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21 August 2007

**KimCor Diamonds Plc (“KimCor” or “the Company”)
and Dwyka Resources Limited (“Dwyka Resources”)**

**Proposed acquisition by KimCor of Dwyka Diamonds Holdings Limited
Proposed placing by KimCor of 65,535,000 new Ordinary Shares at 6.5 pence per share
Approval of waiver of the obligation to make a mandatory offer under Rule 9 of the Takeover
Code
Admission of Enlarged Share Capital and Existing Warrants to trading on AIM
and
Notice of Extraordinary General Meeting**

Highlights

- KimCor to acquire Dwyka Resources’ diamond and industrial assets
- Establishes KimCor as a mid tier diamond producer by volume
- Allows for funding of further acquisitions using internally generated cash flows
- GBP4.26m raised from institutional and high net worth investors
- Transaction subject, inter alia, to the approval of KimCor and Dwyka Resources shareholders

The boards of KimCor and Dwyka Resources are pleased to announce that they have today conditionally agreed that KimCor will acquire the entire issued share capital of Dwyka Resources’ diamond and industrial subsidiary DDH, a holding company registered in Mauritius, whose subsidiaries are principally engaged in the exploration and mining of diamonds in South Africa and Tanzania, in consideration of the issue to Dwyka Resources of 134,383,718 new Ordinary Shares.

The board of KimCor is also pleased to announce a conditional placing of 65,535,000 new Ordinary Shares at the Placing Price with institutional investors. The proposed placing is conditional, *inter alia*, on completion of the Acquisition.

By reason of the size of DDH in relation to KimCor, the Acquisition is classified as a reverse takeover under the AIM Rules. The AIM Rules require that completion of the Acquisition is subject to the prior approval of KimCor shareholders, which will be sought at an extraordinary general meeting of the Company, and the publication of an AIM admission document, which is expected to be posted to KimCor shareholders as soon as practicable after the date of this announcement. Under the ASX Listing Rules, completion of the Acquisition is subject to the prior approval of Dwyka Resources shareholders, which will be sought at an extraordinary general meeting of those shareholders. A circular convening that meeting is expected to be posted to Dwyka Resources shareholders as soon as practicable after the date of this announcement.

Certain definitions and terms apply throughout this announcement and your attention is drawn to the table at the end of this announcement where these definitions and terms are set out in full.

Transaction Summary

- The consideration payable in respect of the Acquisition is to be satisfied through the issue to Dwyka Resources of 134,383,718 New Ordinary Shares, valuing all of the ordinary shares of DDH at approximately £8.73 million at the Placing Price and £9.74 million based on the closing middle market price of 7.25 pence per Ordinary Share on 20 August 2007, being the business day

immediately prior to this announcement.

- The Consideration Shares will represent 50.09 per cent. of the Enlarged Share Capital following Admission.
- The Board of KimCor is to be strengthened through the appointment of Melissa Sturgess and Cedric Bredenkamp, conditional upon Completion.
- The transaction will create a mid-tier (by volume) diamond producer with potentially greater access to capital than is currently available to either KimCor or Dwyka Resources in relation to its smaller suite of diamond assets.
- In view of its size and nature, the Acquisition constitutes a reverse takeover of the Company under the AIM Rules and therefore requires the prior approval of Shareholders at an Extraordinary General Meeting.
- Strand Partners Limited is acting as Nominated Adviser and Broker to KimCor in connection with the Proposals.

The transaction will leave Dwyka Resources free to concentrate on the Muremera nickel project owned by its wholly-owned subsidiary Danyland Limited and the Swazi Gold project operated by Swazi Gold Ventures (Pty) Ltd (in respect of which Dwyka Resources' wholly-owned subsidiary Karrinyup Holdings Limited has a 50% shareholding), whilst continuing to retain a controlling interest in the diamond and industrial assets through its shareholding in KimCor. As such, it is consistent with the diversification strategy announced by Dwyka Resources on 17 January 2007.

The full text of an announcement made by KimCor in relation to the transaction is available at <http://www.kimcordiamonds.com/investors/regulatorynews.php>.

Melissa Sturgess, Chief Executive Officer of Dwyka Resources, commented:

“The consolidation of Dwyka Resources' diamond assets with those of KimCor creates opportunities for shareholders of both companies, establishing a mid tier diamond producer and explorer with a focussed management team and an integrated suite of assets. Dwyka Resources' controlling shareholding in KimCor will allow Dwyka Resources shareholders to benefit from potential upside in the diamond operations, while the company itself can look to further drive shareholder value through its nickel and gold projects.”

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Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise:

"Acquisition"	the proposed acquisition by the Company of the entire issued ordinary share capital of Dwyka Diamonds Holdings pursuant to the Acquisition Agreement;
"Acquisition Agreement"	the conditional agreement dated 20 August 2007 between the Company and Dwyka Resources relating to the Acquisition;
"Admission"	the admission of the Enlarged Share Capital and Existing Warrants to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of, AIM;
"ASX"	the Australian Stock Exchange, a market operated by the Australian Securities Exchange Limited;
"Board"	the board of directors of the Company;
"Completion"	completion of the Acquisition Agreement, which is expected to occur on the day of Admission;
"Consideration Shares"	the 134,383,718 new Ordinary Shares to be issued pursuant to the Acquisition Agreement;
"Dwyka Diamonds Holdings" or "DDH"	Dwyka Diamonds Holdings Limited, a diamond mining and exploration company registered in Mauritius with registered number 56512, whose registered office is at Manor House, 1 st Floor, CNR George Street & Chazal Street, Port Louis, Mauritius;
"Dwyka Resources"	Dwyka Resources Limited (formerly known as Dwyka Diamonds Limited), a company incorporated in Australia

	with Australian Company number 060 938 552 whose registered office is at 98 Colin Street, West Perth, WA, Australia;
"Enlarged Group"	the Company and its subsidiary undertakings as enlarged by the Acquisition;
"Enlarged Share Capital"	the number of ordinary shares in the capital of the Company in issue immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares;
"Existing Ordinary Shares"	the 67,191,859 Ordinary Shares in issue at the date of this document;
"Existing Warrant Instrument"	the warrant instrument constituting the Existing Warrants dated 16 February 2006;
"Existing Warrants"	the warrants to subscribe for Ordinary Shares created under the Existing Warrant Instrument, details of which are set out in the admission document;
"KimCor" or "the Company"	KimCor Diamonds plc, a diamond mining, exploration and processing company incorporated in England and Wales with registered number 05399993 whose registered office is 18 Upper Brook Street, London W1K 7PU;
"London Stock Exchange"	London Stock Exchange plc;
"Montagu"	Montagu Stockbrokers Pty Ltd;
"New Ordinary Shares"	the Placing Shares and the Consideration Shares;
"Ordinary Shares"	ordinary shares of 0.5 pence each in the capital of the Company;
"Placees"	subscribers for Placing Shares;
"Placing"	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 21 August 2007 between the Company, the Directors, the Proposed Directors, Strand Partners and Montagu, further details of which are set out in the admission document;
"Placing Price"	6.5 pence per Ordinary Share;
"Placing Shares"	the 69,385,000 new Ordinary Shares which are proposed to be issued pursuant to the Placing;
"Proposals"	together, the Acquisition, the Placing and Admission, and the other proposals described in this document;
"Proposed Directors"	Melissa Sturgess and Cedric Bredenkamp;

"Rule 9" Rule 9 of the Takeover Code;

"Shareholders " holders of Ordinary Shares;

"South Africa " Republic of South Africa;

"subsidiary" or "subsidiary undertaking" have the meanings given to them by 1985 Act;

"Takeover Code " the City Code on Takeovers and Mergers;

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