



13 August 2008

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

**Drilling commences at Daguma Coal Project**

---

**Highlights**

- Commencement of core drilling at Daguma
  - Construction of the Daguma camp and core shed completed
  - Geological mapping identifies up to 18m thick coal seam
- 

Dwyka is pleased to announce that diamond drilling of the Daguma coal project ('Project'), located on southern Mindanao, in The Philippines, has commenced on schedule. The drilling programme will enable Dwyka to verify historic results and further define and delineate a JORC-compliant resource.

The initial 5,000 metres of drilling will consist of 25 large diameter drill holes with an estimated depth of 200m. Approximately 500 samples will be sent to Manila for coal quality analysis.

The construction of a 15-man camp and core shed at Daguma has also been completed on schedule and within budget.

The ongoing geological mapping and interpretative desk studies have indicated that the main coal seam may reach a thickness of up to 18m in the central parts of the Daguma deposit.

The initial exploration target is to outline between 125-150 million tonnes of coal with a calorific value of between 5,300 and 5,500 kilocalories per kilogram within the coming 24 months. It is the Company's intention to bring the Project into production during that period.

*(The Company notes that the exploration to date has not defined a JORC compliant Mineral Resource, and that there is no certainty that further exploration will result in the determination of a JORC compliant Mineral Resource)*

The technical exploration and mining information contained in this Notice has been reviewed and approved by Ed Nealon. Mr Nealon is a Dwyka Resources Limited Director and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Guidance Note for Mining, Oil and Gas Companies. Mr Nealon is a member of the Australian Institute of Mining and Metallurgy. Mr Nealon consents to the inclusion in this announcement of such information in the form and context in which it appears.

For further information please contact:

Bernard Olivier (+61) (0) 408 948 182

Ed Nealon (+61) (0) 8 9324 2955

Melissa Sturgess (+44) (0) 78 2555 1307 or [melissa@dwyresources.com](mailto:melissa@dwyresources.com)

**Dwyka Resources Limited**

Richard Brown

Richard Greenfield

**Ambrian Partners Limited**

(+44) (0) 20 7634 4700

Press Enquiries

Charlie Geller/Leesa Peters (+44) 20 7429 6604 or (+44) 75 28 233 383

**Conduit PR**

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

#### **Notes to editors:**

Dwyka is focusing on the diversified minerals sector in order to achieve maximum value for shareholders during the ongoing resource boom.

#### **Coal**

“Dwyka is entitled to progressively acquire an indirect interest of up to 100% in each of two Filipino companies which own the Daguma and Bonanza coal deposits, located in southern Mindanao, The Philippines (“**Daguma Coal Project**”). The Daguma Coal Project comprises 10 coal Blocks, each having an area of approximately 10 square kilometres (giving a total project area of approximately 100 square kilometres). Two of the Blocks (the Daguma Blocks) have been the subject of significant historical drilling (32 holes) and other work, including the completion of a scoping study. The remaining 8 Blocks (the Bonanza Blocks) are also located within the same geological coal basin, termed the Cotabato Basin, and have recently been proven to be coal bearing through a combination of drilling, pitting and trenching. Dwyka considers these Blocks to be highly prospective, with the potential to be of similar size or even exceeding the two main Blocks. The Company is planning to initiate an extensive grid drilling programme on the remaining 8 Blocks, which will enable resource estimation and classification to occur within the next 12 months.

Analysis of the coal located at the Daguma Coal Project suggests that it is of medium calorific value, approximately 5,300 Kcal/kg, making it suitable for both the export market to India and China and for in-country power stations and industrial (cement) purposes. The Philippines has ready demand for coal for power stations and other coal miners in The Philippines are already exporting similar calorific value coal to India, China and Hong Kong.

#### **Nickel**

To that end, Dwyka has a major nickel exploration project underway in Burundi, as well as an exciting gold exploration programme in Swaziland. 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\$5.2 million 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.