



Dwyka  
Diamonds  
Limited

4 May 2006

## DIAMOND PROCESSING COMMENCES AT DE BEERS TAILINGS JV, SOUTH AFRICA

Dwyka Diamonds, ("Dwyka" or "the Company"), the AIM and ASX quoted diamond developer and producer, today announces that processing of tailings for diamond extraction has commenced from the De Beers Kimberley dumps, South Africa. The first ore was processed on 21 April 2006 and regular ore deliveries from De Beers have commenced from the surrounding tailings dumps.

The first ore flowed smoothly through the plant and the benefits of capacity enhancements undertaken during construction have been immediately obvious. These enhancements should enable the operation to shortly realise its first benchmark of 50,000 tonnes per month of throughput. Commissioning of components downstream of the ore preparation circuit will take place progressively as the plant fills with process slurry.

A limited amount of mechanical work remains to be completed in the diamond recovery area. This is largely restricted to x-ray sorting equipment. An automated grease belt has been installed and is operational. Completion of the recovery section will coincide with the filling of concentrate surge capacity between the dense media separation section and the recovery section.

Dwyka retains 40% equity in the retreatment operation through Supermix, its 100% owned South African subsidiary. The balance of the project is held by Dwyka's preferred BEE partner, Kolong Investments.

Commenting today Adrian Griffin, CEO, said: "This sees our fifth production asset commencing operations and we are working hard to reach our first benchmark of 50,000 tonnes throughput per month. Building on the success of our revenue generating assets we shall be aggressively pursuing our exploration projects, which include a second joint venture with De Beers in Tanzania and the Bosele Project in South Africa."

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