

9 May 2010



**DMC MINING LIMITED**

ACN 121 513 620

---

**DMC LODGES TARGET'S STATEMENT**  
**EXPERT DETERMINES CAPE LAMBERT OFFER NOT FAIR AND NOT REASONABLE**

---

- **DMC Target's Statement lodged with ASX and despatched to Shareholders,**
- **Independent Expert has determined Cape Lambert's offer of 46 cents per DMC share to be *not fair and not reasonable*, and has determined a valuation range of 50 cents to 56.9 cents per DMC share,**
- **Directors unanimously recommend that you do not accept the Cape Lambert offer at this time.**

West African iron ore explorer and developer, DMC Mining Limited (**ASX: DMM**) ("**DMC**" or the "**Company**") is pleased to confirm that it has lodged its Target's Statement with ASX and is in the process of despatching it to Shareholders.

The Directors of the Company recommend that you do not accept at this time the offer from Cape Lambert Resources Limited to acquire all the shares in DMC for 46 cents per share ("**Cape Lambert Offer**") on the basis that:

- A superior proposal may emerge from Meijin Energy Group Limited ("**Meijin**") or another third party; and
- The Independent Expert has determined a valuation range of 50 cents to 56.9 cents (low and preferred - 50 cents, high - 56.9 cents) per DMC share, which is above the Cape Lambert Offer and consequently that the Cape Lambert Offer is not fair and not reasonable.

DMC Managing Director David Sumich said "DMC Directors will keep Shareholders informed of any material developments and will ensure that Shareholders have sufficient time to consider the recommendations of Directors."

He added "The significant interest in DMC and the Company's West African iron ore assets augurs well for the future of our Shareholders."

Mr Sumich also confirmed that "It is important that Shareholders seek their own investment advice and take into account the Independent Expert's view expressed in the Target's Statement that Cape Lambert's offer is *not fair and not reasonable*, and has determined a valuation range of 50 cents to 56.9 cents per DMC share."

If you have any questions regarding the Directors' recommendation or the Target's Statement in respect of the Cape Lambert Offer, please contact the DMC Shareholder Information Line on 1800 606 449 (from within Australia) or + 61 2 8256 3382 (from outside Australia).

Yours faithfully  
DMC Mining Limited

David Sumich  
Managing Director

For more information contact:

David Sumich  
Managing Director  
DMC Mining Ltd  
Tel: +61 8 9486 1909  
info@dmcmining.com.au

Duncan St John  
Vice president  
RBC Capital Markets  
+61 2 9033 3307  
duncan.stjohn@rbccm.com

Warrick Hazeldine  
Director  
Purple Communications  
+61 417 944 616  
whazeldine@purplecom.com.au