DWYKA RESOURCES LIMITED

A.C.N. 060 938 552

HALF-YEAR REPORT
31ST DECEMBER 2008

DIRECTORS' REPORT

The Directors present their report for the half-year ended 31 December 2008.

DIRECTORS

The names of the Directors of the Company in office during the half-year and until the date of this report are:

Melissa Sturgess, Terrance McConnachie, Michael Langoulant and Evan Kirby.

Edward Nealon was a director for the full half year and up until his resignation on 19 February 2009.

REVIEW AND RESULTS OF OPERATIONS

CORPORATE

Revised exploration and development strategy

During the half year and in response to the economic turmoil affecting world stock markets and the financial sector generally the Board resolved to adopt a revised exploration and development strategy. The Board's new strategy is to preserve capital during the current economic downturn in order to maximize cash available to the Company for potential future acquisitions. In line with this strategy the Board conducted a review of the Company's portfolio of projects and the expenditure commitments associated with them.

Following this review it was decided to cease exploration activities at the Daguma/Bonanza coal project in the Philippines, on the basis that continuing involvement in that project would have significantly depleted Dwyka's cash reserves by the end of January 2009 with the requirement for a further acquisition payment to the project vendors to be made at that stage. Movements in the AUD:USD exchange rates in the months leading to the decision to withdraw had added approximately 25% to the cost of making such acquisition payments since funds were raised for the project in May 2008. Consistent with the above strategy, the Company has also renegotiated the timetable for its earn-in under the Swazigold Project with the current work programme extended until 30 June 2009.

As a final component of the revised strategy, the Company will on an ongoing basis search for and evaluate suitable acquisition opportunities when economic conditions stabilize and improve. By adopting this strategy the Company has conserved its cash assets such that at 28 February 2009 it held A$15.75 million in cash and cash equivalents.

NICKEL

Muremera Nickel Project

Cessation of Earn-in Agreement with BHP Billiton

In March 2009 Dwyka Resources Limited ("Dwyka" or "the Company"), through its wholly owned subsidiary Danyland Limited secured 100% ownership of the Muremera Nickel Project ("the Project") following an agreement with BHP Billiton for BHP Billiton to withdraw from the February 2007 Shareholders and Earn-in Agreement, ("**BHPB Agreement**"),

Dwyka will retain 100% ownership of the Project even though BHP Billiton has satisfied its earn-in requirements to be entitled to a 10% interest as a result of having invested in excess of US$7.3m into the Project. BHP Billiton has elected to withdraw from the project and has confirmed that it will not seek an interest in Danyland.

As a result, Dwyka will retain all the benefit of the previous exploration programme, camp infrastructure, vehicle fleet and other fixed assets purchased by BHP Billiton for the Project. This excellent outcome brings the infrastructure and other benefits of work completed to date directly to Dwyka and allows the Company the flexibility to proceed with the Project exploration programme alone or identify appropriate partners to assist in its further development.

Recent Exploration Activities

Phase 2 of BHP Billiton's earn-in programme in relation to the Project commenced during the half year and a total of 6 holes were drilled as part of that Phase. Phase 2 predominantly relates to the testing of various targets identified during the initial Phase of exploration, which was completed earlier in 2008. The Phase Two drilling to date has resulted in one target, producing two intersections of massive sulphide of 4.27m and 6.99m at depths between 132.61m to 136.88m and 144.8m to 151.79m, respectively, returning an average weighted composite grade of approximately 1 per cent Nickel equivalent.

Detailed results of those intersections are set out in the table below.

Drill Hole (No)	Depth From (m)	Depth To (m)	Intersection (m)	Ni (% wt avg)	Cu (% wt avg)	Co (% wt avg)
RUJA D001	132.61	136.88	4.27	0.68	0.3	0.11
RUJA D001	144.8	151.79	6.99	0.73	0.33	0.11
RUJA D001	132.61	153.8	21.19	0.49	0.21	0.08

The geological environment at Muremera is similar to that at the nearby Kabanga deposit, which is currently estimated to contain a resource of 48.1 Mt @ 2.72% Ni, 0.38% Cu, 0.51 g/t PGM (3.05% Ni eq.).

About the project

The Muremera licence, owned by the Company's wholly-owned subsidiary Danyland Limited ("**Danyland**"), is located within 2km of the Kabanga project operated by Xstrata/Barrick, the world's largest undeveloped nickel sulphide deposit.

The Kabanga deposit, which is located immediately across the border in Tanzania, was discovered by geophysical prospecting, by the United Nations Development Programme ("**UNDP**"), in 1976. Further UNDP surveys in 1978 resulted in the discovery of the prospective Muremera deposits on the Burundi side of the border. The anomalies have identical characteristics and follow-up work by the UNDP has confirmed that massive sulphide bodies, with nickel mineralisation, are the source of the anomalies. Extensive geophysics and geochemical surveys have delineated numerous targets, however there has been insufficient drilling to date to establish a JORC compliant resource.

GOLD

SwaziGold Project

Recent activities – renegotiation of work programme

In October 2008, Dwyka announced that it had successfully renegotiated the timetable for the work programme (and the corresponding project earn-in schedule) in relation to its Swaziland gold project ("**SwaziGold Project**"), so as to extend the current SwaziGold Project phase to 28 February 2009.

Subsequent to the end of the half year, Dwyka has negotiated a further extension to the SwaziGold Project work programme and earn-in schedule, with a revised deadline for completion of the current project phase of 30 June 2009. Costs in the period to that date will be capped at US$50,000 and the focus of work in that period will be to procure the renewal of the SwaziGold Project licence and to develop a targeted technical and strategic plan to maximise value from the SwaziGold Project deposit. At the end of that period, Dwyka may decide to make certain cash and share-based payments to increase its interest in Swazi Gold Ventures (Pty) Ltd (the holder of a 90% interest in the SwaziGold Project company) from 50% to 70%.

About the project

The Swazigold Project is located in Swaziland, in the highly prospective Archaean Barberton Greenstone Belt that straddles the border between Mpumalanga Province, South Africa and Swaziland. Such Greenstone Belts host many major gold deposits in South Africa, Canada, and Australia, including the giant Kalgoorlie goldfield. The Barberton Greenstone Belt was the location of the first gold discovery in South Africa and subsequent gold rush in 1884. Since that time, the belt has produced 11.5 million ounces of gold. Current underground mines include the Fairview, Sheba and Consort mines of Barberton Mines Limited.

The SwaziGold Project area is a large 425 sq km 'greenfields' exploration play with many targets ranging from 'walk up' advanced drilling targets to promising geochemical anomalies. The prospective licence area comprises more than 40km of strike length containing multiple mineralised structures and more than 40 gold showings. Historic detailed drilling has been restricted to the Wyldsdale, Lomati and Daisy prospects where cumulative drilling by previous owners is in excess of 13,000 metres.

Dwyka's initial conclusion from a review of the geology and of this historic work is that the potential exists for several million tonnes of high grade gold mineralisation.

Shareholders and Earn-in Agreement in relation to Swazigold Project

On 16 July 2007, Dwyka's wholly-owned subsidiary Karrinyup Holdings Limited ("**Karrinyup**") entered into a Shareholders and Earn-in Agreement ("**Swazi Agreement**") in relation to Swazi Gold Ventures (Pty) Ltd ("**SGV**"), the holder of 90% of the issued shares in Swaziland Gold (Pty) Ltd ("**SwaziGold**"), which in turn owns the Swazigold Project.

Under the terms of the Swazi Agreement, Karrinyup has earned a 50% shareholdings in SGV has the right to increase its shareholding in SGV on the following basis:

- US$750,000 worth of project expenditure by 30 June 2009; payment of US$200,000 plus Dwyka shares to the value of US$1,000,000 (at 80% of market price) – Karrinyup earns a further 20% interest (total 70%);

- Payment of US$400,000 plus Dwyka shares to the value of US$1,000,000 (at 80% of market price) by 30 June 2009; project expenditure to reach bankable feasibility stage by 30 June 2011 – Karrinyup earns a further 15% interest (total 85%); and

- Issue of Dwyka shares to the value of US$3,000,000 (at 80% of market price) pursuant to the exercise of an option exercisable at any time within 12 months after the date on which a bankable feasibility study is completed in relation to the Swazigold Project – Karrinyup acquires remaining 15% interest (total 100%).

Under the terms of the Swazi Agreement, Karrinyup is the manager of the Swazigold Project, which is overseen by a management committee in which the vendor shareholder in SGV and Karrinyup each have equal representation. Voting is in accordance with the parties' shareholding percentages in SGV, with the manager having a casting vote in the event of a deadlock.

Karrinyup may withdraw from the Swazigold Project at any time, in which case it will dilute to a 49.9% shareholding in SGV and will relinquish management control. In addition, if such withdrawal occurs after the bankable feasibility stage, Karrinyup will have a 2% royalty with respect to all minerals produced from the SwaziGold Project area.

COAL

Philippines Coal Project

Acquisition of and subsequent withdrawal from Philippines Coal Project

On 17 July 2008, Dwyka announced that it had exercised an option to acquire all of the issued shares in Asian Coal Resources Limited ("**ACRL**"), a company which in turn owned 40% of the Philippines company MANA Resources Development Corporation ("**MRDC**") and held an option to increase that interest to 100%. Contemporaneously, ACRL and MRDC exercised the options that they held under certain agreements ("**Acquisition Agreements**") with the shareholders of the companies owning the Daguma and Bonanza coal deposits located in Southern Mindanao, The Philippines (collectively, "**Philippines Coal Project**"), pursuant to which ACRL and MRDC became entitled to acquire a collective 30% interest in those project companies, with the possibility thereafter of increasing that interest to 100%. As a result of these events, Dwyka became entitled to acquire an indirect initial 30% interest in the Philippines Coal Project, with the ability to increase that interest to 100%.

The Philippines Coal Project comprised 10 coal Blocks, covering a total area of approximately 100 square kilometres, of which 2 Blocks had been the subject of significant historical drilling (32 holes) and the remainder were considered by Dwyka to be highly prospective. Analysis of coal located at the Philippines Coal Project indicated that it was of medium calorific value (approximately 5,300 Kcal/kg) and suggested that it was suitable for supply both to local power stations and export markets.

In the subsequent period to 10 September 2008, initial drilling was undertaken on the two coal Blocks of the Philippines Coal Project comprising the Daguma deposit, with the first of 25 proposed 200 metre diamond drill holes completed in early September. A 15-man camp and core shed was completed at the Daguma site to support the planned initial drilling program. At the same time, Dwyka engaged Sedgman Limited ("**Sedgman**") to conduct a Prefeasibility Study in relation to the Philippines Coal Project, with a view to considering a number of alternative production and engineering approaches for each component of the project to determine the most efficient operating scenarios. Sedgman visited the Philippines in August 2008 for inspection of the project areas and for meetings with local construction companies and haulage contractors and Metaphil was engaged to provide a conceptual design study and costing of port facilities for the possible export of coal from the Philippines Coal Project from the Mindanao port of Kalaong.

Despite the initial drill hole intersecting coal and the results of Sedgman's site visit being favourable, subsequent internal analysis of the coal quality results plus more detailed investigation and modelling of the project logistics indicated that there would likely be a number of engineering, transport and coal upgrading challenges to overcome for the Philippines Coal Project to become a viable producing project for the Company. In addition, the catastrophic global economic downturn that occurred in late 2008 had serious implications for the likely viability of the project, both from the perspective of likely markets for and prices of medium calorific value coal in the short-to-medium term and also as regards the ability of companies such as Dwyka to raise funds on global financial markets in support of resources projects.

In October 2008, in consideration of these factors, the fact that continuing with the proposed work programme for the Philippines Coal Project and making required payments under the Acquisition

Agreements to reach a 30% indirect interest in the project would significantly deplete Dwyka's cash reserves by January 2009 (with the requirement for a further acquisition payment to be made at that time), the Dwyka Board decided that it was in the best interests of shareholders to halt the cash expenditure associated with the Philippines Coal Project. As a result of this decision, which was announced by the Company on 29 October 2008, Dwyka ceased funding exploration work on the project and informed the counterparties under the Acquisition Agreements that it would not make further payments for the acquisition of equity in the Philippines Coal Project.

Although Dwyka has earned an indirect 8% interest in the Philippines Coal Project as a result of acquisition payments made in the period up to the date of its withdrawal from the project the Board has resolved to write down to zero the value of both the investments in the Philippines Coal Project and the exploration expenditure incurred on that project.

OTHER

KimCor Diamonds Plc

During the half year, KimCor Diamonds Plc ("**KimCor**"), in which Dwyka has a shareholding of 48%, announced that it had signed a Sale of Shares Agreement with Belmont Mining Limited ("**Belmont**") pursuant to which KimCor would effectively dispose of its diamond and industrial businesses via the sale to Belmont of all of the shares in the KimCor subsidiaries acting as holding companies for those businesses, in return for Belmont assuming liabilities in relation to those businesses and paying £500,000 in cash to KimCor. The signing of this agreement came in response to a dramatic downturn in the market for rough and unpolished diamonds as a consequence of the global financial crisis and resultant concerns about the future profitability for KimCor of its Southern African-based diamond assets. The agreement, which was subject to the approval of KimCor shareholders in general meeting, became unconditional when such approval was obtained at the KimCor EGM held on 8 January 2009. At that EGM, KimCor shareholders also voted to change the name of the company to Carlton Resources Plc.

ROUNDING OF AMOUNTS

The amounts contained in this Report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class order 98/0100. The Company is an entity to which the class order applies.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, PricewaterhouseCoopers, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on the following page.

Dated at Perth this 13th day of March 2009.
Signed in accordance with a resolution of the Directors.

M Sturgess
Chief Executive Officer

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Auditor's Independence Declaration

As lead auditor for the review of Dwyka Resources Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dwyka Resources Limited and the entities it controlled during the period.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
13 March 2009

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	**Half-year Ended 31 Dec 2008 $'000s**	**Half-year Ended 31 Dec 2007 $'000s**
Revenue from continuing operations			
Other revenue		329	96
		329	96
Other income		11	-
Loss on sale of interest in associate		-	(63)
Share of loss of associate using equity method		-	(822)
Impairment of assets	3	(20,568)	-
Other expenses from continuing operations			
Administration		(1,248)	(1,817)
Depreciation		(24)	(31)
Exploration written off		(1,311)	-
Loss before income tax		(22,811)	(2,637)
Income tax expense		-	-
Loss from continuing operations		(22,811)	(2,637)
Profit from discontinued operations	5	-	12,655
(Loss)/profit for half year		(22,811)	10,018
(Loss)/profit attributable to members of Dwyka Resources Limited		(22,811)	10,018
Basic (loss)/earnings per share (cents)		(12.8)	8.3
Diluted (loss)/earnings per share (cents)		(12.8)	8.3

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31 Dec 2008 $'000s	30 June 2008 $'000s
CURRENT ASSETS			
Cash and cash equivalents		15,635	472
Trade and other receivables		250	20,876
Non-current asset classified as held for sale		678	11,417
Total Current Assets		16,563	32,765
NON-CURRENT ASSETS			
Receivables		-	233
Other financial assets		19	84
Property, plant and equipment		40	66
Exploration, evaluation and mining properties		11,630	11,285
Total Non-Current Assets		11,689	11,668
TOTAL ASSETS		28,252	44,433
CURRENT LIABILITIES			
Trade and other payables		326	815
Total Current Liabilities		326	815
NON-CURRENT LIABILITIES			
Borrowings		373	321
Total Non-Current Liabilities		373	321
TOTAL LIABILITES		699	1,136
NET ASSETS		27,553	43,297
EQUITY			
Contributed equity	4	104,098	97,116
Reserves		2,207	2,122
Accumulated losses		(78,752)	(55,941)
TOTAL EQUITY		27,553	43,297

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR HALF YEAR ENDED 31 DECEMBER 2008

	Half-year Ended 31 Dec 2008 $'000s	Half-year Ended 31 Dec 2007 $'000s
Total equity at beginning of the half year	43,297	7,195
Changes in fair value of available for sale financial assets, net of tax	(65)	(76)
Exchange differences on translation of foreign corporations	23	(28)
Net income recognised directly in equity	(42)	(104)
(Loss)/profit for the half year	(22,811)	10,018
Total recognised income and expense for the half year	(22,853)	9,914
Transactions with equity holders in their capacity as equity holders		
Contributions of equity, net of transaction costs (note 4)	6,982	11,222
Share based compensation reserve	127	299
Write back of exchange differences relating to sale of foreign discontinued operation	-	2,638
Increased equity in subsidiary reserve taken to income and expense in current period	-	575
	7,109	14,734
Total equity at end of the half year	27,553	31,843

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
FOR HALF-YEAR ENDED 31 DECEMBER 2008

	Half-year Ended 31 Dec 2008 $'000s	Half-year Ended 31 Dec 2007 $'000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	76	2,446
Payments to suppliers and employees (inclusive of GST)	(1,676)	(4,849)
Interest received	329	65
Interest paid	-	(193)
Net cash outflow from operating activities	(1,271)	(2,531)
CASH FLOW FROM INVESTING ACTIVITES		
Payments for plant and equipment	-	(8)
Cash disposed of with sale of discontinued operations	-	(229)
Payment for acquisition of subsidiary, net of cash acquired	-	(207)
Proceeds from sale of associate interest	-	673
Payments for available for sale assets	(2,598)	
Payment for exploration/mine development	(1,604)	(709)
Net cash outflow from investing activities	(4,202)	(480)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue costs	(16)	-
Proceeds from issue of shares	20,617	1,446
Net cash inflows from financing activities	20,601	1,446
Net increase/(decrease) in cash held	15,128	(1,565)
Cash and cash equivalents at the beginning of the reporting period	472	4,265
Effect of exchange rate changes on cash and cash equivalents	35	(27)
Cash and cash equivalents at the end of the reporting period	15,635	2,673

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Dwyka Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. SEGMENT INFORMATION

Primary reporting format – Geographical segments

Half-year 2008	Africa $'000s	Australia $'000s	Philippines $'000s	Unallocated $'000s	Discontinued operations $'000s	Consolidated $'000s
Total segment revenue	-	329	-	-	-	329
Segment result	(27)	(11,645)	(11,139)	-	-	(22,811)

Half-year 2007	Africa $'000s	Australia $'000s	Philippines $'000s	Unallocated $'000s	Discontinued operations $'000s	Consolidated $'000s
Total segment revenue	32	-	-	64	2,495	2,591
Segment result	(16)	(1,779)	-	(842)	12,655	10,018

3. LOSS FOR HALF-YEAR

	Half year Dec 2008 $'000s	Dec 2007 $'000s
Loss for the half-year includes the following items that are unusual because of their nature, size or incidence:		
Expenses		
Impairment of non-current asset held for sale	**10,740**	-
Less: Applicable income tax benefit	**-**	-
	10,740	-
Impairment in available for sale financial assets	**9,828**	-
Less: Applicable income tax benefit	**-**	-
	9,828	-
	20,568	-

4. EQUITY SECURITIES ISSUED

Movements in equity securities during the half-year period were:

Date	Details	Issue price	Number of shares	$'000s
Half Year 2008				
Fully paid ordinary shares				
1/7/2008	Opening balance		162,273,039	97,116
22/7/2008	Acquisition of Philippine coal interest	$0.40	17,494,071	6,998
	Less: issue transaction costs			(16)
31/12/2008	Balance		179,767,110	104,098
Employee Share plan shares issued with limited recourse employee loans				
1/7/2008	Opening balance		8,816,667	
31/12/2008	Balance		8,816,667	
31/12/2008	**Total ordinary shares on issue**		**188,583,777**	**104,098**
Half Year 2007				
Fully paid ordinary shares				
1/7/2007	Opening balance		111,579,270	65,580
2/7/2007	Employee share plan loan repaid – proceeds received	$0.52	33,334	17
18/7/2007	Convertible note conversion	$0.74	2,777,778	2,056
20/7/2007	Acquisition of subsidiary	$1.45	3,962,757	5,746
6/8/2007	Payment of final mine purchase consideration	$0.84	2,349,400	1,974
19/9/2007	Employee options exercised	$0.52 & $1.00	1,825,000	1,429
31/12/2007	Balance		122,527,539	76,802
Employee Share plan shares issued with limited recourse employee loans				
1/7/2007	Opening balance		8,000,001	
2/7/2007	Employee share plan loan repaid – shares transferred to ordinary share capital	$0.52	(33,334)	
11/12/2007	Employee share plan issue	$0.915	850,000	
31/12/2007	Balance		8,816,667	
31/12/2007	**Total ordinary shares on issue**		**131,344,206**	**76,802**

5. DISCONTINUED OPERATION

(a) Description

In September 2007 the Company sold its diamond and industrial divisions to the AIM listed KimCor Diamonds Plc. The divisions disposed of were reported in the December 2007 half year report as discontinued operations.

Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 21 September 2007 (December 2007 column) and the half-year ended 31 December 2008.

	Half year	
	Dec 2008 $'000s	Dec 2007 $'000s
Revenue	-	2,495
Expenses	-	(3,835)
Loss before income tax	-	(1,340)
Income tax expense	-	-
Loss after income tax of discontinued operations	-	(1,340)
Gain on sale of the division before income tax	-	13,995
Income tax expense	-	-
Gain on sale of the division after income tax	-	13,995
Profit from discontinued operations	-	12,655
Net cash outflow from operating activities	-	(870)
Net cash outflow from investing activities	-	(182)
Net cash inflow from financing activities	-	-
Net decrease in cash utilised by discontinued operations	-	(1,052)

5. DISCONTINUED OPERATION (continued)

(c) Carrying amounts of assets and liabilities

There were no amounts for assets and liabilities of discontinued operations in either the June 2008 or December 2008 balance accounts.

(d) Details of the sale of the discontinued operations

	Half year Dec 2008 $'000s	Dec 2007 $'000s
Consideration received:		
Value of KimCor Diamonds Plc shares received	-	20,157
Total disposal consideration	-	20,157
Adjustment of reserves relating discontinued operations	-	(2,857)
Carrying amount of net assets sold	-	(3,305)
Gain on sale before income tax	-	13,995
Income tax expense	-	-
Gain on sale after income tax	-	13,995

6. CONTINGENCIES

(a) Contingent liabilities

The Group had no known contingent liabilities as at 31 December 2008 (2007: Nil).

(b) Contingent assets

The Group had no known contingent assets as at 31 December 2008 (2007: Nil).

(c) Commitments

In February 2007 the Company entered into a Memorandum of Understanding (MOU) to acquire a shareholding in Swazi Gold Ventures (Pty) Ltd (SGV). This MOU was converted to an agreement which was completed in July 2007. Under this MOU, subject to exploration expenditure hurdles the Company has the right to increase its interest in SGV and potential cash and share issue commitments as follows:

Interest in SGV	Date and/or expenditure hurdle	Further consideration
70%	Extended to 30 June 2009	Payment of US$200,000 plus Dwyka shares to the value of US1,000,000
85%	30 June 2009	Payment of US$400,000 plus Dwyka shares to the value of US1,000,000
100%	At any time between 30 June 2009 and 30 June 2011 plus funding to bankable feasibility	Dwyka shares to the value of US$3,000,000

At 31 December 2008 the Company had a commitment to issue additional shares to the vendors of the Burundi nickel project in the event that BHP Billiton earned an interest in the project. Subsequent to half-year end BHP Billiton has withdrawn from the project without earning an interest hence this commitment no longer exists.

DWYKA RESOURCES LIMITED

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 8 to 15 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Dwyka Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

M Sturgess
Chief Executive Officer

Dated at Perth, this 13th day of March 2009.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

QV1
250 St Georges Terrace
PERTH WA 6000
GPO Box D198
PERTH WA 6840
DX 77 Perth
Australia
Telephone +61 8 9238 3000
Facsimile +61 8 9238 3999

Independent auditor's review report to the members of Dwyka Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dwyka Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Dwyka Resources Limited Group (the consolidated entity). The consolidated entity comprises both Dwyka Resources Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dwyka Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website http:/www.pwc.com/au/financialstatementaudit.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Liability limited by a scheme approved under Professional Standards Legislation

PRICEWATERHOUSECOOPERS

Independent auditor's review report to the members of Dwyka Resources Limited (continued)

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dwyka Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

Pierre Dreyer
Partner

Perth
13 March 2009

DWYKA RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES

CORPORATE DIRECTORY

DIRECTORS	M Sturgess E Kirby M Langoulant T McConnachie
COMPANY SECRETARY	M Langoulant
REGISTERED OFFICE	Suite 2, 5 Ord Street WEST PERTH WA 6005 Telephone: (+61 8) 9324 2955 Facsimile: (+61 8) 9324 2977
ADVISER AND BROKER	Ambrian Partners Limited 8 Angel Court London EC2R 7HP United Kingdom
AUDITORS	PricewaterhouseCoopers QV1 250 St. Georges Tce PERTH WA 6000 AUSTRALIA
LAWYERS TO THE COMPANY	Australia: Clayton Utz QV1 250 St Georges Tce PERTH WA 6000
SHARE REGISTRY	Australia: Computershare Investor Services Pty Ltd Reserve Bank Building Level 2 45 St George's Terrace PERTH WA 6000 United Kingdom: Computershare Investor Services Pty Ltd Po Box 859 The Pavillions Bridgewater Road Bristol BS99 1XZ UNITED KINGDOM
ASX CODE	Shares: DWY
AIM CODE	Shares: DWY