

1 June 2010

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

Via E-Lodgement

Dear Sir / Madam

CAPE LAMBERT RESOURCES LIMITED OFFER TO ACQUIRE DMC MINING LIMITED (DMC MINING) - VARIATION OF OFFER

The Board of Cape Lambert Resources Limited (**Cape Lambert**) (ASX:**CFE**) has today resolved to vary its offer for all of the fully paid ordinary shares in DMC Mining (**Offer**) by increasing the cash offered.

DMC Mining Shareholders will now be offered **\$0.53 for every one DMC Mining Share** they hold.

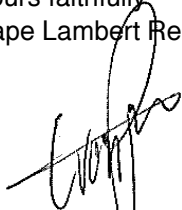
The Offer is now an unconditional cash offer of \$0.53 for every one DMC Mining Share.

Cape Lambert will be releasing as soon as is practicable a formal Notice of Variation of Takeover Offer.

Cape Lambert has a relevant interest in 35.45% of DMC Mining Shares (as of 31 May 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