



DMC MINING LIMITED

ACN 121 513 620

6th May 2009

ASX/MEDIA ANNOUNCEMENT

Convertible Note Update

On 10th December 2008, DMC Mining Limited ("DMC") announced it had entered into a secured convertible note agreement with Dempsey Resources Pty Ltd ("Dempsey"). Dempsey is a wholly owned subsidiary of Cape Lambert Iron Ore Limited ("Cape Lambert") (ASX: CFE).

DMC is seeking shareholder approval for the issue of shares, upon conversion of the Note pursuant to the Convertible Note Deed between DMC and Dempsey, at a General Meeting of Shareholders to be held on 8 May 2009, 9am, Amberley Business Centre, Level 3, 1060 Hay Street, West Perth. All information relevant to the transaction (Resolution 4) is contained in the Notice of General Meeting and Explanatory Statement lodged with the ASX on 8 April 2009.

Dempsey being a wholly owned subsidiary of Cape Lambert, therefore makes Cape Lambert an associate of Dempsey for the purposes of the General Meeting. Cape Lambert does not own any securities in DMC.

About Cape Lambert

Cape Lambert is an Australian domiciled, cashed-up resources and investment company, with interests in a number of resource projects and companies.

During 2008, Cape Lambert sold its Pilbara namesake magnetite project to China Metallurgical Group Corporation ("MCC") and has received AUD\$320 million of the AUD\$400 million sale price. The final cash payment of AUD\$80 million is to be paid by MCC on the grant of a mining lease and related construction approvals in respect of the project.

Cape Lambert's objective is to use its cash reserves to invest in a portfolio of early definition resource assets, principally iron ore and related steel making assets and to add value to those assets to position them for either development and/or sale.

For further information:

David Sumich: Managing Director,

Ph : +61 8 9486 1909

Fax: +61 8 9486 8876

www.dmcmining.com.au