



10 May 2010

DMC MINING LIMITED

ACN 121 513 620

**MEIJIN ENERGY PROCEEDING TO MAKE AN ALL CASH, OFF-MARKET TAKEOVER
OFFER FOR ALL DMC MINING SHARES AT 50 CENTS PER SHARE**

West African iron ore explorer and developer, DMC Mining Limited (**ASX: DMM**) ("**DMC**" or the "**Company**") is pleased to announce that it has received notice from Meijin Energy Group Limited ("**Meijin**") that the preconditions related to it making an all cash, off-market offer for all the shares in the Company have now been satisfied.

Consequently, Meijin intends to make an offer for all of the shares in DMC at 50 cents per DMC share ("**Meijin Offer**").

A copy of Meijin's notice to the Company, which includes conditions to the Meijin Offer, is attached to this announcement (which notice was received by the Company late on 7 May 2010).

The DMC Board will, as soon as practicable, provide a recommendation to Shareholders in respect of the Meijin Offer.

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



The Board of Directors
DMC Mining Limited
Level 1
2 Ord Street
Perth WA 6000

7 May 2010

Dear Sirs

All cash \$0.50 offer for all DMC Mining Limited Shares

Following entry into the Takeover Bid Implementation Deed (**Implementation Deed**) between Meijin Energy Group Limited (**Meijin**) and DMC Mining Limited (ASX: DMM) (**DMC**), Meijin is pleased to confirm that:

- it is satisfied with its due diligence on DMC, DMC's related bodies corporate and their respective businesses;
- it has entered into a pre-bid acceptance deed with Ekul Nominees Pty Limited and David Sumich; and
- it is not aware of any occurrences listed in paragraph 4(c) of Schedule 1 of the Implementation Deed happening since entry into the Implementation Deed.

Accordingly, Meijin wishes to announce its intention to make an off-market takeover offer for all of the shares in DMC (**Offer**).

Meijin's Offer for DMC Mining

Under the terms of the Offer, Meijin will offer A\$0.50 for every one (1) DMC share.

The Offer will extend to DMC Shares which are issued during the period from the date set by Meijin under section 633(2) (the **Register Date**) of the Corporations Act to the end of the Offer Period due to a conversion or exercise of rights attached to securities which exist, or will exist, as at the Register Date.

This Offer is subject to the following conditions:

- At or before the end of the Offer Period, Meijin has a relevant interest in at least 48,700,000 DMC shares; and
- No prescribed occurrences happening (as set out in Schedule 1 of the Implementation Deed, which was disclosed to ASX on 5 May 2007).

Meijin considers that this Offer is an attractive bid, as the Offer is at a premium of 8.7% per DMC Share to the supplementary offer of \$0.46 per DMC Share by Cape Lambert Resources Limited on 22 April 2010.

Meijin is in the process of preparing a formal Bidder's Statement and will lodge that document with the Australian Securities Exchange and Australian Securities and Investments Commission in the near future.

Background Information – Meijin

Meijin was founded in 1981 as a family business, and the company is incorporated in Shanxi Province, China. Meijin was named one of the “Top 500 Enterprises” in China in 2008.

Meijin is the largest commercial coke producer and supplier in China and owns 5 operating mines in Shanxi. Meijin has reported coking coal resources of over 2 billion tonnes and anticipates this to reach up to 20 million tonnes per annum in the next 5 years.

Meijin operates a new 180 MW thermal power station and has built up a 2 Mtpa steel mill. Meijin has met the standards of the ISO 9001 quality control system and the ISO 14001 international environmental control system.

Meijin's current annual production capacity is:

- 9.4 million tonnes of coal washing;
- 6.3 million tonnes of coke;
- 150,000 tonnes of coal tar;
- 50,000 tonnes of raw benzene;
- 55,000 tonnes of ammonium sulphate production;
- 730 million cubic metres of coal gas (being 2 million cubic metres of coal gas per day) to supply Taiyuan city; and
- 2 Mtpa raw steel.



美錦能源集團 MEIJIN ENERGY GROUP

Meijin employs more than 10,000 staff (including over 3,000 professional staff).

Importance to Meijin

As chairman of Meijin, I consider this transaction to be strategically very important for our steel business, having recently completed our 2Mtpa steel mill. We believe that the Mayoko Iron Ore Project may be brought into early production, which is an attractive proposition.

Yours sincerely,

Junliang Yao
Chairman
Meijin Energy Group Limited