



22<sup>nd</sup> September 2009

**DMC MINING LIMITED**

ACN 121 513 620

ASX / Media Release

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## A\$4M Placement Completed

### Capital Raising to Support Diamond Drilling Programme on The Mayoko Iron Ore Project

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West African iron ore company DMC Mining Limited (ASX:DMM – “DMC” or “the Company”) is pleased to announce the completion of a share placement to institutions and eligible investors to raise A\$4 million.

The funds raised through the placement will strengthen DMC’s financial position and underpin the diamond drilling programme scheduled to commence in October on the company’s Mayoko Iron Ore Project in the Republic of Congo (“ROC”), where an exploration target of 0.7 – 1.0 billion<sup>1</sup> tones of itabirite iron ore was recently announced.

Leading Australian financial services firm Patersons Securities Limited acted as Lead Manager to the Placement.

Cape Lambert Iron Ore Limited, DMC’s largest shareholder with ~36% of the issued shares of DMC, has participated in the placement pro-rata to their existing holding, subject to shareholder approval.

DMC’s Managing Director, David Sumich, said “This is a significant step in the development of the Mayoko Iron Ore Project. The placement will supplement our existing cash reserves to ensure the company has funding in place to complete the planned drilling programme”

“We are also very pleased that our major shareholder, Cape Lambert, has continued to support the company by being part of the placement and maintaining its holding percentage in DMC”

#### Details of the Issue

The placement will be completed in two tranches:

- Tranche 1: Placement of 9,958,000 shares to Australian eligible institutions and investors at A\$0.25 to raise \$2,489,500 (within the Board’s 15% capacity for the issue of securities) – expected to take place on or about 25<sup>th</sup> September 2009.
- Tranche 2: Placement of 6,042,000 shares at A\$0.25 to raise A\$1,520,500 (predominantly to Cape Lambert) – where the Cape Lambert portion is subject to shareholder approval.

A notice of extraordinary general meeting will be dispatched as soon as the regulatory approvals have been obtained. The meeting is expected to take place late October 2009.

## About DMC Mining Limited

DMC is an Australian listed company (stock code: DMM) whose principal asset, currently held through its 80% owned subsidiary DMC Iron Congo SARL, is the Mayoko Iron Ore Project in the Republic of Congo ("ROC"). Based in Perth, the Company listed on the Australian Securities Exchange in July 2007.

Recently, DMC completed an access agreement for use of the Mayoko to Point Noire Rail Line. The rail line passes within 2.2km of the Mt Lekoumou deposit and connects directly to the wharf at the deep water port of Pointe Noire. The initial assessment of the rail line is that it is capable of transporting at least 11Mtpa (source: GRD Scoping Study – Mayoko Iron Ore Project – June 2008).

In addition, DMC has recently completed a Memorandum of Understanding ("MOU") with the Port Authority of Pointe Noire ("PAPN"). Under the MOU, DMC can undertake assessment and design of infrastructure required to export iron ore from the existing port or other areas nearby owned and operated by PAPN.

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The contents of this report relating to exploration and mineral resources are based on information compiled by Kim Bischoff, a Member of the Australasian Institute of Mining and Metallurgy. Mr Bischoff is a Non-executive Director of DMC Mining and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bischoff consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

<sup>1</sup> The estimates of exploration target sizes mentioned in this release should not be misunderstood or misconstrued as estimates of Mineral Resources. The estimates of exploration target sizes are conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.