



17 January 2008

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

### **Progress at Muremera Nickel Project**

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#### **Highlights**

- Four stratigraphic holes completed by BHP Billiton plc ("BHPB") to elucidate underground structure. One hole (D002) intersected a significant width of semi-massive sulphides.
  - VTEM survey 42% complete and next phase of drilling will target VTEM anomalies.
  - Phase 2 of drilling commenced on 16<sup>th</sup> January 2008. Up to 10,000m of drilling expected in 2008.
  - BHPB Phase One 10% earn-in expected to be completed by end Q1 2008 with spend of approximately US\$2.6m.
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The Directors of Dwyka Resources Limited ("Dwyka" or "the Company") are pleased to announce positive progress at the Muremera Nickel Project in Burundi.

#### **DRILLING**

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

Phase 2 of the drilling commenced on January 16<sup>th</sup> 2008 with two additional geologists being added to the team. Up to 10,000 metres of drilling is expected in 2008.

#### **ASSAYING**

Assaying of the core has been delayed to allow for magnetic core orientation studies. Assay results are expected in late February/early March 2008. The core will be split at site with half the core then being sent to ALS Chemex Laboratory in Mwanza for sample preparation prior to despatch for final assay to ALS Chemex in Johannesburg.

#### **VTEM**

Geotech Ltd is contracted to fly the 1<sup>st</sup> B-field VTEM survey in Africa over the Muremera targets. A total of 5,830 line kilometres is being flown at 100m line spacing and at this stage approximately 42% of the VTEM survey has been undertaken with completion expected by the beginning of February 2008. This level of detail will enable direct drilling off the VTEM data.

## **BHPB EARN-IN**

BHPBilliton has the right to earn 10% of the ownership Danyland Limited, the Dwyka subsidiary which currently owns 100% of the Muremera Nickel Project. It is expected that this earn-in hurdle will be achieved towards the end of the first quarter 2008 with an approximate expenditure by BHPB of US\$2.6m, which is approximately US\$1.4m more than the minimum requirement of US\$1.2m. BHPB has also committed to assign an additional two geologists to the Muremera project which will lead to an increase in the pace of the work programme.

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, 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.

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.