



## DMC MINING LIMITED

ACN 121 513 620

### RESPONSE TO ANNOUNCEMENT BY MEIJIN ENERGY GROUP LIMITED NOT TO PROCEED WITH OFFER FOR DMC MINING LIMITED

The Directors of DMC Mining Limited ("**DMC**") note the announcement made by the Meijin Energy Group Limited ("**Meijin**") on 22 June 2010 to the ASX, ASIC and DMC ("**Meijin Announcement**") that Meijin has "*determined*" not to proceed with its conditional offer to acquire all of the ordinary shares of DMC (each, a "**DMC Share**") at \$0.53 per DMC Share ("**Revised Meijin Offer**"). Meijin announced the Revised Meijin Offer to the ASX on 21 May 2010.

In the Meijin Announcement, Meijin refers to the unconditional offer by Cape Lambert Resources Limited ("**CFE**") for all the DMC Shares it does not own at \$0.53 per DMC Share ("**Revised CFE Offer**") which CFE announced to the ASX on 1 June 2010. The Meijin Announcement states that Meijin considers that the Revised CFE Offer is a change in circumstances (as contemplated by section 670F of the Corporations Act 2001 (Cth) ("**Act**")) "*that means that Meijin could not reasonably be expected to proceed with the Revised Meijin Offer*".

The Directors of DMC advise that they do not believe that the Revised CFE Offer amounts to a change of circumstances in the sense contemplated by section 670F of the Act. As such, the Directors believe that Meijin is not entitled to rely on that section to determine not to proceed to make the Revised Meijin Offer. **The Directors believe that Meijin must proceed to make the Revised Meijin Offer in accordance with section 631(1) of the Act, or obtain ASIC relief not to proceed.**

Although not relevant to Meijin's obligation to proceed with the Revised Meijin Offer in accordance with section 631(1) of the Act, the Company also disputes the purported termination by Meijin of the Takeover Bid Implementation Deed dated 4 May 2010 between DMC and Meijin by notice to DMC on 22 June 2010, as noted in the Meijin Announcement.

Yours sincerely

**DMC Mining Limited**

**David Sumich**  
**Managing Director**