

23 April 2010

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via E-Lodgement

Dear Sir / Madam

CAPE LAMBERT RESOURCES LIMITED INCREASE OFFER CONSIDERATION FOR DMC MINING LIMITED (DMC MINING)

The Board of Cape Lambert Resources Limited (**Cape Lambert**) (ASX:CFE) has today resolved to **increase the consideration** under its offer for all of DMC Mining's Shares (**Offer**) by increasing the cash offered. DMC Mining Shareholders will now be offered **\$0.46 for every one DMC Mining Share they hold**.

The increased Offer of 46 cents cash per DMC Mining Share represents a significant premium to the trading price of DMC Mining Shares prior to announcement of the Offer:

- (a) a 53.33% premium to DMC Mining's share price of 30 cents on 22 March 2010, 1 trading day before Cape Lambert announced its takeover offer for DMC Mining (Announcement Date);
- (b) a 46.04% premium to DMC Mining's volume weighted average price (VWAP) share price in the 3 months leading up to the Announcement Date; and
- (a) a 57.15% premium to DMC Mining's VWAP share price in the 6 months leading up to the Announcement Date.

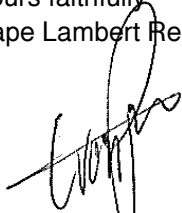
Cape Lambert will be releasing as soon as is practicable the formal documents required to give effect to the above changes to its Offer, including:

- (c) a formal Notice of Variation of Takeover Offer; and
- (d) a First Supplementary Bidder's Statement relating to the above changes to its Offer.

Cape Lambert has a relevant interest in 36.20% of DMC Mining Shares (as of 22 April 2010, the last trading day before this announcement).

Cape Lambert urges DMC Mining Shareholders to accept Cape Lambert's Offer.

Yours faithfully
Cape Lambert Resources Limited



Eloise von Puttkammer
Company Secretary