM with B-field survey flown in Africa.

### Background

As previously announced, an agreement was signed between Dwyka and BHP Billiton World Exploration Inc "BHP Billiton" on 26<sup>th</sup> February, whereby BHP Billiton will fund up to US\$5.2 million of future exploration on the Muremera project for not more than 50% of the equity in Danyland. The first hurdle is for BHP Billiton to spend US\$1.2 million to acquire a 10% equity interest in Danyland.

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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