



12 June 2008

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

**Kimcor Diamonds plc**

The Directors of Dwyka Resources Limited ('Dwyka' or the 'Company') draws shareholders' attention to the following announcement released by Kimcor Diamonds plc on AIM today. Dwyka holds a 48.2% interest in Kimcor Diamonds plc.

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**KimCor Diamonds plc**  
**(“KimCor” or the “Company”)**

**Capital Program and Production Update**

KimCor (AIM: KIM), the AIM quoted diamond mining company is pleased to provide an update and progress report on the expansion programmes at the company's mining operations in South Africa.

**Highlights**

- **Diamond production during May totalled 5,173 carats compared with previous average monthly production of 1,200 carats;**
- **SMI4 production significantly exceeded expectations**
- **Newlands and Blaauwbosch mine diamond recoveries were in line with budget**
- **SMI4 expansion remains on schedule for a significant further increase in production rate within 6 weeks**
- **Newlands mine to double mining and processing capacity during June**
- **Blaauwbosch mine on schedule for a four fold increase in kimberlite mining during June**
- **The Company remains on target to achieve its objective of producing an annualised diamond production of 150,000 carats for 2008;**
- **May production being held in inventory for sale with June production**

Martyn Churchouse, CEO of KimCor commented “The impact of the capital expansion programmes on the mines is now starting to be reflected in Group diamond production. The Company remains on schedule to complete further expansions at SMI4, Newlands and Blaauwbosch resulting in the production and recovery of 15,000 carats per month. At this level, we will exceed our target of an annualised 150,000 carats during the current year.

During May we have also seen a further reduction in operating costs on every mine and the projected further increases in production and processing rates should see costs continue to fall”.

**SMI4**

During May SMI4 diamond recovery averaged 12.23cpt against a budget of 6cpt.

The new equipment required to take SMI4 processing rates up to 150,000 tonnes per month (“tpm”) will be installed and commissioned by the end of July 2008.

**Newlands**

Newlands mine achieved the budgeted recoverable grades for both kimberlite and tailings during the month. A new crusher circuit was installed during late May and the operation is expected to process 7,000tpm of kimberlite and 23,000tpm of tailings during June 2008.

**Blaauwbosch**

The hoisting from underground and processing of kimberlite at Blaauwbosch mine is expected to increase from 100 to 400 tonnes per shift in June following the completion of a new ore pass that has been a bottleneck to production. This new ore pass is scheduled for completion by 16 June.

### **Nooitegdacht**

The terms of a new strategic alliance are under negotiation with a South African based diamond mining company with particular expertise in large-scale alluvial mining. Initially the proposal would see the existing KimCor processing plant operate at capacity of 45,000tpm with the introduction of a new fleet of haul trucks and excavators for mining. The medium-term objective would be to invest in mobile pan processing plants to replace the existing plant.

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