

21 May 2010



DMC MINING LIMITED

ACN 121 513 620

DMC ACKNOWLEDGES REVISED MEIJIN OFFER

TAKE NO ACTION until DMC Directors provide a recommended course of action

West African iron ore explorer and developer, DMC Mining Limited (**ASX: DMM**) ("**DMC**" or the "**Company**") wishes to advise Shareholders that it has today received the attached notice from Meijin Energy Group Limited ("**Meijin**") that it has increased its offer for DMC shares from \$0.50 per DMC share to \$0.53 per DMC share ("**Revised Meijin Offer**").

The DMC Board of Directors ("**DMC Directors**") recommends that Shareholders **TAKE NO ACTION** until such time as the DMC Directors have had an opportunity to consider the changes to the Revised Meijin Offer in light of the competing unconditional off-market, takeover offer from Cape Lambert Resources Limited of \$0.50 per DMC share ("**Cape Lambert Offer**").

The DMC Directors will provide Shareholders with a recommended course of action in due course.

If you have any questions regarding changes to the Cape Lambert Offer or Revised Meijin 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

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

20 May 2010

Dear Sirs

All cash \$0.53 offer for all DMC Mining Limited Shares

Further to the letter from Meijin Energy Group Limited (**Meijin**) to DMC Mining Limited (ASX: DMM) (**DMC**) dated 7 May 2010 regarding Meijin's intention to make an off-market takeover offer for all of the shares in DMC (the **Offer**), Meijin wishes to make a further announcement in relation to its intention to make the Offer.

Meijin's Offer for DMC

Under the terms of the Offer, Meijin will now offer A\$0.53 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) of the *Corporations Act 2001* (Cth) (the **Register Date**) 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 Takeover Bid Implementation Deed between Meijin and DMC, which was disclosed to ASX on 5 May 2010).

Meijin considers that this Offer is an attractive bid, as the Offer is at a premium of 6% per DMC Share to the current offer of \$0.50 per DMC Share by Cape Lambert Resources Limited on 10 May 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.



美錦能源集團 MEIJIN ENERGY GROUP

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 3 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:

- 7.4 million tonnes of coal washing;
- 5.3 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.

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